



HINDUSTAN ZINC



REINFORCING THE CORE



HINDUSTAN ZINC LIMITED 2012-13 ANNUAL REPORT



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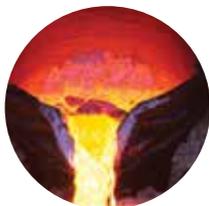
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In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking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

LEADERSHIP IS NOT AN ABSOLUTE ATTRIBUTE,
IT NEEDS TO BE EARNED AND RETAINED EVERY MOMENT
BY **STRENGTHENING THE CORE.**

Growth

At Hindustan Zinc Limited, we have achieved three-fold growth in our operations in the last 10 years. Our ongoing mining expansion programme will enhance our mined metal output from a record 870,000 MT in FY2013 to 1,200,000 MT over the next few years.

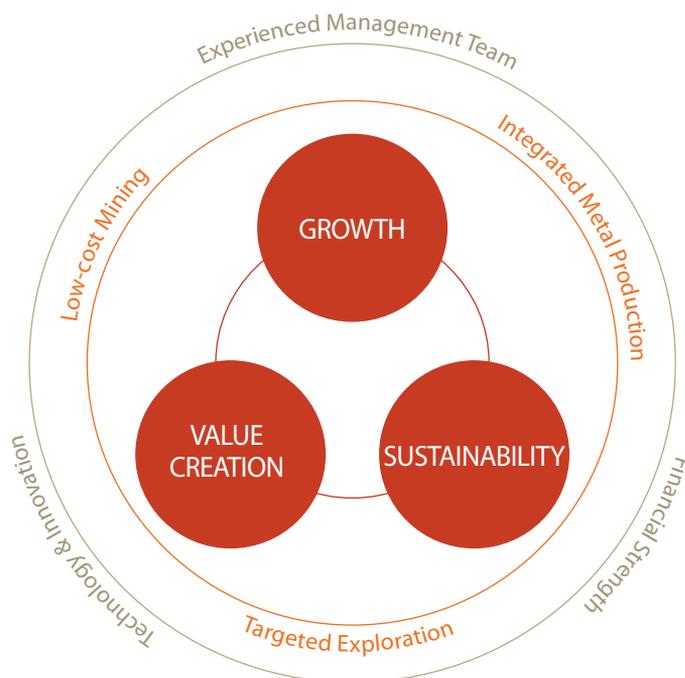
Value creation

We are enhancing value for our shareholders by leveraging existing assets, focusing on our core competencies and unlocking potential of our resources.

Sustainability

We are strengthening business prospects through consistent efforts to ensure sustainability of resources, inclusive growth of communities and unflinching safety of all our operations.

We sustain leadership by increasing production, lowering operational cost and expanding our mineral resource base. We develop skilled human assets and deploy advanced technologies to enhance efficiency and drive environmental compliance. The result is a sustainable business model that generates financial robustness to facilitate growth.



ON-GROUND INITIATIVES REINFORCING THE CORE



In FY 2013, we committed substantial investments in capacity expansion of existing mines and development of new mines.

This involves six major projects that will be completed over the next six years to increase our mined metal production to 1.2 million MT per annum over the next few years. These growth plans are expected to increase our share in the global zinc market to an estimated 7% from the current 5.6%*.

(*Wood Mackenzie, March 2013)



We have a strong focus on value creation and value enhancement through asset optimisation. Our efforts are directed towards improving asset availability, utilisation and efficiency.

Further, employing best-in-class technologies and processes to improve recoveries of our main products and saleable by-products continues to remain our key focus area. During the year, we significantly improved our recovery of silver.

Our future growth will be balanced with a commensurate reduction in environmental impact. During the year, we achieved 6% reduction in water consumption at our operations. As we increase underground mining in future years and operate smelters with higher efficiency, our energy consumption should see a meaningful decline. Our various clean development mechanism projects on waste heat recovery and wind power have an annual certified emission reduction potential of over 600,000 MT of CO₂.



25+ YEARS
MINE RESERVES &
RESOURCES



348.3 MILLION
MT
RESERVES AND
RESOURCES



10.25 MILLION
MT
PER ANNUM ORE
PRODUCTION
CAPACITY



1.0+ MILLION
MT
PER ANNUM
ZINC-LEAD METAL
PRODUCTION
CAPACITY



Workplace safety is deeply embedded in our operational framework and is indispensable for business sustainability.

During the year, we reduced our Lost-Time-Injury-Frequency-Rate (LTIFR) by 42% and initiated several programmes to strengthen a safety culture among employees and contractors. However, with the safety goal of Zero Harm to people, we understand that we have a long way to go. We reaffirm our focus and commitment in this direction.



Beyond the realm of business, our social-outreach initiatives touch over 5,00,000 people, helping them rise above challenges and create their own identity in the society.

During the year, we focused on high-impact projects like rural sanitation, model school development and Integrated Panchayat Development Programme to enhance the quality of life and socio-economic well-being of our communities.

Across business opportunities and adversities, economic crests and troughs, and volatile pricing of commodities, we continue to reinforce our core by the collective expertise and experience of our people.



474 MW
CAPTIVE POWER



299 MW
GREEN POWER



6000+
HUMAN CAPITAL



500,000+
LIVES IMPACTED

STRONG FUNDAMENTALS STABLE PERFORMANCE

We are one of the world's largest integrated producers of zinc-lead and a leading producer of silver globally. Subsidiary of the NYSE listed, Sterlite Industries (India) Limited and London listed FTSE 100 diversified metals and mining major, Vedanta Resources plc.

Vision

To be the world's largest and most admired zinc-lead & silver Company

Mission

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

Values

Entrepreneurship

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

Growth

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

Excellence

Achieving excellence in all that we do is our way of life. We strive to maximise metal recovery and focus on constantly achieving a top decile cost of production in each of our businesses. To attain this, we follow a culture of best practice benchmarking.

Trust

The trust that our stakeholders place in us is key to our success. We recognise that we must responsibly deliver on the promises we make to earn that trust. We constantly strive to meet and exceed expectations of our stakeholders, be they our customers, vendors, shareholders, bankers, regulatory & governmental authorities or employees.

Sustainability

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

Listings/Tickers
BSE: 500188
NSE: HINDZINC

Accolades

Sustainability

- BSE Social & Corporate Governance Award
- CII-ITC Sustainability Award 2012 –‘Commendation for Significant Achievement’
- International Green Environment Apple Award from The Green Organisation
- Green Manufacturing Excellence Award to Chanderiya Lead-Zinc Smelter by Frost & Sullivan

Corporate

- Gold Award at ‘The Economic Times Indian Manufacturing Excellence Award 2012’
- ‘Strong Commitment to HR Excellence’ CII National HR Excellence Award
- NASSCOM IT User Award
- CIO 100 Award from CIO Magazine
- Par Excellence Award at National Convention on Quality Concept Circles 2012
- Dun & Bradstreet Corporate Award in ‘Non-ferrous Category’ Top 500 Corporate Award

1ST

WORLD’S LARGEST INTEGRATED ZINC PRODUCER

2ND

LARGEST ZINC-LEAD MINER GLOBALLY WITH OVER 10 MILLION MT OF ORE PRODUCTION CAPACITY

3RD

LARGEST ZINC-LEAD SMELTER GLOBALLY WITH OVER 1.0+ MILLION MT OF PRODUCTION CAPACITY

(Rankings calculated from Wood Mackenzie, March 2013 Long Term Outlook)



HZL SHG 99.995" Zinc ingot

EXTENSIVE CANVAS OF OPERATIONS

CUMULATIVE OPERATING CAPACITIES PER ANNUM

10,250,000 MT
ORE MINING

823,000 MT
ZINC SMELTING

185,000 MT
LEAD SMELTING

518 MT
SILVER REFINING

474 MW
CAPTIVE POWER

274 MW
WIND ENERGY

Note: In addition to silver, sulphuric acid is also a by-product where our capacity is 1.74 million MT per annum



Rampura Agucha open cast mine

MINES

	Rampura Agucha	Sindesar Khurd	Rajpura Dariba	Zawar
Reserves*	62.7 mt	21.4 mt	10.6 mt	9.5 mt
Resources*	46.1 mt	63.6 mt	40.6 mt	66.9 mt
Reserve Grade Zn	13.6%	4.5%	6.5%	3.7%
Reserve Grade Pb	1.8%	2.5%	1.6%	2.0%
Ore Production Capacity**	6.15 mtpa	2.0 mtpa	0.90 mtpa	1.2 mtpa
Captive Power Plant	-	-	-	80 MW

* Reserves & Resources in million MT (mt)

** Ore Production Capacity in million MT per annum (mtpa)

Note:

1. Reserves and Resources at the planned mine at Kayad are 5.4 million MT and 5.9 million MT, respectively.
2. Reserves and Resources at the planned mine at Bamnia Kalan are nil and 15.6 million MT, respectively.
3. Resources are exclusive of Reserves

SMELTING AND POWER

Chanderiya Smelting Complex	Dariba Smelting Complex	Wind Power Plants (MW)		Zinc Smelter Debari
Pyrometallurgical Lead Zinc Smelter		Rajasthan	88.8	
Zinc	105,000 MT	Gujarat	88.8	
Lead	35,000 MT	Maharashtra	25.5	
		Karnataka	49.4	
		Tamil Nadu	21.0	
Hydrometallurgical Zinc Smelter: 420,000 MT	Hydrometallurgical Zinc Smelter: 210,000 MT			Hydrometallurgical Zinc Smelter: 88,000 MT
Ausmelt™ Lead Smelter: 50,000 MT	Lead Smelter: 100,000 MT			
Captive Power Plant: 234 MW	Captive Power Plant: 160 MW			

Note:

1. Additional facilities in the state of Uttarakhand for processing and refining of zinc, lead and silver
2. Excludes Zinc Smelter Vizag presently not in operation

VISION EXPANDS VALUE MULTIPLIES

Our vision and operational focus help accelerate the value that we generate for stakeholders

NET REVENUE FROM OPERATIONS

(₹ in Crores)

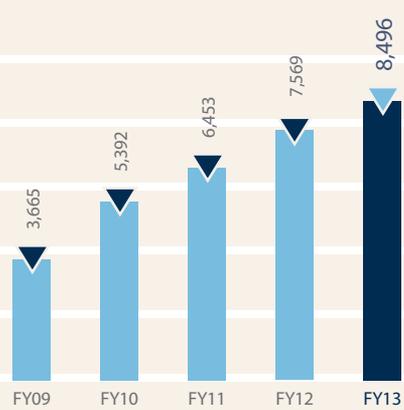
▲11%



PBDIT*

(₹ in Crores)

▲12%



PROFIT FOR THE YEAR

(₹ in Crores)

▲25%



* Profit before Depreciation, Interest & Taxes

EPS**

(₹)

▲25%



**Earnings per Share

NET WORTH

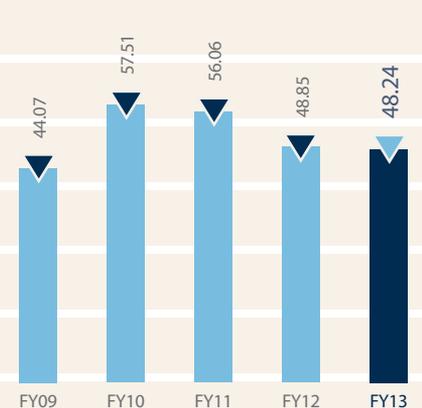
(₹ in Crores)

▲20%



ROCE***

(%)



*** Return on Capital Employed

(*) Includes Other Income

(**) The EPS figures have been reworked for FY 2008 to FY 2010, to give effect of subdivision of shares and the allotment of bonus shares. The existing equity shares of ₹ 10 each were subdivided into 5 equity shares of ₹ 2 each and bonus shares in the ratio of 1:1 (post-split) were allotted on March 9, 2011

(***) Excludes treasury corpus and treasury income

MONUMENTAL SCALE OF OPERATIONS

An understanding of the long-term nature of our business and a commitment to sustainability have enabled us to grow the scale of operations

MINED METAL (MT)					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Zinc	651,494	682,772	752,125	738,569	764,671
Lead	83,802	85,848	87,928	91,863	105,529
TOTAL	735,296	768,620	840,053	830,432	870,200

REFINED ZINC (MT)					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Integrated	551,724	578,411	693,335	752,265	659,971
Custom	-	-	19,136	6,451	16,950
TOTAL	551,724	578,411	712,471	758,716	676,921

REFINED LEAD (MT)					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Integrated	65,332	71,627	63,192	89,192	106,753
Custom	-	-	-	9,532	18,063
TOTAL	65,332	71,627	63,192	98,724	124,816

REFINED SILVER (MT)					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Integrated	132	176	179	237	322
Custom	-	-	-	5	86
TOTAL	132	176	179	242	408

DECLINING LOST TIME INJURIES PER MILLION MAN-HOURS WORKED (LTIFR)					
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
	3.70	3.75	2.40	1.97	1.14

OPERATIONAL HIGHLIGHTS

STRONG OPERATIONAL PERFORMANCE WITH **RECORD** MINED METAL PRODUCTION

HIGHEST EVER REFINED LEAD AND SILVER PRODUCTION

UNDERTAKING **NEXT PHASE OF GROWTH TO** ACHIEVE 1.2 MILLION MT PER ANNUM MINED METAL PRODUCTION

RESERVE AND RESOURCE BASE INCREASED TO 348.3 MILLION MT, ENSURING OVER **25 YEARS MINE LIFE**

ACHIEVED **42%** REDUCTION IN INJURY FREQUENCY RATE

DEVELOPMENT ORE FROM RAMPURA AGUCHA UNDERGROUND AND KAYAD MINES

CHAIRMAN'S LETTER



Our resolute performance in FY 2013 shows our unwavering focus on production growth. Even in the backdrop of challenging market conditions, we continued to report healthy financial performance with 12% increase in operating profit and 25% in profit for the year. We will maintain our operational growth over the next few years as we execute the next phase of growth, which will enhance our global market share in zinc-lead-silver.

Market scenario

FY 2013 was a challenging year, given the volatility in global commodities markets. The markets witnessed positivity at the beginning of the year, then weakened midway, before resurfacing to end the year at a higher level. The demand for zinc, our primary metal, was steady during the year, as emerging economies led the growth in metal consumption. While demand was subdued in the Americas and China, it was better than what we had expected. Leading global zinc producers have reported considerably flat mine production growth, a trend that we think will continue in future given the lack of major new projects and closure of existing mines.

Counter strategy

Our strategy to tide over these challenges has been to increase production, control costs, grow our market share in our focus regions and increase our presence in emerging markets.

I am happy to report that in FY 2013, we delivered record mine production, record refined lead and silver production, maintained our market share in India at 82% and entered new markets in Southeast Asia and Africa.

Expansion roadmap

We are motivated by our mandate to create value for our investors by increasing net present value of our mines by increasing production and adding to reserves & resources to maintain a mine-life of 25+ years.

During the year, we announced the next phase of growth that will increase our zinc-lead mined metal production capacity to 1.2 million MT annually. Our mining projects are low-risk, as we are expanding at our existing locations: Rampura Agucha Mine (RAM), Sindesar Khurd Mine (SKM), Zawar Mine and Rajpura Dariba Mine (RDM), where we have excess land, ore bodies are well-known and enhancement of existing environmental clearances is relatively easier.

Additionally, the new mines at Kayad and Bamnia Kalan have the advantages of proximity to our existing infrastructure. Kayad is an extension of RAM, while Bamnia Kalan lies in the Rajpura Dariba belt. The mines will be developed using best-in-class technology and equipment including two shafts that will be sunk at RAM and SKM that will accelerate the pace of ramp-up at these mines.

Our experienced leadership is instrumental behind the success of our growth plan. Since 2002, our operations team has successfully executed growth projects and constantly improved the quality of our assets by enhancing productivity. In addition, we have hired the best of global mining consultants and contractors to support our operations teams and ensure highest level of productivity.

India has tremendous potential for exploration and we are one of the most active mineral explorers.

India is a resource-rich country with significant potential zinc-lead deposits in Rajasthan, where we have our operations. By no means this belt has been fully explored. We are exploring more and more every year at our existing mines and strengthening our reserves & resources. In addition, we are actively exploring greenfield sites across the country.

I am happy to report that we are one of the most active mineral explorers in India with a greenfield exploration plan of over 35,000 sq. km. We have been the pioneers in bringing some of the best-in-class technologies to the country. Our exploration efforts have consistently yielded positive results and we believe there are promising deposits in India, which can be developed into world-class mines in future.

Corporate governance

We are committed to high standards in corporate governance and aim to implement best practices beyond compliance requirements.

Our Board currently comprises eight directors, including a majority of independent directors with varied expertise. To make the Company a woman-friendly organisation, a Women Interactive Network was formed during the year to nurture women leaders of tomorrow by offering equal opportunities for professional development and promoting a safe workplace.

Sustainability

As a socially responsible corporate citizen, we have made sustainable efforts to uplift rural communities in the vicinity of our operations. In FY 2013, we invested ₹ 43 Crores in our social programs, and plan to increase it in the coming years.

We focus on providing nutrition to children through adoption of state-run Anganwadi (crèche) centres; promoting women empowerment through self-help groups; providing vocational training to young

people; organising health and medical camps; facilitating agriculture and livestock development; and model village development, among others. These programmes are bringing significant changes in the lives of over 500,000 rural people in Rajasthan.

Safety is of utmost importance for us. During the year, we significantly reduced total recorded injuries. Despite our best efforts towards safety, I regret to report that we had seven fatalities during the year, which is unacceptable. We have initiated several programmes to enhance a comprehensive safety culture within the organisation. We have commenced a 'Consequence Management System' for all injuries and fatalities to establish line accountability and initiate progressive discipline. We have shifted the focus of review system towards hazard identification and near-misses to achieve our target of zero harm.

Our efforts towards sustainability and governance were recognised by leading organisations. During FY 2013, we were awarded BSE Social and Corporate Governance Award and CII-ITC Sustainability Award. I congratulate our team for this recognition.

Since we operate in semi-arid regions of Rajasthan, we have to be innovative in water management. We are a near zero water discharge Company and in FY 2013 we started projects to reduce our intake of fresh water. Adiabatic cooling towers were installed at Dariba Smelting Complex to achieve more than 70% reduction in water for process cooling. Another project, which deserves mention is an Urban Sewage Treatment Plant that we are setting up in collaboration with the city of Udaipur. The plant will treat most of the city's sewage, which currently flows into lakes and serve as a sustainable source of water for our operations. Such initiatives show our commitment to safeguarding the environment.

Way forward

Our overall performance in FY 2013 will set the stage for sustainable growth in future.

I am excited about the resource potential of our country and our next phase of growth will be a firm step in harnessing this potential. With sustainability as the cornerstone of our operations, I am confident about the Company's future.

Warm Regards,

Agnivesh Agarwal
Chairman

OPERATIONAL STRENGTH

Our Tier-1 mining assets that have high grades and good mineralogy, coupled with integrated nature of operations and 25+ years of mine life have positioned us as the world's leading zinc-lead-silver producer with lowest cost base



Geology of mines supports high ore grades and high metal recoveries



Latest generation smelters support high metal recoveries of over 95%



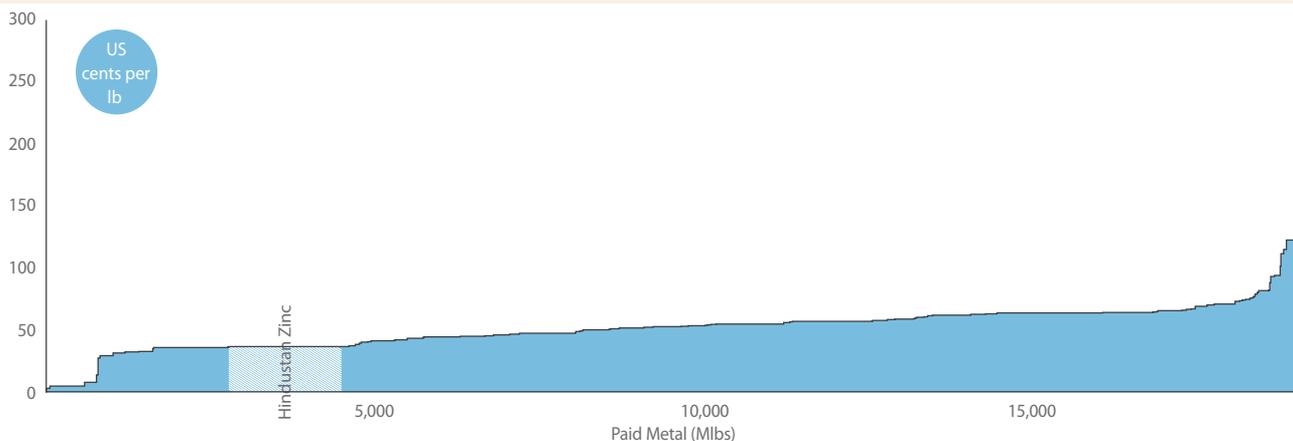
Pan-India exploration supporting strong reserves & resources base



Significant by-product recoveries

We are ranked in the lowest quartile of global zinc C1 Cost Curve by Wood Mackenzie, a leading global industry expert.

ZINC MINE COMPOSITE C1 CASH COST CURVE



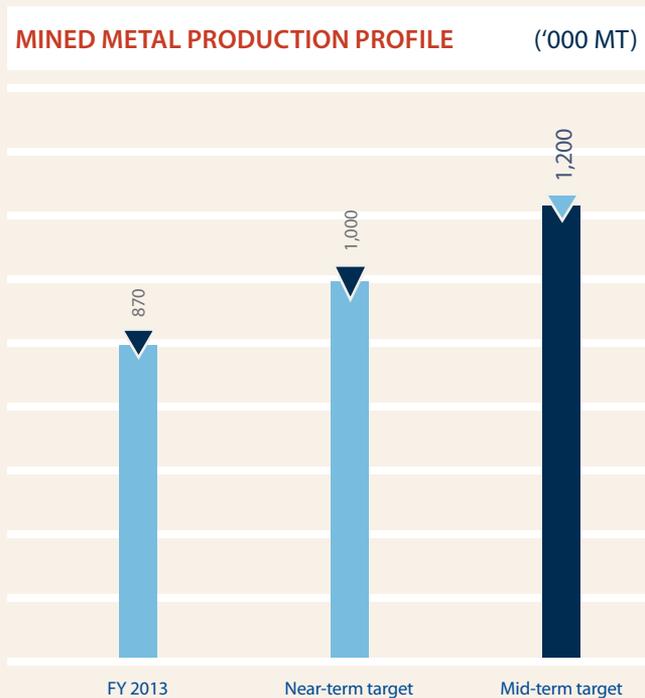
Source: Wood Mackenzie, Q2 2013 Dataset

LONG-TERM GROWTH IS THE CONSEQUENCE OF FIRMLY ANCHORED STRATEGIES

In FY 2013, we commenced our next phase of growth.

Six major mining projects and expansions will be completed over the next six years to increase our mined metal production capacity by 20% at an annual outlay of about US\$250 Million

A combination of cutting-edge technology-driven equipment and know-how of global mining experts will help us develop the mines. These initiatives will ensure high productivity levels at low costs, enabling us to maintain our position as one of the lowest-cost producers globally.



EXPANSION PLANS* ACROSS ALL LOCATIONS

3.75 MILLION MT PA
UNDERGROUND MINE
AT RAMPURA AGUCHA

1.75 MILLION MT PA
SINDESAR KHURD MINE

3.8 MILLION MT PA
ZAWAR MINES

0.3 MILLION MT PA
RAJPURA DARIBA MINE

1.0 MILLION MT PA
KAYAD MINE

Also a small new mine at Bamnia Kalan in Rajpura Dariba belt

* In terms of ore production capacity

EFFICIENCY IS THE RESULT OF CRITICAL AND COORDINATED INITIATIVES



Adiabatic cooling towers at Dariba

Water conservation – adiabatic cooling tower for zinc smelter

At Dariba Zinc smelter, induced draft cooling towers were used in acid plant and gas cleaning plant for process cooling. These towers worked on the principle of induced draft and evaporation of water to remove the process heat. The total water consumption per month was 37,000 m³.

As part of water conservation initiatives, adiabatic cooling towers were installed in place of induced draft cooling towers. The water consumption for acid plant cooling tower was reduced from 22,000 m³ to 800 m³ per month and for gas cleaning plant from 15,000 m³ to 200 m³ per month, resulting in a total saving of 36,000 m³ per month.

Silver recovery from anode mud in lead plant

Anode mud is deposited on anode in zinc smelter cell house during electrowinning of zinc and is filtered as cake. We produce over 3,000 MT of anode mud in a year, which is disposed of in secured landfills, as there is no market for it.

Anode Mud consists of manganese (40% to 50%), lead (5% to 15%) and silver (300 to 1000 ppm), among other metals. To recover some of these marketable metals and reduce solid waste generation, a trial was conducted at Dariba lead plant to recover lead and silver from anode mud.

The initial trial was successful, resulting in the production of high-quality lead and silver with upto 90% recovery.

Installation of Hot Gas Precipitator (HGP) dust treatment plant to recover lead and silver

HGP dust typically contains 5-6% cadmium, 60% lead and 400 ppm silver, which cannot be recycled in the system due to its cadmium content. We decided to conduct in-house process design, based on our experience of pilot scale operation of HGP dust leaching at our R&D facility and process design report from an international consultant. A plant is being erected and expected to commission in 2013, which will treat 4,400 MT of HGP dust every year.

This initiative will lead to incremental silver and lead production of 1.6 MT and 2,400 MT, respectively



Froth Sense Technology at Sindesar Khurd

Froth Sense technology for Zn/Pb recovery improvement at Sindesar Khurd mine

We have installed Froth Camera at Sindesar Khurd Mine. The Froth Sense technology is an advanced innovative image analysis technology for online measurement of flotation froth properties.

We have achieved 1% recovery improvement for both zinc and lead

Float-Star level stabiliser at Rampura Agucha for improvement in lead recovery

As a part of our continuous drive for metallurgical process improvement across all plants, we engaged an international consultant to conduct integrated plant analysis, who after critical review of the processes, recommended the installation of Float-Star level stabiliser to improve lead recovery. It is an advanced process control, yielding better recoveries.

This system is being commissioned and we are expecting up to 1% improvement in lead recovery

Use of Pro Float (Magnetic Agglomeration) for improvement in zinc recovery

Pro Float is a magnetic conditioning technology used to agglomerate fine paramagnetic minerals to increase zinc recovery in flotation circuit. It involves practically no maintenance except to maintain the air pressure. Implementing this technology spanned several months involving extensive tests and sampling. This has been installed at Stream 2 at Rampura Agucha mine.

We have consistently obtained very encouraging results with a minimum 0.4% increase in zinc recovery.

Technology upgrade - APC for Roaster

Roaster throughput is linearly related to the temperature of its bed. Bed temperature is predominantly controlled by feed rate and fluid air rate/oxygen flow. Previously, this control was done manually, which resulted in significant deviation of off-gas temperature. To upgrade the technology for roaster bed temperature, advanced process control was installed for roaster, which led to a reduction in standard deviation of maximum bed temperature from 15.37° C to 8.28° C, while roaster outlet temperature standard deviation reduced from 26.49° C to 12.82° C.

This resulted in higher roaster throughput by 0.22 MT per hour.

INDUSTRY SCENARIO ZINC



Zinc ingot stacking robot

The market outlook stays strong, as the developing markets underpin global growth. Even as a continued economic slowdown in developed market in 2012 pulled down demand for zinc and lead, the construction and heavy industrial sectors showed particular strength. Besides, the long-awaited recovery of the Chinese economy helped buoy zinc markets in the latter half

Going forward, a supply shortage is projected while at the same time robust demand is expected as growth continues and broadens in the emerging countries, fuelled by rapid industrialisation and infrastructure development. This combination of increasing global zinc demand, along with lagging supply due to closures of some major zinc mines in 2013 and 2014, is expected to result in an imbalance, creating an opportunity for us. The imbalance is expected to get acute in 2015 and 2016.

GLOBAL ZINC MARKET

CY 2012	Volume ('000 MT)	Growth Rate (%)
Mine Production	13,340	6
Smelter Production	12,591	-3
Consumption	12,808	2

Source: Wood Mackenzie, March 2013 Long Term Outlook

Outlook stays positive for developing countries

The global zinc consumption is expected to gain momentum and grow at over 5% in the near term, as compared to 2% demand growth in 2012. Galvanising sector's growth in the emerging economies, triggered by urbanisation and industrialisation, will enhance the intensity of zinc use, thus driving global zinc demand. The expected economic recovery of China, along with expanding demand from emerging economies, is also likely to help accelerate demand.

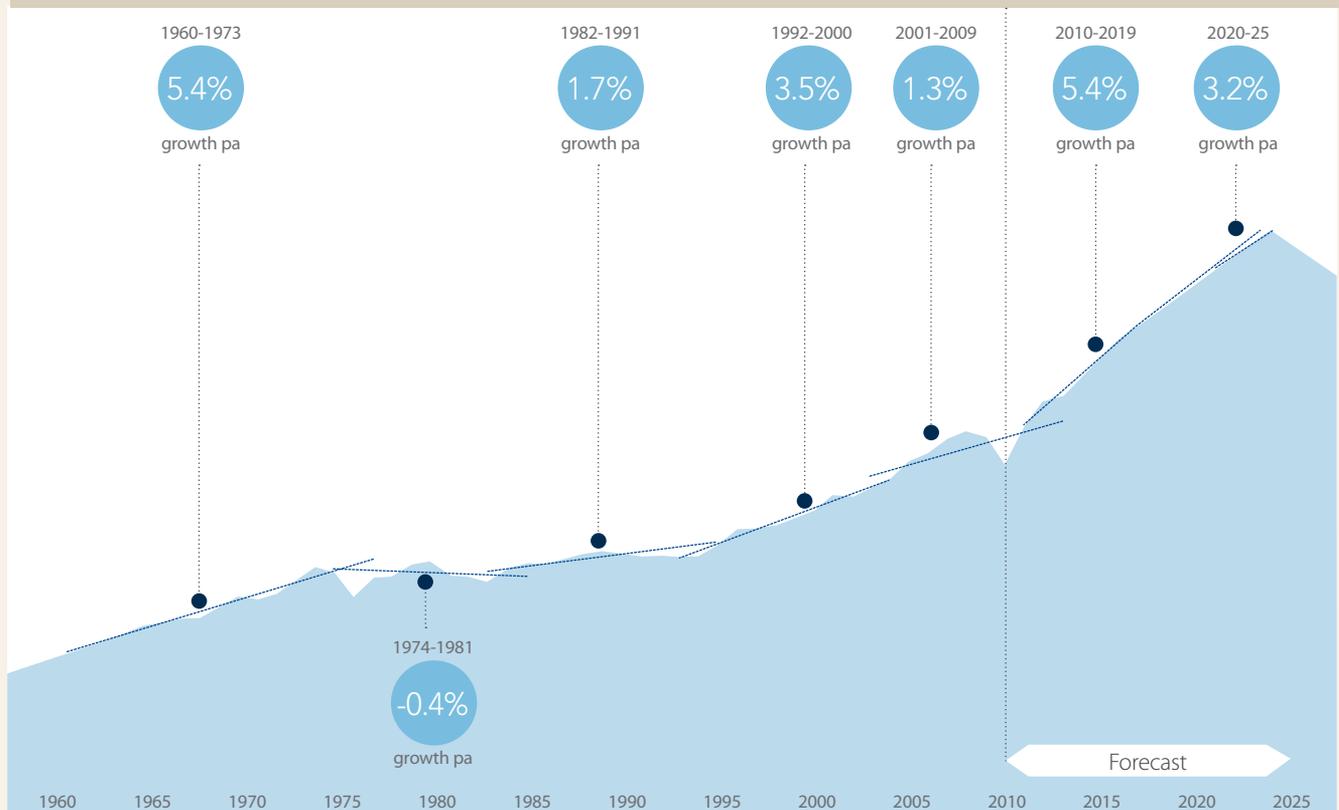
The near-term demand growth rate for zinc in Asia and Africa's emerging economies will continue to remain strong at 7%, outpacing the demand from rest of the world. China is the largest producer as well as consumer of zinc globally. The new Chinese Government's economic initiatives are likely to help stimulate zinc demand.

China's zinc demand is likely to be driven by the high-growth coated steel industry and increased galvanised sheet production. Its consumption growth rate for zinc is expected to recover from under 7% in 2012 and expand to over 8% from 2013-2015.

In India, we are anticipating double-digit growth in the near-term, with strong demand expected from the continuous and general galvanizing industry. Investment in infrastructure projects is expected to further boost demand of industrial metals including zinc.

The Company's expansion at Rampura Agucha and Sindesar Khurd mines are progressing well. Besides, production is expected to commence at the Kayad mine in 2013. All these help to position us to cater to increasing domestic demand as well as export products to meet surging demand in Asia and Africa. Furthermore, our enhanced product mix, along with our focused and sustained market development initiatives, are now all set to open up new markets and thus, new opportunities for the Company.

GLOBAL ZINC CONSUMPTION GROWTH RATE



Source: Wood Mackenzie, March 2013 Long Term Outlook

INDUSTRY SCENARIO

ZINC

Zinc price in a secular trend

Zinc price is projected to rise gradually over the next couple of years, before breaking out in 2015. The industry is expecting structural changes, as there is no visibility of any significantly large project to replace some of the major mines that are on the verge of closure over the next 3-4 years. The current inventory is likely to be used up to meet the growing demand. The global decline in supply, resulting from mine closures and depleting inventory, is likely to boost zinc price in the coming years.

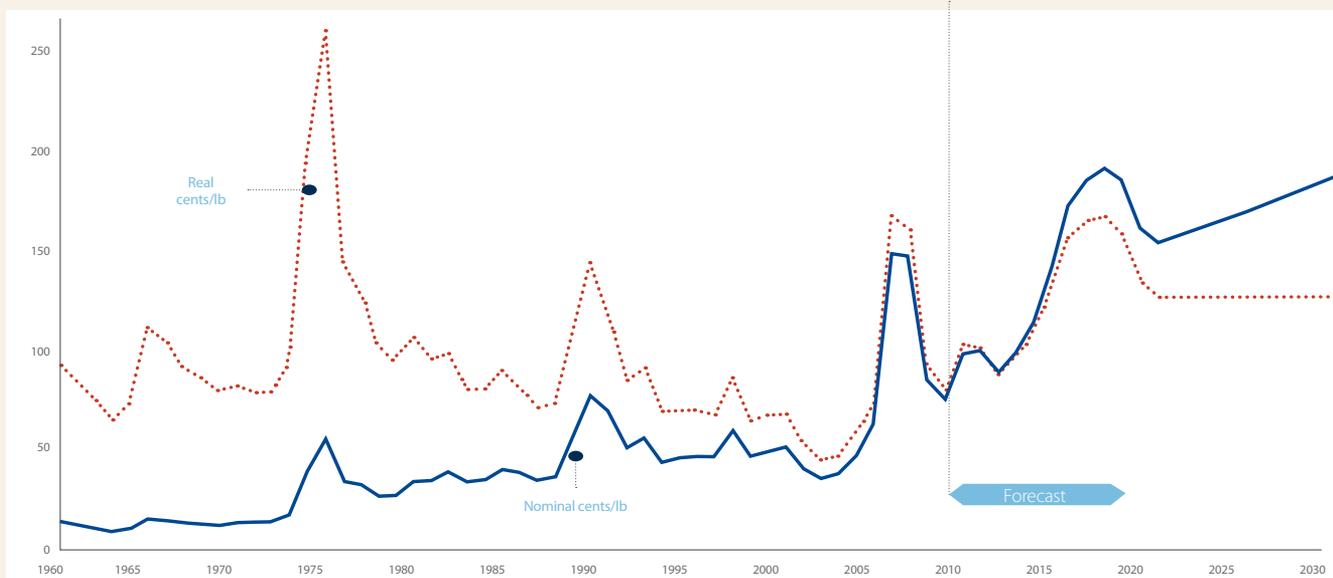
Higher price outlook for zinc is further supported by rising production costs due to increasing input prices and increasing mine depths. Moreover, geographical, infrastructural, environmental and financial bottlenecks will drive capital costs higher for new mining projects.

Firmer premiums and TCs anticipated

We estimate the global refined production to have slowed in 2012 as compared to 2011, resulting in a significant build-up in the concentrate market. However, improved pricing conditions are anticipated to result in much of this concentrate being processed in 2013, leading to far higher refined production growth over 2012. Further, we expect a decent rebound in global demand in 2013, with growth put at over 5%. This, we expect, will absorb most of the incremental refined metal produced in 2013, which may keep the market feeling tight and premiums elevated. Anticipation of firmer prices, premiums and TCs are expected to incentivise higher capacity utilisation levels, in China in particular, reversing cutbacks that had been made in the country earlier in the year.

Commodity markets may continue to remain volatile in 2013, driven by macroeconomic conditions, especially in the Euro nations, China, and the US. However, price and demand outlooks for the medium to long term remains positive, triggered by supply constraints, increasing production cost and strong demand. With almost 82% of India's market share and substantial competitive position in Asia's strategic export markets, the Company is well placed in the short, medium and long terms.

ZINC LME PRICE



Source: Wood Mackenzie, March 2013 Long Term Outlook

INDUSTRY SCENARIO

LEAD & SILVER

GLOBAL LEAD MARKET		
CY 2012	Volume ('000 MT)	Growth Rate (%)
Mine Production	5,096	12
Smelter Production	5,243	1
Consumption	10,526	5

Source: Wood Mackenzie, March 2013 Long Term Outlook

Lead will continue experiencing a robust demand of over 5% in 2013, driven mainly by the automotive and industrial battery sectors. Low inventory levels and tight spot availability, aggregated by tightness in the battery scrap market in general, will continue to elevate premiums across the globe and increase price.

From a robust growth of 12% in 2012, global mine production is anticipated to experience near-term average growth rate of 4-5%. The expected short-term tightness in mined metal is likely to impact raw material availability for primary smelter production. A refined metal deficit is expected in near future, with market turning in surplus post 2017.

Chinese demand for lead remains robust

A modest pick-up in Chinese demand is expected in 2013, driven by the expanding industrial battery sector, the fast developing passenger vehicle market and increased industrial storage battery demand due to infrastructure investments. This, along with the belief in the enhanced efficiency of the Chinese battery sector following the government's firm stand on the environmental norms and standards, point to robust demand growth in the short and medium terms.

Increasingly positive outlook for India

India will be one of the key growth drivers in Asia, second only to China. The country's domestic market is expected to witness a robust expansion of around 5-6% in the coming years, driven mainly by the growth of the uninterrupted power supply battery and replacement battery sectors. Influx of many major automobile manufactures, making India and other BRIC countries as their production hub, substantiates the metal's increasing positive outlook. Sustained infrastructure development and the growing telecoms industry is also expected to boost the country's stationary battery demand. Further, similar to China, India's automobile market is expanding fast and is expected to play a significant role in leading demand growth going forward.

There was a marginal rise in global demand for silver, taking the overall demand to 32,600 MT in 2012

Global silver mine production is estimated to have witnessed a growth of 4% in 2012, while overall demand for silver recorded a marginal growth reaching 32,600 MT this year, as against a demand of 32,300 MT in the previous year.

On the price front, 2012 saw volatile but high levels of price through most part of the year, driven by robust investor demand, which accounted for almost a quarter of total silver demand.

Even as the demand from fabrication remained steady due to consistent demand for industrial usage, the decline in demand

from jewellery and silverware sectors, on account of high price, dampened the overall demand.

Investment demand in India remained low due to high and volatile price scenario. As per our estimates, Indian demand for silver decreased by approximately 30% to 2,200 MT in FY 2013, as compared to previous year. However, going forward, domestic demand is expected to gain momentum looking at the prospective growth in industrial segments and low prices attracting more investors.

MINES



Rampura Agucha underground mine

PERFORMANCE OF OUR MINES IN FY2013

		Rampura Agucha	Sindesar Khurd	Rajpura Dariba	Zawar
Ore Mined ('000 MT)		6,149	1,585	554	305
FY 2012		5,947	1,303	588	204
Ore Milled ('000 MT)		6,168	1,585	561	277
FY 2012		5,982	1,370	615	267
Zinc	Feed Grade (%)	12.3	3.8	5.4	3.8
	FY 2012	12.0	4.4	5.4	3.8
	Mined Metal ('000 MT)	677.3	52.6	25.2	9.6
FY 2012		649.6	51.1	27.8	10.0
Lead	Feed Grade (%)	1.8	2.4	1.3	1.1
	FY 2012	1.8	2.2	1.3	0.5
	Mined Metal ('000 MT)	65.6	32.2	5.1	2.6
FY 2012		59.9	25.1	5.5	1.3

Rampura Agucha Mine

Rampura Agucha Mine (RAM) has an ore production capacity of 6.15 million MT per annum, with best-in-class zinc-lead reserves grade of 14.1%. It produced 743,000 MT of mined metal during the year.

RAM is currently operating through the opencast route and we are in the process of developing an underground mine at RAM. Underground mining is planned beyond the ultimate open pit depth of 372 m from the surface, a level at which it becomes viable. During the second half of the year, we successfully obtained incidental ore from the underground RAM. RAM will continue its ore production at about 6.0 million MT per annum in the near future, even as we progressively increase production from the underground mine.

We plan to start production from underground mine in FY 2014, and the initial ore extraction will be from declines. As a part of our expansion programme announced during the year, we will bolster RAM underground mine to an ore production capacity of 3.75 million MT per annum. This will also involve sinking of a 950 meters hoisting shaft, along with two ventilation shafts. Best-in-class equipment, including crushing station, belt conveying system, rock transfer points, skip loading station, water settlers and pumping system will be installed in this process.

Sindesar Khurd Mine

Our 2.0 million MT per annum capacity silver-rich Sindesar Khurd Mine (SKM) achieved a production of 85,000 MT of mined metal during the year. The average silver grade during the year was 121 ppm, which is expected to rise gradually with the mine's increasing depth.

We plan to increase the ore production capacity at SKM to 3.75 million MT per annum in the next six years. In order to accelerate the pace of ramp-up at the mine, we will sink a 1,050 metres depth shaft. SKM's expansion is expected to significantly contribute to the Company's integrated lead and silver production.

SKM is a world-class mine with state-of-the-art infrastructure facilities and best-in-class mechanisation.

Rampura Agucha is the largest zinc mine in the world

Rajpura Dariba Mine

With an ore production capacity of 0.90 Million MT per annum, the Rajpura Dariba Mine (RDM) produced 30,000 MT of mined metal during the year.

We will be increasing the ore production capacity at RDM to 1.20 million MT per annum as a part of our new growth plan. Rajpura Dariba is an existing underground mine with infrastructure and mining equipment already in place. Hence, the expansion there will not require major capital expenditure.

Zawar Mine

The 1.20 million MT per annum capacity Zawar Mine produced 12,000 MT of mined metal during the year. Operations at three of the four mines comprising Zawar complex had been suspended since early 2010, pending forest clearance. Post an 'in-principle' approval for forest diversion from the Ministry of Environment and Forest (MoEF) in January, 2013, we have resumed production and plan to increase production to 1.20 million MT per annum this year.

We further plan to expand the mine to 5.0 million MT per annum capacity within the next 6 years. Since Zawar is rich in lead, with the resumption of operations and further expansion in capacity, we expect it to significantly contribute to our lead mined metal production.

SMELTERS

Cell house at Dariba Smelting Complex



Chanderiya Lead-Zinc Smelter

With lead-zinc smelting capacity of 610,000 MT per annum, Chanderiya Lead-Zinc Smelter (CLZS) is one of the world's largest smelting complexes. It has: two hydrometallurgical zinc smelters, each of 210,000 MT smelting capacity; a pyrometallurgical smelter with 105,000 MT zinc and 35,000 MT lead smelting capacity; and an Ausmelt smelter with 50,000 MT lead smelting capacity. Further, to ensure self-sufficiency in power, we have 234 MW of thermal captive power plants.

During the year, CLZS produced 443,000 MT of zinc and 60,000 MT of lead, down by 5% and 12%, respectively, compared to the previous year.

Dariba Smelting Complex

With a 210,000 MT capacity hydrometallurgical zinc smelter, a 100,000 MT capacity lead smelter and 160 MW thermal captive power plants, the Dariba Smelting Complex (DSC) is uniquely self-sufficient - there are lead-zinc mines in the vicinity at Sindesar Khurd and Rajpura Dariba.

DSC produced 165,000 MT of zinc and 65,000 MT of lead during the year, down 17% and up 113%, respectively, compared to the previous year. Zinc production decreased on account of lower mined metal production in the first half of the year, as compared to the second half. Higher lead production was driven by full year of smelter operation.

PERFORMANCE OF OUR SMELTERS IN FY 2013

	Chanderiya Lead -Zinc smelter	Dariba smelting Complex	Zinc smelter Debari	Zinc Smelter Vizag*
Refined Zinc (MT)	443,074	165,403	68,445	-
<i>FY 2012</i>	464,021	198,204	68,046	28,445
Refined Lead (MT)**	60,152	64,664	-	-
<i>FY 2012</i>	68,309	30,415	-	-
Saleable Sulphuric Acid (MT)	620,267	257,205	316,006	-
<i>FY 2012</i>	661,640	266,671	332,489	49,787

*Operations suspended since February 2012

**Includes captive consumption of 6,500 MT lead in FY 2013 and 6,625 MT in FY 2012

POWER

Captive power

In order to ensure reliable and low-cost power for our operations, we have installed captive power plants (CPP) to cater to the power requirements of our smelters and mines

We have thermal CPPs at Chanderiya, Dariba and Zawar, with power generation capacity of 474 MW. We also have 25.4 MW of power generation capacity from waste heat recovered from roasters. We are in the process of commissioning another 10 MW steam turbine generator as a part of the new roaster at the Dariba Smelting Complex, which will increase our waste heat power capacity to 35.3 MW.

We have undertaken various initiatives to reduce the coal cost, which is the main cost driver. These initiatives include obtaining coal via coal linkages, optimising Indian and imported coal blend, keeping the auxiliary consumption at a minimum and operating the power plants at high plant load factor.

All the waste heat projects, a total of 35.3 MW, were registered under the Rajasthan Renewable Energy Corporation as a source of renewable energy this year. Net generation from waste heat was about 125 million units in FY 2013.

In FY 2013, the total power generated was 3,363 million units, lower by 2% compared to FY 2012.

Coal: The key raw material for captive thermal power plants

Our captive power plants use a blend of Indian and imported coal. In order to reduce the blended coal cost, we have taken various initiatives to maximise the percentage of the use of Indian coal in our plants. We are currently maintaining a fair combination of both indigenous and imported coal. We have a linkage coal / fuel supply agreement with South Eastern Coalfields Limited (a subsidiary of Coal India Limited). All of our domestic coals come through linkage agreements. Our balance requirement of coal is currently being catered through imports. Our strategy is to procure coal on total cost of ownership basis to reduce the ultimate cost per unit. Besides, the specific coal consumption across all six plants was at its lowest in FY 2013 at 444g/unit.



POWER GENERATION CAPACITY (MW)

	Captive Power Plant	Waste Heat Recovery
Chanderiya	234	13.7
Dariba	160	4.3*
Zawar	80	-
Debari	-	7.4
TOTAL	474	25.4

*Additional 10 MW waste heat generation capacity under commissioning at Dariba

Wind energy

We are one of India's largest wind power producers with a generation capacity of 273.5 MW. This capacity was installed in two phases of 123.2 MW and 150.3 MW, respectively.

During FY 2013, we produced and sold 511.4 million units of wind power to the state grids, an increase of 52.3% as compared to FY 2012.

Phase I Total capacity 123.2 MW

(Gujarat and Karnataka)

We set up wind power projects in Gujarat (88.8 MW) and Karnataka (34.4 MW). Both the projects were commissioned from FY 2007 to FY 2009 and have been feeding electricity to respective state grids since. Our 123.2 MW capacity is registered under the United Nations Framework Convention on Climate Change's (UNFCCC) Kyoto Protocol for Clean Development Mechanism (CDM) and is registered with a certified emission reduction (CER) potential of 223,000 MT of CO₂ per annum. Our wind energy projects in Gujarat and Karnataka have achieved fourth highest and third highest per turbine generator power generation amongst its peer group, respectively.

Phase II Total capacity 150.3 MW

(Rajasthan, Maharashtra, Karnataka and Tamil Nadu)

We have established wind power generation projects in Rajasthan (88.8 MW), Maharashtra (25.5 MW), Karnataka (15 MW) and Tamil Nadu (21 MW). Most of these were commissioned in later part of FY 2012.

Of the total 150.3 MW wind power generation capacity, 124.8 MW at Tamil Nadu, Rajasthan and Karnataka have been registered under the UNFCCC's Kyoto Protocol for CDM. Remaining 25.5 MW wind project at Maharashtra is expected to be registered in the next few months. Our 150.3 MW wind project has a CER potential of around 270,000 MT of CO₂ per annum.



Hindustan Zinc's wind farm in Gujarat

EXPLORATION

Our exploration programme forms an integral element of our growth and expansion strategy. We aim to replace every tonne of ore mined. Concurrent to this, focus at grass-root level exploration is also maintained with a view to find new mines. We have deployed best of technologies that can see at great depth (> 500 m) and have multidisciplinary data integration and interpretation capability to identify targets having the best chance of success

Our aim is to identify and develop world-class zinc-lead deposits in India.

Our exploration programme entails systematic investigation around our mines to identify continuations of all mine sequences and resource enhancement opportunities. We concurrently work on project generation to identify prospective commodities across India.

The most advanced mineral exploration technologies are being deployed for systematic investigation of the exploration properties. These include:

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

A high power (50 KW) IP-resistivity survey, which can scan up to 700 metre depth, was deployed this year to detect deeper prospective zones.

During the year, greenfield exploration was carried out over 1,680 sq. km in five reconnaissance permits (RPs) in Rajasthan. The reconnaissance drilling at three prospects in the state has yielded economic to sub-economic intersections of massive sulphide zones over varying widths. Assay results of the holes drilled in one of the RPs in Rajasthan has outlined potential economic resources, where mining lease (ML) applications were lodged in 2012. A total of 91,500 m of core drilling was completed at various exploration sites

throughout the mines and tenements. A hole of 1,702 metre drilled at Rampura Agucha is the deepest ever at any of India's base metal exploration sites.

Tremendous opportunities for new deposits in India

India has significant potential for new discoveries of base metals, gold, iron, platinum group element, rare earth elements and phosphorite. Based on the geological data review and project generation studies during the year, four new RPs (4,685 sq. km) and one Prospecting License (PL) (21.8 sq. km) were applied in Karnataka, Orissa and Rajasthan. Additionally, completion of statutory period of 3-year reconnaissance exploration in four RPs resulted in nine PL applications for base-metals. In all, over 35,000 sq. km of prospective area has been applied across India.

Mine life continues to remain over 25 years

The Company's exploration activities have yielded significant brownfield success with the gross addition of 24.6 million MT to reserves & resources, prior to a depletion of 8.6 million MT in FY 2013. The contained zinc-lead metal has increased by about 1.0 million MT, prior to a depletion of 0.9 million MT during the same period. Total reserves & resources on March 31, 2013 were 348.3 million MT, containing 35.1 million MT of zinc-lead metal and 909.6 million ounces of silver. The reserves & resources position has been independently reviewed and certified as per the JORC standard by SRK Consulting (UK) Limited.

RESERVES AND RESOURCES

As at March 31, 2013

Mine/Location	Resources								Reserves			
	Measured and indicated				Inferred				Proved and probable			
	Million MT	Grade %		gm/MT	Million MT	Grade %		gm/MT	Million MT	Grade %		gm/MT
Zinc		Lead	Silver	Zinc		Lead	Silver	Zinc		Lead	Silver	
Rampura Agucha (open cast)									17.8	14.5	2.0	56
Rampura Agucha (UG)	17.3	15.0	2.0	65	28.8	11.3	2.0	57	44.9	13.3	1.8	60
Rajpura Dariba	11.4	7.2	2.4	67	29.2	7.6	2.0	85	10.6	6.5	1.6	56
Sindesar Khurd	10.9	5.1	2.5	136	52.7	4.3	3.1	162	21.4	4.5	2.5	146
Bamnia Kalan	5.4	4.5	1.6	67	10.2	3.9	1.7	55				
Zawar	24.2	5.0	1.8	43	42.7	4.8	2.6	52	9.5	3.7	2.0	35
Kayad	5.2	10.4	1.6	34	0.7	6.6	1.1	18	5.4	10.0	1.5	30
TOTAL	74.4	8.0	2.0	66	164.3	6.3	2.5	94	109.7	10.1	1.9	72

Note. Mineral Resources reported exclusive of Ore Reserves

Drilling at Rampura Agucha



SUSTAINABILITY

Mining and mineral processing make an imperative contribution towards world development by providing the essential raw materials necessary for modern society's products. We recognise that extraction and processing of the earth's mineral resources must be accomplished responsibly to minimise environmental and community impacts. We believe that stewardship, with proper concern for the environment, is an essential element of a successful business strategy and subscribes to the belief of sustainable development.

Zero harm to environment and to people and our host communities is our key focus area



HSE Policy



Social Policy



Human Rights Policy



Biodiversity Policy

SUSTAINABLE DEVELOPMENT POLICIES

Water Management Policy



Energy and Carbon Management Policy



Supplier and Contractor Management Policy



HIV/Aids Policy



SUSTAINABILITY

HEALTH, SAFETY AND ENVIRONMENT

Sustainability in action

- Our Sustainable policies show our commitment towards environment and safety, and ensure optimal resource utilisation over product life cycle
- We have mapped our framework to International Finance Corporation (IFC), International Council on Mining and Metals (ICMM), United Nations Global Compact (UNGC) principles, standards and guidelines to confirm congruence
- Separate corporate-level Sustainability Committee and unit-level Sustainability Council are formed to consider sustainability issues that may have strategic, business and reputational implications

Health

We constantly endeavour to provide a workplace free from occupational health risks and hygiene hazards. Occupational health experts are present across all mines and smelters for regular health check-ups of permanent and contractual employees. Specific examinations, like blood lead test, audiometric tests, spirometry test, ECG and chest X-rays are carried out regularly.

Our internal system periodically monitors medical health of our workforce. During the year, 10,330 persons including contract workmen, have undergone periodic medical examination. No occupational disease case has been reported in FY 2013.

Safety

We believe we can avoid fatalities, serious injuries or occupational illnesses and firmly consider that every accident is preventable. Our primary health and safety goal is Zero Harm to people. We are committed to providing safe work conditions and have effective management systems in place to ensure the well-being of permanent and contractual employees and others who may be affected by our operations.

We believe that continual improvement in this aspect is essential for the Company's sustainable success. Striving for continual



Health

Eliminate occupational illness



Safety

Provide a safe workplace



Environment

Minimum harm to environment by conserving natural resources through efficient use

SUSTAINABILITY

HEALTH, SAFETY AND ENVIRONMENT

improvement of our overall safety performance, we have undertaken several initiatives to ensure pan-organisational safety operations. Some of these recent initiatives include:

1. Installation of refuge chamber – a first in Indian mining industry: Refuge Chamber provides a place of safe refuge and fresh air, in case of emergency situations like fire, rock fall and escape routes blockage in an underground mine. During the year, Refuge Chambers were installed in Rampura Agucha underground and Sindesar Khurd mines and all workers have been trained to use them.
2. Leaky Feeder Communication System: This has been installed in Rampura Agucha underground and Sindesar Khurd mines for effective communication, traffic management, environment monitoring, asset tracking and safety controls.
3. Self-contained Self-rescuers (SCSR): SCSRs address the problem of providing an immediate supply of breathable air in the event of a fire in an underground mine. Rampura Agucha underground and Sindesar Khurd mines have adopted and

procured SCSRs, which are used by every worker going into the mines. These SCSRs, offering fresh air for 30 minutes, allow a person to travel from an endangered position to a safe place.

Engagement with DuPont for building safety culture

We have recently partnered with DuPont, one of the global leaders in world-class safety performance, to improve safety standards. Taking a step further towards building a strong safety culture, we successfully conducted a 'Safety Perception Survey' in February, 2013. It has provided us with a baseline measure of our organisation's employee perception and attitude towards safety, which is the key to decision-making for overall safety culture enhancement. Visible Safety Leadership programme was also conducted for senior line managers by DuPont. Site assessments were done across locations, gaps have been identified and road map has been developed to move ahead in the organisation's safe journey.



Refuge chamber in Rampura Agucha underground mine

Safety performance

In FY 2013, lost time injuries frequency rate (LTIFR) reduced significantly due to our resolute focus on safety at mines. To achieve the highest levels of safety performance, we encourage continuous employee involvement and participation to embrace globally recognised paradigms like Cardinal Rules, Safety Observations, Occupational Health and Safety Pyramid, Job cycle check for Standard Operating Procedures, One Day Officer Scheme, Consequence Management Committee and Job Safety Assessments.

Despite our continued efforts towards safety improvement, we unfortunately had seven fatalities during the year. As a preventive measure, the Company has critically reviewed the safety systems and laid down suitable measures to avoid such incidents in future. To bring in accountability, disciplinary action has been taken against the people responsible for the mishaps.

Environment

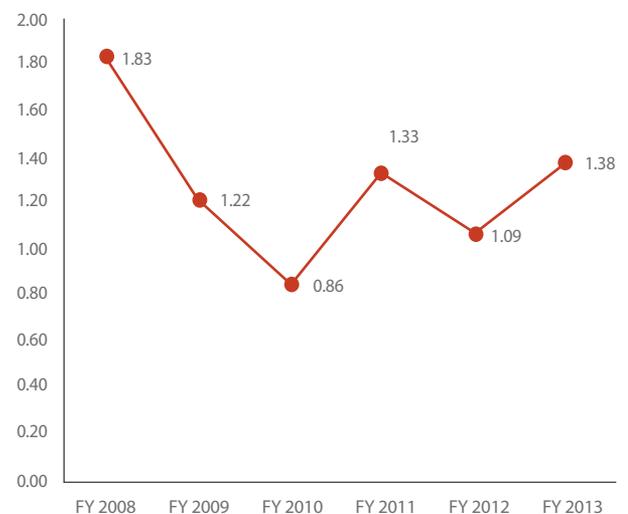
Our environment vision frames our commitment to be world-class zinc and lead producer by developing technology to maximise metal extraction, operate responsibly with least footprint for water, carbon, land and hazardous wastes and caring for people and surrounding bio-diversity.

Our environmental initiatives and performance have been discussed in detail under Principal 6 of Business Responsibility Report, forming part of this Annual Report.

LTIFR AT MINES HAS REDUCED BY 84% FROM FY 2008 TO FY 2013



LTIFR AT SMELTERS HAS REDUCED BY 25% FROM FY 2008 TO FY 2013



ANALYSING OUR FINANCIALS

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

We have performed well financially in terms of volume growth, improved zinc-lead and stable silver realisations due to INR depreciation and enhanced operational efficiencies. We continue to maintain our cost competitiveness, growth and profitability.

ABRIDGED STATEMENT OF PROFIT AND LOSS

(₹ in Crores)

	FY 2013	FY 2012
Net Revenue from Operations	12,700	11,405
Other Income	2,032	1,543
Total Income	14,732	12,948
Mining, Manufacturing and Other expenses including Changes in Inventories of Finished Goods and Work-in-Progress	6,236	5,379
Finance Cost	29	14
Depreciation and Amortisation Expense	647	611
Total Expenditure	6,912	6,003
Profit before Depreciation, Interest & Tax (PBDIT)*	8,496	7,569
Income Tax	921	1,419
Profit for the Year	6,899	5,526
Earnings Per Share (₹)	16.33	13.08

* Includes Other Income

Sales

The zinc metal sales in the domestic market during the year were 447,877 MT, while export sales accounted for 227,081 MT. Besides, we exported zinc mined metal of 61,097 MT in FY 2013. Lead metal sales in the domestic market during the year were 114,471 MT, with the export sales accounting for 2,974 MT.

Production

Mined metal production in the year was 870,200 MT compared to 830,432 MT in the previous year. The higher mined metal production was primarily due to higher output at Rampura Agucha.

Integrated refined zinc production this year was 659,971 MT, compared to 752,265 MT in FY 2012. The decline in zinc metal

production was mainly on account of uneven distribution of mined metal production during the year, with the second half much stronger than the first half, as per the mine plan. We addressed it by selling 61,097 MT of zinc mined metal in the second half. The total refined zinc production was 676,921 MT in FY 2013, compared to 758,716 MT in FY 2012.

We performed extremely well in refined lead and silver production, which are the highest ever at 124,816 MT and 408 MT – up 26% and 69% – respectively. Of this, integrated refined lead production was 106,753 MT and integrated silver production was 322 MT, up 20% and 36%, respectively. Production of refined lead and silver was boosted significantly by higher contribution from Sindesar Khurd mine and full year of production at Dariba lead smelter and the new refineries in the state of Uttarakhand.

Net Revenue from operations

The Company reported net revenues from operations of ₹ 12,700 Crores, an increase of 11% over FY 2012, driven by augmented silver sales and INR depreciation and partially offset by lower metal prices.

Production cost

The zinc metal cost, without royalty, during the year, was higher by 14% in INR and flat in USD term, at ₹ 45,500 per MT (US\$835), compared to the previous year. The increase was due to higher excavation, INR depreciation, lower acid credits and lower refined metal volume partially offset by lower power costs.

Other income

The Company reported 'Other income' of ₹ 2,032 Crores during the year, up 32% as compared to the previous year. This was mainly on account of increase in return on investments and in total investments base (including bank fixed deposits) to ₹ 21,479 Crores.

Operating margins

The profit before depreciation, interest and taxes (PBDIT) for the current fiscal was higher by 12% at ₹ 8,496 Crores, compared to the previous year, driven by higher sales and other income, partially offset by higher operating costs.

Taxation

The total tax rate for FY 2013 came up significantly lower at approx. 12%, compared to 20% in FY 2012. The decrease is primarily due to location-based tax incentives, incentives related to captive power and wind power and tax-efficient treasury investments.

Liquidity and Investment

The Company had current Investments and cash and cash equivalents of ₹ 21,479 Crores, out of which ₹ 12,276 Crores was invested in debt mutual funds, ₹ 2,151 Crores in bonds, ₹ 6,893 Crores were in fixed deposits with banks and ₹ 159 Crores in others. We exited the year with a strong liquid balance sheet on the back of our excellent cash conversion, even with the significant capital investment during the year.

CASH FLOWS

(₹ in Crores)

	FY 2013	FY 2012
Opening Cash*	17,948	14,965
ADD: EBITDA**	6,547	6,115
ADD: Net Interest Income	1,945	1,492
Less: Income Tax and Dividend	-2,834	-2,729
Less: Capital Account Payments	-1,756	-1,672
Less: Movement in Working Capital and Others	-371	-224
Closing Cash Balance	21,479	17,948

(*) Includes Cash and Cash Equivalents (refer Note 17 of the Audited Financial Statements) and Current Investments (refer Note 14 of the Audited Financial Statements)

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

Working capital

Gross working capital represented by inventory, sundry debtors, and loans and advances; increased from ₹ 1,364 Crores to ₹ 1,887 Crores as on March 31, 2013, due to higher volumes and imported mined-metal which will be consumed during FY 2014. The working capital cycle was 54 days in FY 2013, as compared to 44 days in FY 2012.

Gross block

The gross block during the year increased to ₹ 13,347 Crores, from ₹ 12,103 Crores in the previous year. This was largely due to the ongoing mining projects and other sustaining capex.

Capital employed

The total capital employed as at March 31, 2013 was ₹ 10,796 Crores, as compared to ₹ 8,934 Crores at the end of previous fiscal year. The increased capital employed was basically on account of significant profit rise for the year. The ratio of sales to capital employed was 1.18 times in FY 2013, as against 1.28 times in FY 2012.

RISK MANAGEMENT FRAMEWORK

At the heart of our risk management is a comprehensive and integrated framework that comprises a clear understanding of strategy, policy and initiatives, prudential norms, structured reporting and control

Our business and operations are subject to a variety of risks and uncertainties, which are almost similar to those in any other Company of our size and operations. Such risks are the result of not only our operating business environment, but also other factors over which we have minimal control. These risks may be categorised as operational, financial, environmental, health and safety, political, market related and strategic. Our well documented and practiced risk management policies act as an effective tool to minimise various risks.

Business managers and senior management personnel help identify risks through a formal risk management programme. Each significant risk has an 'owner' within the Company at a senior level that regularly reviews its impact on the Company and assesses and updates its likelihood of crystallisation, if the risk materialises. A risk matrix is maintained and regularly updated in consultation with business and functional managers.

The Management Assurance System (MAS) — a team that is not connected with the Company's day-to-day management, co-ordinates the risk management system. Key business decisions are discussed at the monthly or quarterly meetings of the Company's management wherein senior managers address risk management issues. The overall internal control environment and risk management programme is reviewed by our Audit Committee on behalf of the Board.

The Company's risk management framework includes:

- Risk management policy
- Risk organisation structure
- Roles and responsibilities for managing risks
- Risk assessment process guidelines
- Possible response to identified risks
- Templates for documenting and reporting risks

We have identified associated risks on several fronts and have formulated policies to categorically deal with each of them. We track them regularly, whether they emanate from the business aspects or the legal and regulatory environment, and have our arsenal in place to tackle them.

Commodity price risks

Our revenues are directly linked with the global market for our products, essentially zinc and lead (priced with reference to London Metal Exchange or LME prices), and silver (priced according to LBMA or London Bullion Metal Association rates). Any adverse fluctuation in prices could impact our business performance.

We aim to achieve the average LME or LBMA prices for a month or for a year and do not take speculative positions. Nevertheless, the average realised prices may not necessarily reflect these price movements because of a variety of reasons, including uneven sales during the period. Any fluctuation in the prices of the metals that we produce and sell will have a direct impact upon our business profitability. As a general policy, we aim to sell our products at prevailing market prices.

We engage in commodity hedging activities strategically to a limited degree, according to our Board policies, and strictly defined internal controls and monitoring mechanisms. Decisions relating to hedging of commodities are approved by the Company's management with clearly laid down guidelines for their implementation.

Political, legal, economic and regulatory risks

Changes in the Government policies, such as changes in royalty mechanism or rates, reduction in Government assistance for exports, changes in tax structure, cancellation or non-renewal of mining leases and permits and reduction or curtailment of duty and tax benefits available may hamper results and growth. Moreover, any downturn in overall economic condition or any political/regional instability may impact business operations.

We strive to proactively communicate with all government bodies to ensure that our suggestions on industry-view are heard before policy making, which may have an impact on our business. We perform thorough risk assessment and try to properly identify and manage risks.

Reserves & resources risk

Our future profitability and operating margins depend on our ability to access mineral reserves that have geological characteristics, enabling mining at competitive costs.

Replacement reserves may not be available when required, or, if available, may not be of a quality capable of being mined at costs comparable to the existing or exhausting mines. These can vary in future as a result of actual exploration and production results, depletion, new information on geology and fluctuations in production. Other factors that can impact the estimates include operating and other costs and economic parameters, many of which are beyond our control, such as metal prices, smelter treatment charges and exchange rates. We continue to access our mineable reserves and resources using the latest available techniques. Besides, we also engage the services of independent experts annually to ascertain and verify the quantum of reserves and resources, including ore grade and other geological characteristics. Our technical team continuously keeps monitoring the mineralogy of our future mineable resources and back it up with required technological inputs to address any adverse changes.

Execution risk

Our current and future projects may be significantly delayed by failures to receive timely regulatory approvals or their renewals, technical difficulties, human resource, technological and other resource constraints, resulting in significant cost overruns and delays.

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

Insurance risk

Productive assets in use in mining and smelting operations and the associated power plants may face breakdowns in the normal course of operations or due to abnormal events, such as accidents, fire, explosion, environmental hazards or other natural calamities. Consequently, our insurance coverage may not encompass all kinds of claims.

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

Safety, health and environment risks

We are engaged in mining activities, which are inherently hazardous. Any accident or explosion may cause personal injury or death and damage to property or surrounding communities and environment. It can also harm its mines, smelters, refineries or related facilities. Such incidents may not only result in expensive litigation, damage claims and penalties, but also cause loss of goodwill.

We accord very high priority to safety, health and environment issues and these are regularly monitored and reviewed by the senior management team. Simultaneously, we continue to invest on training our people on these matters, besides time to time interventions for improvement by the experts. We also conduct audits by independent and reputed agencies.

RISK MANAGEMENT FRAMEWORK

Operational risk

Disruptions in mining and production, due to equipment failures, unexpected maintenance problems and other interruptions, non-availability of raw materials at appropriate price, quantity and quality for our energy requirements, disruptions to or increased cost of transport services or strikes and industrial actions or disputes.

While many of these risks are beyond our control, we have adequate and competent experience in such areas and we have consistently demonstrated our ability to manage these problems proactively. Our policy aims to realise market prices for our commodities. Hence, our operational profitability is dependent upon the ability to produce metals at a low cost. This, in turn, enhances our commercial and operational efficiencies and increases throughput. Prices of many of our input materials are influenced by a variety of factors, including demand and supply, rupee-dollar parity, inflation, and so on. Price rise of such input materials would adversely impact our competitiveness. We have a strong commercial function to consistently manage costs. We identify and implement the best opportunities for cost reduction quickly. We are highly focused on costs and volumes. All operational and cost efficiencies are discussed and reviewed regularly.

Currency risks

Our exposure to the currency markets comes from the US dollar determined pricing of zinc, lead and silver. Appreciation of the Indian rupee vis-à-vis the US dollar can adversely affect our revenues. Currency exposures also exist in the nature of capital expenditure and services denominated in currencies other than the Indian rupee.

We have review and control mechanisms in place to mitigate this risk. These measures are also made up-to-date periodically. Foreign currency exposures are managed through a hedging policy wherein we do not take speculative positions. The policy is reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

Financial risk

Like any large and complex business, our operations are also prone to financial risks. If the financial policies are not designed well or not implemented rigorously, this could lead to control breakdown and impact our profitability, growth and image.

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

Counter party risks

Cash and high-quality liquid investments are held primarily in debt mutual funds and banks with high credit ratings and the security of investments is emphasised. Limits are defined for exposure to individual counterparties in the case of mutual fund houses and banks.

We have clearly defined policies to mitigate counterparty risks. We also constantly review the underlying investment portfolio of mutual fund houses to ensure minimised indirect or latent exposures. The monthly investment portfolio is reviewed by an external agency, CRISIL (subsidiary of Standard & Poor's). A large majority of receivables due from third parties are secured either as advance receipt of money or by use of trade financial instruments, such as letters of credit or bank guarantees. Our history of the collection of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, we do not expect any material risk on account of non-performance by any of the counterparties.

People risk

People are one of our key assets and we derive our strength to maintain our competitive position from our people. Therefore, the process of people and personnel leaving the organisation and industrial relations with our workforce pose a risk for us. Additionally, our inability to recruit and retain good talent could adversely impact us.

Our vision is to build a fast, flexible and flat organisation with world-class capabilities and a high performance culture. We believe in nurturing leaders from within the Company and providing pan-organisational growth opportunities. We have robust processes and systems in place for leadership development, training and growth to deliver value to the Company and the society. We provide superior rewards for outstanding performance. We actively communicate and enter into dialogue with our workforce and believe in maintaining a positive atmosphere by proactively resolving labour issues. We usually enter into long-term settlement with the trade unions.

Internal Controls

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

Cautionary Statement

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

BOARD OF DIRECTORS



Mr. Agnivesh Agarwal



Mr. Akhilesh Joshi



Mr. Durga Shanker Mishra



Mr. Navin Agarwal

Agnivesh Agarwal

Chairman

He was appointed with effect from November 15, 2005.

Mr. Agarwal is an eminent industrialist with a rich knowledge of business operations with an extensive experience in efficiently managing large projects, business restructuring and strategies. Over the years, he has successfully developed excellent commercial acumen with hands-on experience. He is also the Director of The Madras Aluminium Company Limited (MALCO), Sterlite Iron and Steel Company Limited, Sterlite Energy Limited, Agarwal Galvanizing Private Limited, Sterlite Display Technologies Private Limited, Twin star Overseas Limited, Twinstar Infrastructure Limited, Twinstar Investment Limited and Primex Healthcare and Research Private Limited. Mr. Agarwal is a graduate in Commerce from University of Mumbai.

Akhilesh Joshi

Chief Executive Officer and Whole-time Director

He was appointed with effect from February 1, 2012. Earlier, he was appointed on the Board with effect from October 21, 2008 as the Chief Operating Officer and Whole-time Director. He joined the Company in 1976. Prior to becoming the Chief Operating Officer of Hindustan Zinc, he was Senior Vice President (Mines), responsible for managing the overall operations of all mining units. Mr. Joshi has a mining engineering degree from MBM Engineering College,

Jodhpur and a post graduate diploma in economic evaluation of mining projects from School of Mines of Paris. He also has a first class Mine Manager Certificate of Competency. He is the recipient of the prestigious National Mineral Award (GOI), 2006 for his outstanding contribution in the field of Mining Technology. He is also the Director of Madanpur South Coal Company Limited.

Durga Shanker Mishra

Director

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

Navin Agarwal

Director

He was appointed to the Board on April 11, 2002. Mr. Agarwal's experience spans over 30 years in strategic and operational management. He has been the key driver behind our growth story. He is the Chairman of Cairn India Ltd, Konkola Copper Mines, Bharat Aluminium Company Limited and the Madras Aluminium Company Limited; and Executive Vice Chairman of Sterlite Industries (India) Limited.



Ms. Shaukat Ara Tirmizi



Mr. A. R. Narayanaswamy



Mr. Rajib Sekhar Sahoo



Ms. Anjali Anand Srivastava

Shaukat Ara Tirmizi

Director

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

A. R. Narayanaswamy

Director

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

Rajib Sekhar Sahoo

Director

He was appointed on the Board with effect from October 25, 2011. Mr. Sahoo is a practicing Chartered Accountant and Principal Partner of SRB & Associates, Bhubaneswar. He is also on the Board of NTPC Limited, Tehri Hydro Development Corporation India Limited and Bank of Baroda. He is a member of Task Force on

MoU Department of Public Enterprise, Government of India, for FY 2012 and FY 2013. He is a member of Sri Jagannath Temple Managing Committee, Puri and Independent Trustee of Odisha Urban Infrastructure Development Fund appointed by Government of Odisha. He is also a member of Fee Structure Committee for Professional Educational Institutions of Odisha appointed as per the direction of the Supreme Court of India chaired by a Retired High Court Judge since 2007. He is the Treasurer of The Indus Entrepreneur (TIE), headquartered in Silicon Valley, the US.

Anjali Anand Srivastava

Director

She was appointed on the Board with effect from January 10, 2011. Ms. Srivastava is an Indian audit and accounts service officer, presently holding the post of Joint Secretary and Financial Advisor in the Ministry of Coal. In addition, she is Joint Secretary & Financial Advisor of the Ministry of Mines and Ministry of Youth Affairs & Sports. She is also the Director of Coal India Limited, Hindustan Copper Limited and Bharat Aluminium Company Limited.

PRINCIPLE 1 CONDUCT, GOVERNANCE, ETHICS, TRANSPARENCY AND ACCOUNTABILITY

OUR BUSINESS ETHICS AND CODE OF CONDUCT

- Gift policy
- Whistle blower policy
- Insider trading
- UK Bribery Act
- Foreign Corrupt Practices Act
- Fraud
- Bribery and corruption
- Human rights
- Anti-trust compliance
- Health safety and environment

We believe that there can be no grey area, when it comes to ethics and governance. We strive to protect the interests of all stakeholders. We strive to be an enterprise driven by our core values and follow the principles of integrity, trust and respect for human values.

The Company's Code of Conduct (COC) is universally applicable to all stakeholders. The COC and Whistle-blower policy are made available to all stakeholders through our website www.hzindia.com and are also printed for programme workshops and regular training and event-based communication.

The CEO & Whole-time Director is personally responsible for the deployment of COC across the organisation, supported by the Senior Management, the Company Secretary and the Unit and Location Heads. All officers, including Board members, have to provide an annual declaration of compliance with COC. As a part of a long-term wage settlement agreement, even the employee unions have agreed to fully conform to COC. The COC is an integral part of the induction for new hires.

Whistle-blower complaints and many aspects of the above are discussed right up to the Board level. These are covered in more details in the corporate governance report placed at page no 70 to 86.

PRINCIPLE 2

SAFETY AND OPTIMAL RESOURCE UTILISATION ACROSS PRODUCT LIFECYCLE

We are committed to the principle of sustainable development throughout the process of metal production. Our key focus areas are conservation of mineral resources, judicious use of natural resources like water, energy and land, and asset optimisation.

HEMM at Rampura Agucha



PRINCIPLE 2

SAFETY AND OPTIMAL RESOURCE UTILISATION ACROSS PRODUCT LIFECYCLE

BEST MINING PRACTICES

- Heavy earth moving machinery (HEMM) fleet management through computer-based truck dispatch system improve productivity and hence, reduce impact on the environment
- Advanced training and skill mapping of operators through simulator ensures proper operation of the equipment and as a result there is reduction in risk and increase in productivity
- Adoption of latest technology and software in mine planning and design, geotech , blasting and HEMM maintenance like Data mine, JK Simblast, SLOPE/W, SLIDE , DIPS, FLAC 3D, and so on
- Long association with world's reputed mining consultants in the fields of mine planning, geo-tech, blasting and benchmarking studies like AMC Australia, SRK - UK, JKMRRC, CMRI, NIRM, IISC Bangalore, and the like
- Vertical mine development through Raise Borer to minimise impact on human health in undergoing mine
- Paste fill technology for resource conservation

BEST PRACTICES IN BENEFICIATION PLANT

- Online analyser and froth camera have enhanced the recovery of metal from the non-renewable resource
- Advanced control tool (ACT) in grinding and flotation has optimised the process for better energy conservation and hence, helped environment improvement
- Use of Larox pressure filters of M 60 models has enhanced production of mined metal with less water consumption – thus conserving water
- Use of deep cone thickener for tailing thickening, thereby preventing water loss by evaporation from the tailing dam

Life of mine planning is done in consultation with global experts and there is a continued focus on using advanced mining and smelting technologies to improve efficiency and reduce environmental footprint. We have constantly improved recovery of metal from ores and increased our yields of by-products, thereby reducing waste. We offer product safety data sheet to all our customers for safe use and hazard identification, handling and storage.

A visible demonstration of our commitment towards product safety and optimal utilisation of resources over the life cycle is the usage of latest technology, equipment and constantly engaging with global experts for sustainable mining.

Our methodology of mining is in line with the three focus areas:

- **Social sustenance:** To improve the health, income and living standards of local community
- **Techno-economic sustenance:** For nation's economic growth, leading to self-reliance in zinc and lead
- **Resource sustenance:** To ensure equitable and sustainable use of the environment and natural resources for the benefit of present and future generations.

Increased recovery of by-products like silver, cadmium and sulphuric acid is an area of constant focus to maximise the nation's limited mineral resources and increase import-substitution.

PRINCIPLE 3 EMPLOYEE WELL-BEING

We are an ISO 14001:2004 and BS OHSAS 18001:2007 driven Company, which demonstrates our commitment to employee safety and well-being. Employee well-being is incorporated in every aspect of our business, right from our strategic and business planning to our mining and smelting operations. The Company has been able to grow phenomenally and attain leadership position in the zinc-lead market, depending primarily on the strength, dedication and high performance of its employees.

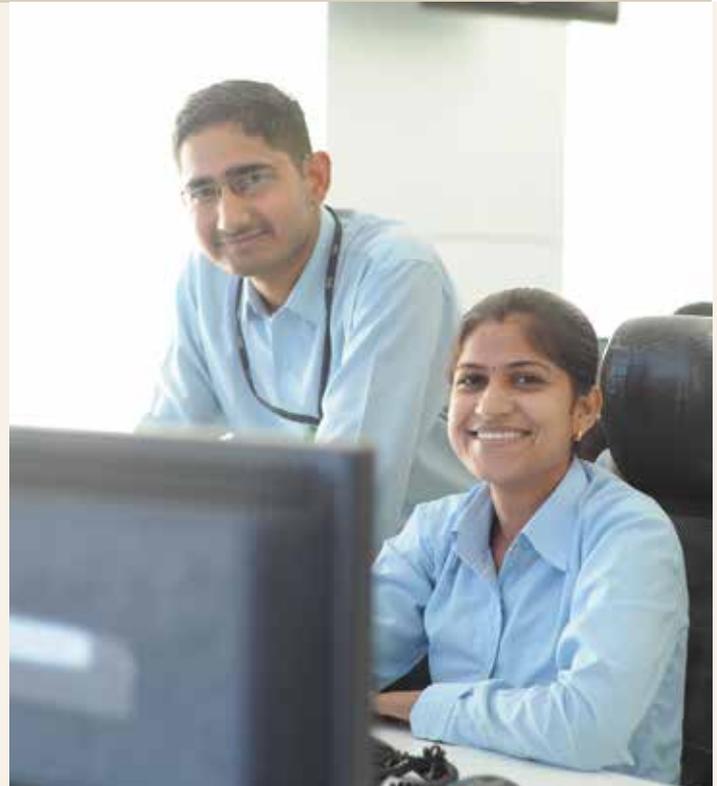
Right to freedom of association and collective bargaining

All our non-executives and outsourced employees have a right to exercise freedom of association and collective bargaining through the seven recognised trade unions across our locations. We discuss issues regarding salary, benefits, bonus and service conditions with the unions at scheduled meetings.

Joint consultation committee: It is a bi-partite forum and a platform for discussion of issues related to safety, welfare, training, production, productivity, quality and so on. It also acts as a grievance redressal forum.

Fair and just workplace

We promote equal access to employment and offer opportunities with no discrimination on grounds of nationality or ethnic origin, gender, race, religion, caste, disability, political or sexual orientation. Women comprise 10% of our executive workforce and are offered equal opportunities for their professional growth.



Diversity at workplace

PRINCIPLE 3 EMPLOYEE WELL-BEING

We aim to have a discrimination-free workplace and have a strong framework for a harassment-free workplace.

We strictly comply with the rules and regulations of minimum wages, statutory benefits and timely payment of wages to our employees. Contractors are also made to fulfil all labour and employment norms.

Employee well-being and work-life balance

We have a strong focus on safety, security, health and overall well-being of our permanent as well as contract employees. Our practices are frequently revised, based on regulations, industry trends and employee feedback. We have various executive and non-executive committees, which identify workplace safety and employee well-being, including welfare fund, transportation, environment, sexual harassment, education, safety, housing, cafeteria and others.

The Company constantly strives to achieve the highest standards of safety for employees and contractors working at our various sites. To aid a safe workplace, employees can report Near Miss & Safety Hazard in our Online Safety Module. For more discussion on safety, please refer pages 29 to 31.

BENEFITS TO EMPLOYEES

- Housing
- Uniform
- Subsidised Canteen
- Bus Facility
- Personal Protective Equipment
- Comprehensive Leaves
- Medclaim and Medical Facilities
- Personal Accident Insurance
- Medical Reimbursement Allowance
- Leave Travel Allowance
- Underground Allowance
- House Building Loan
- Conveyance Allowance
- Festival Advance
- Scholarship

Hindustan Zinc township at Rajpura Dariba



Skills development

We provide a vibrant working environment, which facilitates innovation at workplace. Besides, it helps the employees make a difference, discover potential and realise professional dreams.

We have varied training programmes to bridge the identified gaps in skill. For promoting safety culture, we have a specialised behavioural safety programme – Suraksha Jyoti for Contract Workmen. In FY 2013, we invested 23,188 man days of training.

Types of training

- Classroom training
- On-the-job training
- Workshops and conferences
- Simulation exercises
- Visit to best practices companies in India and abroad
- Institutional training
- Knowledge sharing meetings
- Learning implementation projects

Employee engagement, communication and empowerment

Employee engagement is an inclusive and empowering platform that connects employees with leaders as well as peer groups through several forums, like business meeting groups, unit level meets, department level meets and others. These act as interactive platforms to share ideas and information as well as voice feedback. Monthly newsletters are created at unit levels to keep employees updated about latest developments and initiatives. Besides, information on policies and practices are made available on an online portal. The revisions are regularly updated as well.

Employee feedback is taken regularly through perception surveys. The findings are implemented to improve employee satisfaction levels. We believe in promoting women employees up the ladder. To support this, we launched Women Interactive Network (WIN) during the year - a platform to help retain women employees and provide them with career and developmental opportunities.

We promote a holistic approach to the physical, emotional and mental well-being of our employees through the following engagement initiatives:

Reward Schemes	Communication	Cultural Events Festival Celebration	Fitness and Sport Activities
<ul style="list-style-type: none"> ○ Long-term Incentive Plan/ Employee Stock Ownership Plan ○ Production Incentive Scheme ○ Performance Pay Scheme ○ CEO Kitty ○ Achievement Award ○ Long-term Service Rewards ○ On-the-spot Recognition Scheme ○ Employee Suggestion Schemes ○ Improvement Project Schemes 	<ul style="list-style-type: none"> ○ Business Meeting Groups and Operational Review ○ Sanwad-Open House Communication ○ Chaupal with Contract Workmen ○ Planned Interaction of Unit Heads with employees across all levels and experiences ○ Quality Circle ○ Mentor-Mentee Meets ○ Sangini-Women employees meet 	<ul style="list-style-type: none"> ○ Monthly Dinner ○ Family Picnics ○ Quiz Competitions ○ Painting, Dancing, Creative Writing Competition ○ Movie Screening ○ Industrial Visit for Family Members ○ Celebration of Festivals across all Locations ○ Ugadi Mela 	<ul style="list-style-type: none"> ○ Occupational Health Centres at all Locations ○ Art of Living Sessions ○ Swimming Classes ○ Martial Arts/ Aerobics Classes ○ Cricket Tournament ○ National Football Tournament

PRINCIPLE 4 ENGAGING STAKEHOLDERS — SUSTAINING VALUE

Stakeholder engagement equips us to proactively build trust in our business. It also helps us identify opportunities and mitigate risks by understanding and effectively responding to concerns and issues.

We are further developing our stakeholder engagement processes, with its evolution premised on those who can impact or are affected by our vision and activities.

Governments

Media

Industry
Associations

Customers

AS PART OF OUR DEVELOPING ENGAGEMENT PLANS, WE HAVE IDENTIFIED EIGHT KEY STAKEHOLDERS

Vendors and
Suppliers

Communities

Employees

Shareholders

A participative approach to dialogue and responsiveness strengthens our business and enhances our community impact. The standard requires all projects, across their lifecycle, to undertake proactive stakeholder identification, analysis and engagement.

Shareholders

We publish quarterly, half yearly and annual results in prescribed form and within stipulated time. We send the results to stock exchange to be listed and also to be published in the national dailies. Our website also displays financial results, official news releases and so on. The Annual Report, circulated to all members and to select other stakeholders, is available on our website.

Our investor relations programme helps us remain in constant touch with the analysts and shareholders/investors through:

- Personal engagement
- Periodic formal written/verbal communication
- Plant visits
- Investor conferences
- Senior management's briefing
- Replying their regular queries

As per our stakeholders' engagement policy, we proactively engage and communicate with them to enhance and sustain our brand value.

Employees

Our human capital development initiatives imbibe learning, operational discipline and best-in-class global practices. We have undertaken several initiatives to promote effective employee communication and engagement, including publishing/circulating internal e-journals and employee blogs on a quarterly basis. The discussion on Principle 3 above provides further details.

Communities

Our community development approach is based on an extremely pragmatic Public-Private-People-Partnership (4Ps) model. Our community engagement strategy is intensive, comprehensive, long-term and sustainable. To implement community development initiatives, we partner with like-minded organisations, which include:

- Governmental agencies
- Non-governmental organisations (NGOs)
- Local communities
- Panchayats

Our community development process involves comprehensive engagement/interactions. The 'Participatory Rural Appraisal' interviews with village heads, sarpanchs, panchayat members, farmers, Self Help Group (SHG) members and other stakeholders, as well as focused group discussions help collect data for need assessment and baseline studies. Their feedback helps create new programmes and improve on the existing ones.

Vendors and suppliers

We proactively influence and encourage our vendors and suppliers to adopt principles and practices, which are in line with and support our own policies and code of conduct. We make sure that they comply with applicable legal obligations. We also conduct competence and sustainability performance evaluation prior to contract approval and throughout contract duration.

Governments

Our engagement with our host governments is multifaceted and incorporates all aspects of our business. These include:

- Suggestions related to resource licensing
- Contributions to debates around the mining and resources industry
- Development planning

We proactively engage with government and statutory bodies at central, state and local levels and our views are often sought by them on matters, where we have technical expertise.

Media

We interact with the local, national and international media to inform our stakeholders, as required, on various issues. We also organise periodic meetings with the media to build stronger relationships.

Industry associations

We try to understand the needs and expectations of our customers and suppliers and recognise the evolving trends, opportunities and challenges to our business. Hence, we work closely with our commercial partners and industry bodies and engage with our competitors. Our commercial and management team engages in constant dialogue with these stakeholders. We continuously evolve processes to enable unvarying communication to be strategically captured as part of our evolving stakeholder engagement plan.

Customers

We conduct customer satisfaction surveys periodically using third parties. Irrespective of their source, all customer complaints are monitored via an online tracking system called Customer Complaint Tracker. We are responsive and at the same time, proactive with the customers.

PRINCIPLE 5 RESPECTING AND PROMOTING HUMAN RIGHTS

We are committed to human rights principles and respect and protect human rights, both within and outside the workplace, through the application of frameworks, such as SA 8000, United Nations Global Compact (UNGC) based on the Universal Declaration of Human Rights and ILO conventions. We ensure that the principles comply with and are subject to continuous improvement through independent third-party verification.

Our human rights policy, imbibed in our cultural fabric and shared with all the employees through online portal, helps us shield and revere human dignity.

Human rights in workplace

We promote human rights through policy of inclusive growth. Our HIV/AIDS policy encourages a life of dignity for people living with the disease.

Being a signatory to the UNGC, we support Principles 1 and 2 of the UNGC. This encourages support and protection of internationally proclaimed human rights and refrain from human rights abuses. We ensure the compliance of these principles by:

- Providing safe and healthy working conditions
- Ensuring non-discrimination in personnel practices
- Providing access to basic health, education and housing for the workers and their families
- Working to protect the economic livelihood of local communities
- Preventing the forcible displacement of individuals, groups or communities
- Supporting education, empowerment and skill development of poor girls

- Monitoring system to ensure implementation of human rights policies
- Actively engaging in dialogue with stakeholder groups and social organisations
- Raising awareness about known human rights issues
- Establishing grievance redressal cell for addressing issues pertaining to all the stakeholders
- Following Whistle Blower Policy, under which the employees have the opportunity to report complaints pertaining to fraud, violation of rule, code of conduct, and so on

We follow and promote SA 8000 code of practice, which comprises the following nine clauses:

Child labour	Freedom of association and right to collective bargaining	Working hours
Forced compulsory labour	Discrimination	Remuneration
Health and safety	Disciplinary practices	Management systems

PRINCIPLE 6 NURTURING THE ENVIRONMENT

We are committed to minimise the environmental impact of our operations and conserve natural resources through efficient resource utilisation.

To maintain our global leadership in zinc, lead and silver, we develop and deploy relevant technologies to:

- Maximise metals extraction
- Operate responsibly with least footprint for water, carbon, energy, land and hazardous wastes
- Care for people and bio-diversity around our operations

Water management

Water, an increasingly scarce global resource, is a critical input for our mining and smelting operations. Hence, we continue to identify business risks and opportunities for:

- Water access
- Efficient water usage
- Water reuse or recycling
- Responsible waste water disposal

Further, to sustain water source and also to demonstrate our societal commitment, we have engaged in a sewage water recycling project. We aim to treat, recycle and use the sewage water from the Udaipur City, for which we have signed an agreement with the local authorities to treat the city's sewage, which currently finds its way into the city's lakes.

WATER CONSUMPTION IN MINES IN CUM/MT OF CONCENTRATE PRODUCTION



SP. WATER CONSUMPTION IN SMELTERS IN CUM/MT OF METAL



PRINCIPLE 6 NURTURING THE ENVIRONMENT

Reduce water footprint and develop sustainable water resources

Driven by our comprehensive water policy, we aim to reduce the water footprint and develop sustainable water resources by:

- Harvesting of rainwater through Public Private Partnership (PPP) models
- Conserving water by source reduction and utilising it efficiently through the adoption of best available technology
- Maintaining zero discharge operations through reduction, reuse, recycling and reprocessing of rejected water
- Promoting efficient water use by community through capacity building
- Measuring, monitoring and accounting for every water drop used

Water reservoir construction

We have constructed reservoirs for captive consumption and have partnered with the state government of Rajasthan since the 1970s. We aim to effectively harvest rainwater through a PPP model by supporting reservoir constructions across different rivers.

Cloud seeding

We are India's first private company to go for cloud seeding programme. We have worked in the catchment areas of Gosunda dam, Matri kundia dam and Banas river in the vicinity of our facilities. This helped to fill reservoirs and increase water tables during rainy season, which also catered to community drinking water and irrigation needs.

Water conservation

We have adopted various initiatives for efficient water utilisation in the manufacturing processes including:

- **Replacing the Dariba Smelting Complex's conventional cooling towers by Adiabatic cooling towers:** This resulted in 70% reduction in cooling water makeup. A source reduction of about 2000 cum per day of fresh water achieved ensures equivalent source sustainability. We now propose to replicate the success in other operating smelters

- **Process waste disposal:** We have adopted Jarofix dry disposal (>65% solids) as against Jarosite wet disposal (<35% solids) to reduce the evaporation losses. We have also gone for deep cone decanter/high rate thickener to reduce water content in mine tailing disposal and thus, evaporation losses
- **Use of less water-intensive technology:** We implement air-pressing filters to replace water-pressing ones at beneficiation plant
- **Reduced dust:** We use dust-suppression chemicals for haulage roads at Rampura Agucha mine

Other initiatives

- Increase cooling tower cycles of concentration through suitable chemical usage
- Use evaporation-retardant chemicals to reduce water-loss by almost 50% from water reservoirs and tailing dams
- Regular monitoring, accounting, benchmarking and reviewing of water consumption

Conservation through efficient utilisation

- **In-process reuse:** Every process area has its dykes to capture leaks and spills reused in the process without any treatment.
- **Intra-plant recycling:** A comprehensive mapping of water and stream quality enables an effluent, generated in one part of the manufacturing process, to be effectively utilised in another.
- **Inter-plant recycling:** We have integrated operations with multiple manufacturing plants within a complex. Hence, we can flexibly utilise effluents from one plant as a water source in another.

Zero discharge operation

We efficiently utilise and recycle all process effluents.

Storm water management

- We have constructed different drains for process effluent and storm water to separate the two sources
- We have constructed storm water ponds to separately collect the first contamination and the subsequent spills

Effluent management

- Based on their total dissolved solids and toxicity, we treat process effluents generated through utilisation cycles at chemical treatment plants
- We also reuse processed effluents. Maximum recovery to the last water drop through secondary and tertiary treatments of these effluents sets us apart. The process includes two stages – reverse osmosis and multiple effect evaporation and solar evaporation ponds
- We treat and reuse all domestic effluents in gardening, dust suppression, housekeeping and so on

Energy management

Adoption of best resource and energy utilisation technology is an important area for us. Besides, we also constantly focus on:

- Reducing energy consumption through various in-process innovations
- Adopting best practices

To improve the throughput and reduce specific energy consumption, we focus on machine productivity. Major initiatives undertaken are:

- Installations of variable frequency drives across operations
- Use of energy-efficient motors, right capacity motors, lighting savers and so on
- Energy audits and implementation of their recommendations

Managing climate change

We share the global concern for climate change and constantly strive to mitigate our environmental footprint.

- We are among the leading wind power producers in India with a capacity of around 274 MW
- We produce another 25 MW through steam generation from non-fossil sources
- Our various clean development mechanism projects on waste heat recovery and wind power have an annual certified emission reduction (CER) potential of over 600,000 MT of CO₂

Storm water pond at Dariba Smelting Complex



PRINCIPLE 6 NURTURING THE ENVIRONMENT

ENERGY CONSUMPTION IN MINES IN GJ/ MT OF CONCENTRATE



ENERGY CONSUMPTION IN SMELTERS IN GJ/MT OF METAL



Note:
In FY 2013, we have adopted IPCC multiplication factors as per Vedanta corporate guideline for conversion of primary energy into GJ. To create a uniform consumption of previous year figures, we have also converted figures from FY 2010 to FY 2011 using IPCC conversion factor.

- During FY 2013, 324,857 CERs were verified. We have sold 215,068 CERs generating revenues of ₹ 4.79 Crores. We have been voluntarily filing Carbon Disclosure Project (CDP) responses over the years as a proactive step to report our carbon footprint. This year too we have filed CDP 9 response

We have initiated the following steps for carbon footprints reduction:

- Railway line installation project of 27 km and 19 km at Rampura Agucha and Rajpura Dariba mines, respectively, will help maximise rail transportation
- Use of pure oxygen for roasting, as against air, will increase waste heat recovery and roasters' throughput
- Use of 240 MT dumpers at Rampura Agucha mine

Waste management

Our operations generate different types of wastes, including mine overburden, tailings, slag, red mud, Jarosite, fly-ash, bottom ash, waste and used oil, and smelter wastes.

We aim to:

- Reduce the toxicity and quantity of wastes
- Recycle/reuse/manage/dispose wastes in environment-friendly manner

We neutralise Jarosite with lime and cement to create stabilised Jarofix. The stabilised component is then stored in lined yard for future use.

We have collaborated with reputed research institutes, like the National Council for Cement and Building Materials (NCCBM), Central Road Research Institute (CRR) New Delhi and National Environment Engineering Research Institute (NEERI) Nagpur, to develop ways to utilise Jarosite and Jarofix gainfully. Various feasibility studies conducted for establishing suitability of Jarosite in cement manufacturing have shown positive results. We are currently evaluating with a few cement companies about using Jarosite and Jarofix in manufacturing. Besides, Jarofix is being utilised in NEERI's developmental project and to construct a 200 metre stretch of highway. Large-scale utilisation of Jarofix in road constructions can happen, as the component has delivered encouraging results during two monsoons.

Biodiversity and green belt development

We aim to avoid losses or degradation of natural habitats, biodiversity and landscape. All our greenfield projects and expansions undergo Environmental Impact Assessment studies to understand the status of the biodiversity in our operating region. None of our operations qualify as artisanal and small-scale mining.

We avoid using protected or high biodiversity areas. We continue to develop green-belt in and around our operations with expert botanists and horticulturists. Our mine planning includes responsible closures as well.

On World Environment Day, 2012, we planted 100,000 saplings across locations in a single day.

Rampura Agucha mine has successfully developed innovative method of overburden stabilisation and rehabilitation - for the first time in Rajasthan - by use of Geo-Textile mats, or Geo soil savers and plantation of Vetiver grass over them. Geo-textiles are made from 100% organic material a naturally occurring fiber derived from a renewable resource namely, coconut (cocos nucifera) husk.

Air quality management

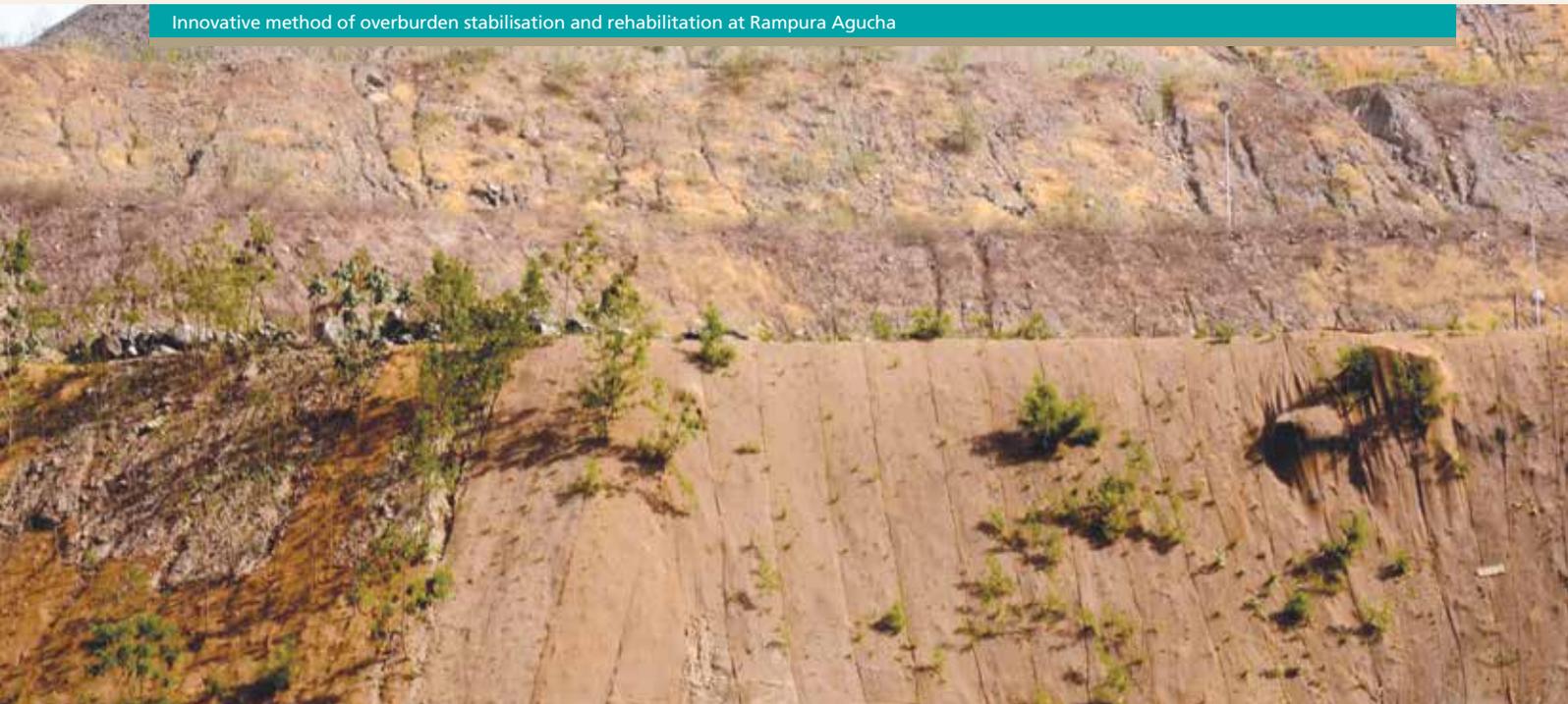
Besides regular air monitoring, we have adopted the following air pollution prevention measures at our mines:

- Track-mounted Down the Hole drills with wet drilling system
- Water sprinklers and dust suppressants to suppress haul road dust
- Water sprays nozzles and venturi scrubbers at crusher to collect dust
- Truck tyre washing system to wash out the wheels' residues
- Industrial road cleaning by mechanical road sweeper
- Covered conveyor belts and material carrying trucks to prevent dust/fugitive emissions/spillages

Across all smelters, we have installed:

- Waste-free cleaner tail gas treatment plants to prevent SO₂ emissions
- Double conversion double absorption for new acid plants
- Cansolv technology to treat lean SO₂ gases in Ausmelt (lead) plant

Innovative method of overburden stabilisation and rehabilitation at Rampura Agucha



PRINCIPLE 7 RESPONSIBLE POLICY ADVOCACY

We endorse sustainable mining practices. We believe that sustainable growth of the mining industry requires implementation of global best practices for technology use and environmental and socio-economic issues management.

We have adopted sustainable framework evolved by our holding company, Vedanta Plc. Our policies, processes and systems help practice sustainability. We also uphold the adopted framework for facilitating policies while participating with industry associates. Being the founder member of Sustainable Mining Initiatives (SMI) of Federation of Indian Mineral Industries (FIMI), we represent its governing body and environmental committee.

We pursue relevant policy makers through trade and industry associations like Confederation of Indian Industries, Federation of Indian Chamber of Commerce and Industry, FIMI, Engineering Export Promotion Council and Federation of Indian Export Organisations through:

- Written submissions to relevant ministries about the sectoral interests, concern and support required to make the market competitive. These are followed up by meetings with the Central Government and trade associations to further explain the rationale behind the sectoral views
- Industry consultation with associations and government

The various kinds of representations made by us include:

- **Pre-budget memorandum:** Every year, we present the annual budget recommendation to the Central Government in the pre-budget memorandum through industry associations. It includes our view on business environment of non-ferrous sector and its first and end-use industries

ADDITION OF NEW COUNTRIES IN EXPORT INCENTIVE SCHEMES UNDER CHAPTER 3 OF FOREIGN TRADE POLICY

The Central Government in foreign trade policy supports our endeavour to:

- Advocate the policy to explore newer markets to expand Indian business
- Encourage competitiveness on a global scale by increasing reach
- Enter new markets

Time and again, the Commerce Ministry has accorded importance to our recommendation to add new regions from the unexplored African, Southeast Asian and European non-ferrous and allied sector markets in various export incentive schemes. This provides the impetus to the Indian non-ferrous industry to grow and be competitive on the global map.

- **Recommendation to the government on foreign trade policy:** Giving recommendations through industry associations to liberalise business environment, incentivise trade to new markets and regions, and make it easier to do business around the globe

Few advocated policy statements ask to:

- Include more regions and countries from unexplored territories in export incentive plans like Focus Market Scheme, Market-linked Focus Product Scheme and so on
- Offer fair consideration to the domestic industrial sector in various ongoing FTAs negotiations and discussions

PRINCIPLE 8 SUPPORTING INCLUSIVE DEVELOPMENT

Corporate Social Responsibility, an integral part of our sustainability strategy, is accorded as much importance as any other business project

Vision

To enhance the quality of life and socio-economic well-being of communities

Approach

Our community development approach is holistic, long term, integrated and sustainable. Our community engagement process, alongside baseline studies and needs assessments, helps perspective planning for three to five years in the identified villages.

Social investment focus

- Health and Nutrition
- Education
- Water and Sanitation
- Sustainable Livelihood Programme (Farm and Non-farm)
- Women Empowerment
- Community Assets Creation

MEGA VACCINATION DRIVE FOR LIVESTOCK AT RAMPURA AGUCHA

Livestock is a major source of income in India's villages. However, the rural masses are still following traditional practices for livestock maintenance and development, due to lack of information, inaccessibility to medical facilities and poor financial conditions. In collaboration with Rajasthan's Animal Husbandry Department, we have started a mega vaccination drive preceding and following the monsoon seasons for conditions, such as foot and mouth disease and HS BQ, which are highly contagious diseases of cattle, buffaloes, sheep, goats, pigs and wild animals. Our mass vaccination campaign helps reduce the severe economic losses of rural dairy farmers by offering free animal vaccines. During this year's drive, 72,724 cattle across 103 villages have been benefited.

Vedanta Computer Education Programme



PRINCIPLE 8 SUPPORTING INCLUSIVE DEVELOPMENT

SOME OF OUR KEY PROJECTS AND THEIR OUTCOMES ARE:

Project	Objective	Outreach, outcome and way forward
Vedanta Bal Shakti Anganwadi Project	Overall development of children in the age group 3-6 years in Anganwadi Centres (AWCs) with health, attendance, retention and linkage with formal education improvements	<ul style="list-style-type: none"> o Implemented the project in 1,500 centres in four districts benefiting 50,000 children o Improvement in attendance by 35% (from 37% to 72%) and retention by 52% (from 29% to 81%) o Plan to develop 500 model AWCs in FY 2014
Vedanta Computer Education Programme	To provide computer education to the students of the government upper primary school	<ul style="list-style-type: none"> o Implemented the project in 682 schools in seven districts of Rajasthan under Computer Aided Learning Programme model o 1,000 computers installed with furniture and fixture in Phase-I o 68,000 rural school students, including 38% girls, equipped with basic computer knowledge and formal education o Plan to undertake 1,000 new upper primary schools under projector model in FY 2014
Vocational Training to Unemployed Rural Youth	Providing vocational training to 7,800 unemployed rural youth in five years at an average of 1,560 youth every year through vocation-based trainings in various market-driven trades	<ul style="list-style-type: none"> o About 1,300 unemployed rural youths have been trained in Phase I in different market-driven trades o Of the trained rural youths, 85% have been placed in various agencies and are earning ₹ 4,000 to ₹ 8,000 per month o Plan to train 1,500 unemployed youth in FY 2014
Vocational Training to Self Help Group (SHG) Members	Offering socio-economic empowerment of rural SHG women through capacity building and linking with various income generation activities	<ul style="list-style-type: none"> o 594 SHG women have undergone skill enhancement training o 75% women linked with micro enterprise, thereby enhancing their monthly family income up to ₹ 4,000 – ₹ 5,000 o Plan to impart skill development training to 500 women in FY 2014
Education Projects	To improve the quality of education in government schools and promote meritorious students from rural areas to pursue higher education	<ul style="list-style-type: none"> o Covered 300 students under scholarship programmes, including sponsoring of girls for college education o Benefited 1,200 students under Siksha Sambal project o Plan to cover 2,500 students under Siksha Sambal (remedial classes for board students of government schools) in FY 2014

SOME OF OUR KEY PROJECTS AND THEIR OUTCOMES ARE:

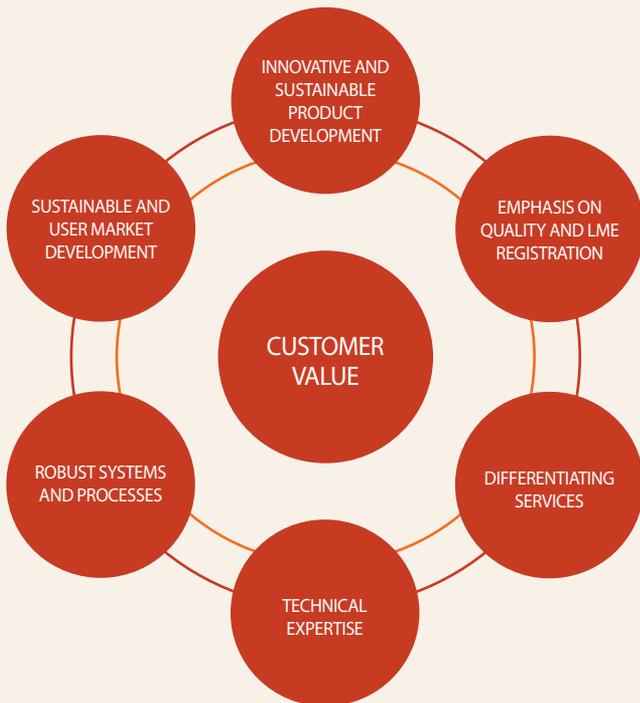
Project	Objective	Outreach, outcome and way forward
Mid-day Meal Programme	To improve enrolment, attendance, retention and nutrition status among primary and secondary school students	<ul style="list-style-type: none"> ○ About 180,000 students of primary and middle schools are being catered through six hi-tech centralised kitchens ○ Improved school enrolment by 30% (from 33%-63%) and school attendance by 59% (from 34%-93%); improving particularly girls' attendance by 41% (from 28%-69%) ○ Visual gallery of cooking processes will be installed in two kitchens
Rural Sanitation Project	Providing accessibility to affordable toilets in identified villages to provide healthy and hygienic environment to the rural inhabitants and particularly preserve women's dignity.	<ul style="list-style-type: none"> ○ Constructed 1,350 toilets in identified villages ○ Significantly reduced water-borne diseases in the villages and improved health and hygiene habits ○ Signed an MoU to construct 20,000 toilets in the next 3 years
Improved Agriculture Project	To increase community's sustainable livelihood options through improved agricultural practices	<ul style="list-style-type: none"> ○ 5,000 farmers have been covered under this programme ○ Improved agricultural practices enhanced per-acre output by 27% ○ Plan to cover additional 5,000 farmers in FY 2014
Vedanta Heart Hospital	Access to affordable cardiac care services to the rural population in southern Rajasthan	<ul style="list-style-type: none"> ○ Southern Rajasthan's heart patients will receive modern preventive and healthcare facilities ○ Reduced turnaround period for indoor patients, networked referral with national-level health institutions for higher clinical management
Integrated Panchayat Development Programme	Identified poverty-stricken panchayat's holistic development through convergence based on multi-stakeholder engagement approach, aligned with Millennium Development Goals in four districts of Rajasthan	<ul style="list-style-type: none"> ○ Holistic development of around 30,000 targeted families in 90 villages by providing basic rural infrastructure, along with health and education facilities and sustainable livelihood ○ Impact 15 Panchayats in Rajasthan

Way forward for FY 2014

We expect challenges due to evolving expectations of communities and changing global socio-economic landscape in the medium and long term. To overcome these challenges, we need to build capable communities. We are currently working in 184 villages and reaching out to over 500,000 people in Rajasthan. In FY 2014, we will continue to increase outreach to communities and accelerate the creation of local prosperity.

PRINCIPLE 9 PROVIDING CUSTOMER VALUE

We strongly believe in delivering optimal value to our customers. We also aim to align customer-defined value with business metrics, improvement programs, capabilities, processes and organisation & infrastructure. We try to position ourselves as the preferred supplier of the customers



Innovative and sustainable product development

We constantly assess customer needs, recent international practices and trends to sync our products with market requirements. For this, we use various tools like the following:

Tools for assessing customer requirements and market trends	Multiple access points provided to the customer
End-to-end market mapping	E-sales web portal
Customer satisfaction survey	Online feedback form
Benchmarking	Regional offices
Online customer feedback	Plant visits by Company officials
Providing technical assistance	Surveys and feedback solicitations
Customer visits to our plants	Customer complaint tracker
Organising seminars, industry meets, expert talks, technical programmes and so on	
One-on-one meetings with senior management	
Knowledge sharing through brochures, white papers, journals and so on	

Recently, we have added products familiar in India, like Jumbo Ingots and Prime Western grade, to our product line. We have also set up a Continuous Galvanising Grade (CGG) product line, which will soon commence production. Such innovative product developments not just ensure customer delight, but also provide wider options for customers.

Customer engagement for identification of innovative products

Customer Needs Identification > Concept Generation > Concept Evaluation > Concept Selection and Confirmation Session > Product Design

We identify product needs through market research and systemic customer interactions. We then work on it internally for innovation. To identify customer requirements for product offerings, we employ three methods, broadly:

End-to-end customer mapping

We are at the extreme end of the supply chain. Our elaborate end-to-end market mapping helps understand all our supply chain stakeholders. For this, our detailed demand-side research offers a strategic vision to our marketing and product development efforts.

Benchmarking

We benchmark our product offerings, quality, processes, prices and premiums and others with relevant global examples and standards to ensure that our customers achieve the best value-added services and products.

Customer satisfaction survey

We conduct customer satisfaction surveys to understand customers' contentment with our deliverables, benchmark ourselves with industry standards and identify enhancement scope and future opportunities to increase customer satisfaction. Recent survey revealed a marked improvement in all our products and services.

Emphasis on quality and LME registration

Our zinc and lead ingots are LME registered under the international brands. LME brands are recognised worldwide to have one of the most demanding standards. It signifies highest product quality, uniform physical characteristics and consistency of ingots. This re-emphasises our capability and commitment to meet the world-class standards.

We also have Quality Management Systems in place for all our products, which comply with the ISO 9001:2008 standard requirements.

Our new CGG line is indicative of our extensive customer requirement assessment, in-depth market study and sound product portfolio planning and solution development.

We had installed this CGG line specifically for our customers, such as TATA Blue scope. Our team of global experts worked in tandem with the customers' operations team to understand their processes and requirements and customised a product to meet all customer needs.

Our customers have highly appreciated the impact of using CGG zinc on melting losses, product quality and process economics.

PRINCIPLE 9 PROVIDING CUSTOMER VALUE

Differentiating services

We maintain a forward-looking approach in line with global commodity pricing trends and customer demand assessments. Being in the commodity market, majority of our efforts are based on service and commercial terms - the major factors to impact customer satisfaction. Some of our distinguishing services include:

- Attractive commercial terms
- Local agents, especially for far and remote customers
- Local stocking
- Consolidated offers
- Technical programmes

Technical expertise

Our in-house technical services team as well as onboard international expert consultants help us offer technical expertise to our customers and stakeholders.

The team also solicits customer feedback and requirements, works along with the marketing and R&D teams and assesses the feasibility of new or customised products.

Robust systems and processes

For proper customer profiling, we perform excellent data management to provide enhanced customer value and make it convenient for the customers to engage with us. Hence, we have always been a step ahead in implementing the latest and the best technologies.

We provide high-quality processes and systems, such as:

- ERP system
- Customer complaint tracking system
- Web-based e-sales customer portal

Sustainable end-user market development

We not just aim to endorse Hindustan Zinc as a brand, but look to promote 'zinc' as a sustainable, vital, clean, natural, durable and essential metal.

This inspired us to partner with local and international associations dedicated exclusively to the interests of zinc and its users like International Zinc Association (IZA) and India Lead Zinc Development Association (ILZDA). Along with our associates, we have initiated processes to develop new zinc applications in India. These applications focus on the sustainable long-term global demand for the metal. It promotes key end uses, such as corrosion protection for steel and zinc's essentiality in human health and crop nutrition.

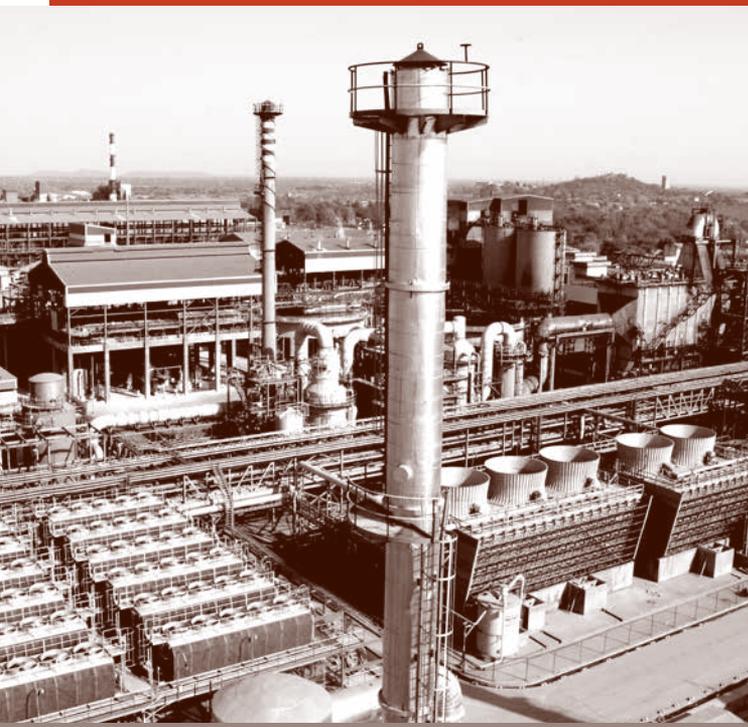
MAKING HOT-DIP GALVANISING ECONOMICAL

Traditionally, the hot dip galvanisers with lead bath bottoms have been using Special High Grade (SHG) zinc for hot-dip galvanising, in adherence to the Bureau of Indian Standards (BIS) and Power Grid Corporation of India Limited (PGCIL) guidelines. SHG is minimum 99.995% pure zinc and, therefore, is more expensive for galvanising application, vis-a-vis the benefits associated.

However, recently BIS and PGCIL revised the reference minimum zinc purity. Thus, the galvanisers now can opt to consider other grades of the metal. The Company took this initiative and involved an international consultant to study, which would be, economically and on the basis of performance, the most beneficial grade to the galvanisers. Once this was established, we endeavoured to educate the galvanisers on the appropriate option available through regional seminars and addressing customers' technical queries.

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DIRECTORS' REPORT



We delivered record performance in FY 2013, achieving the highest ever mined metal production and profits. In addition, our exploration activities have maintained our mine life of over 25 years.

Dear Members,

The Directors have pleasure in presenting the 47th Annual Report, together with the statement of Audited Financial Statements for the financial year ended March 31, 2013.

FINANCIAL RESULTS AND DIVIDEND

	(₹ Crores)	
	FY 2013	FY 2012
Total Revenues (including Other Income)	14,731.99	12,948.14
Profit before depreciation, interest and tax	8,496.26	7,569.16
Less: Interest	29.10	13.95
Less: Depreciation and amortisation expense	647.04	610.67
Profit before tax	7,820.12	6,944.54
Taxation	920.64	1,418.50
Profit for the Year	6,899.48	5,526.04
Earnings per equity share, ₹	16.33	13.08

DIVIDEND

The Board of Directors has recommended a final dividend of 75%, i.e., ₹ 1.50 per share on equity share of ₹ 2.00 each subject to the approval of shareholders. This takes the total dividend for FY 2013 to 155%, i.e., ₹ 3.10 per share, which is the highest ever proposed by the Company. The total outgo on account of dividend, including tax on dividend, will be ₹ 1,527 Crores during FY 2013, as against ₹ 1,179 Crores in FY 2012.

PERFORMANCE REVIEW

We reported net revenue from operations of ₹ 12,700 Crores, an increase of 11% compared to FY 2012. The increase was primarily on account of increased silver sales and INR depreciation, partially offset by lower metal prices. The Company achieved profit before depreciation, interest and tax (PBDIT) of ₹ 8,496 Crores in FY 2013, up 12%, benefiting from higher sales and other income, partially offset by higher operating costs.

Mined metal production during the year was 870,200 MT compared to 830,432 MT in the previous year. The higher mined metal production was primarily due to higher output at Rampura Agucha.



Integrated refined zinc production this year was 659,971 MT, compared to 752,265 MT in FY 2012. The decline in zinc metal production was mainly on account of uneven distribution of mined metal production during the year with the second half much stronger than the first half, as per the mine plan. We addressed it by selling 61,097 MT of zinc mined metal in the second half. The total refined zinc production was 676,921 MT in FY 2013, compared to 758,716 MT in FY 2012.

We performed extremely well in total refined lead and silver production, which are the highest ever at 124,816 MT and 408 MT – up 26% and 69% – respectively. Of this, integrated refined lead production was 106,753 MT and integrated silver production was 322 MT, up 20% and 36%, respectively. Production of refined lead and silver was boosted significantly by higher contribution from Sindesar Khurd mine and full year of production at Dariba lead smelter and the new refineries in the state of Uttarakhand.

Our generation from captive power plants in FY 2013 declined by 2% to 3,363 million units, compared to that in FY 2012. Our wind power generation was up 52% at 511 million units, compared to that in FY 2012, boosted by addition of new wind mills.

SUCCESS IN EXPLORATION

Mineral exploration is a key component of our growth strategy. We are actively pursuing brownfield and greenfield exploration. We have added 24.6 million MT to our reserves & resources this year, prior to a depletion of 8.6 million MT during the period. In the same vein, our contained gross zinc-lead metal has increased by 1.0 million MT, prior to a depletion of 0.9 million MT during the period. Total reserves & resources, on March 31, 2013, were 348.3 million MT containing 35.1 million MT of zinc-lead metal and 909.6 million ounces of silver.

Our exploration activities have maintained our mine life of over 25 years

ZAWAR MINES

Operations at three of the four mines comprising the Zawar mine complex had been suspended since early 2010, pending forest clearance. In January 2013, we obtained an 'in-principle' approval for forest diversion from Ministry of Environment and Forest (MoEF) and production is now being ramped up to its full capacity.

VIZAG ZINC SMELTER

The operations at Vizag Zinc Smelter have been suspended since February 2012. Considering the environment limitations, large urbanisation around the smelting complex and the viability of continuing operations, we are evaluating all options related to the smelter.

SALES

The zinc refined metal sales in the domestic market during the year were 447,877 MT, while export sales accounted for 227,081 MT. Besides, we exported zinc mined metal of 61,097 MT in FY 2013. Lead metal sales in the domestic market during the year were 114,471 MT, with the export sales accounting for 2,974 MT. Silver sales were 374 MT in FY 2013, all in the domestic market.

FINANCIAL PERFORMANCE

The Company reported record profits of ₹ 6,899 Crores for the year, up 25% from the previous year. This was primarily on account of higher sales and other income, partially offset by higher operating costs.

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

PROJECTS

During the year, we announced our plan for next phase of growth to position the Company to deliver superior performance in future. Based on long-term evaluation of assets and in consultation with mining experts, this growth plan will involve sinking of underground shafts and developing underground mines. These growth projects will result in an increase in mined metal production capacity from 1.0 million MT per annum to 1.2 million MT per annum. The growth plan includes:

- Development of 3.75 million MT per annum underground mine at Rampura Agucha
- Expansion of Kayad mine, an extension of Rampura Agucha block to 1.0 million MT per annum,
- Expansion of Sindesar Khurd mine from 2.0 million MT per annum to 3.75 million MT per annum
- Expansion of Rajpura Dariba mine from 0.9 million MT per annum to 1.2 million MT per annum

DIRECTORS' REPORT

- o Expand Zawar Mine from 1.2 million MT per annum to 5.0 million MT per annum
- o Development of 0.5 million MT per annum underground mine at Bamnia Kalan, an extension of Sindesar Khurd block

The mines will be developed using best-in-class technology and equipment and in consultation with leading global mine experts, ensuring the highest level of productivity at the lowest cost. The projects will be completed in six years. The benefits of expansion projects will start flowing in from the third year, even as projects will continue till FY 2019. Annual capital expenditures for these projects will average US\$ 250 million a year over the next six years.

CONTRIBUTION TO THE EXCHEQUER

Your Company has contributed ₹ 3,916 Crores, in terms of royalties, taxes and duties to the exchequer, an increase of 23% from last year.

DIRECTORS

During the year under review, following changes took place in the Board of Directors of your Company. Mr. Durga Shanker Mishra and Mr. Naresh Kumar were appointed as Directors and Mr. R. K. Malhotra and Mr. Naresh Kumar ceased to be directors. Mr. Navin Agarwal and Ms. Anjali Anand Srivastava retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting. None of the retiring Directors hold any shares in the Company. Your Directors recommend their reappointment.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE & BUSINESS RESPONSIBILITY REPORT

Your Company is a part of Vedanta Group and conforms to norms of Corporate Governance adopted by them. As a listed Company, necessary measures are taken to comply with the listing agreements of the Stock exchanges. A report on Corporate Governance, along with a certificate of compliance from Statutory Auditors, also forms

part of this report. Further Business Responsibility Report, describing the initiatives taken by your Company from an Environmental, Social and Governance perspective also forms a part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of Annual Financial Statements, applicable accounting standards have been followed, along with proper explanation relating to material departures, if any.
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2013, and the Company's profit for the year ending on that date.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the Company's assets and for detecting and preventing frauds and other irregularities
- The Directors have prepared the Annual Financial Statements on a 'Going Concern' basis.

AUDITORS

Your Company had appointed M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company to conduct audit of Financial Statements for the year ended March 31, 2013. Their term of appointment expires at the conclusion of the forthcoming Annual General Meeting and being eligible, they have offered themselves for reappointment. Your Directors propose their reappointment.

Pursuant to the orders issued by the Central Government under section 233B of The Companies Act, 1956, the Board of Directors of your Company has appointed M/s KG Goyal & Co. Cost Accountants for conducting the audit of the cost accounting records maintained by the Company for all its products.



PARTICULARS OF TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Akhilesh Joshi
CEO & Whole-time Director

A. R. Narayanaswamy
Director

Place: Mumbai
Date: April 25, 2013

ANNEXURE 1

Particulars of technology absorption and foreign exchange earnings and outgo, as per Section 217 (1) (e) of the Companies Act, 1956, and the rules made therein and forming part of the Directors' Report for the year ended March 31, 2013.

A) Conservation of Energy

1. Installation of LED lights fittings for street light at Rampura Agucha mine complex and Dariba Smelting Complex Captive Power Plant (CPP)
2. Reduce idle running time by providing timer in starting circuit in GR02G008 Agitator & RP Agitator at Chanderiya Lead-Zinc Smelter Hydro unit
3. Installation of variable frequency drives in pumps at Chanderiya, Rampura Agucha, Debari and Dariba Complexes
4. Replacement of old motors with their energy-efficient counterparts at Debari and Rampura Agucha
5. Cooling tower fan on/off based on water temperature at Haridwar
6. Hot water sump pump on/off controlled by water level of cooling tower at Haridwar
7. Installation of 1,000 and 2,000 LPD solar water heater system in guest house and canteen at Debari

B) Technology Absorption

a. Specific areas in which R&D has been carried out by the Company in FY 2013

1. A plant is being commissioned based on in-house developed technology to recover lead and silver from the waste of sinter, i.e. Hot Gas Precipitator (HGP) dust produced in Unit – I, Chanderiya.
2. Continued treatment of waste products to realise lead and silver values where 950 MT low-grade lead concentrate was treated with 790 MT of HGP dust; the additional lead and silver production was about 580 MT and 755 kg, respectively.

DIRECTORS' REPORT

3. Flotation responses of different silver promoter reagents were explored with Sindesar Khurd mine and Rampura Agucha mine. Selected reagents resulted in recovery improvement for silver and lead metals.
4. Modelling and simulation studies have proposed a scope of increasing Sindesar Khurd mine through put further by upto 10%.
5. Flotation parameters have been optimised for treating higher proportion of graphite mica schist for Rajpura Dariba mine ore for achieving desired concentrate grade and recoveries.
6. Rampura Agucha tailing has been floated to produce bulk concentrate of total metal content of 14% (2-3% Lead and 11-12% Zinc). Pilot plant studies are proposed for next year.
7. Periodic plant audits and mineralogical studies of grinding and flotation circuits were conducted to understand and enhance the circuit performance.
8. The trial patch is constructed using hydro-plant's waste, Jarofix, as filler material in roads/highways is under environmental and engineering studies. The performance of trial patch is satisfactory till date.
9. Plant trials for using hazardous waste, Jarosite, in cement industries as part of mineraliser are in-progress. In addition, experiments have been conducted to produce non-hazardous gypsum (a raw material for cement industries) from this hazardous waste mixing marble industry waste. Sustainability studies are in progress at the National Council for Cement and Building Materials, Ballabgarh.

b. Benefits derived as result of above R&D

1. Improvement in value realisation from by-products and waste
2. Lead and silver recovery improvements at concentrator by modifying promoter reagents during flotation
3. Improved recoveries and realisation of silver
4. Reduction in cost of production due to lower energy and reagent consumption resulting from process modifications in beneficiation plant through plant audits, mineralogical studies and testing different ore blend ratios
5. Optimisation of plant operations by improvement in existing processes at concentrators and smelters
6. Effective utilisation of Jarofix, a waste product of hydro-smelters

c. Future Projects for R&D for FY 2014

1. Continuous treatment of waste residue like Low Grade Lead Concentrate and HGP dust
2. Commissioning for HGP dust treatment plant
3. Studying the effect of impurity distribution/ high silica/ high sulphide sulphur for Hydro-smelters
4. Process development for improved zinc recovery from zinc dross with low treatment cost
5. Silver recovery from neutral or weak acid under-flow and parameter optimisation for zinc recovery from its tailing
6. Performance evaluations of new graphite depressant reagent to reduce costs



7. Evaluation of process response for the new ore sources, like Rampura Agucha underground mine, Sindesar Khurd mine expansion and Kayad mine
8. To establish flotation parameters of bulk concentrate produced from Rampura Agucha tailings in pilot scale
9. To evaluate silica depressants for Sindesar Khurd ore
10. Modelling and simulation of the grinding circuits for concentrators
11. Mineralogical investigation to get control strategy insights for the optimum performance of the flotation and grinding circuits

C) Foreign Exchange Earnings and Outgo

During the year, foreign exchange outgo was ₹ 2,031 Crores (which includes import of capital goods, stores and spares, consultancy, coal, consumables, travelling, etc.), while the foreign exchange earned was ₹ 2,712 Crores. The details have been given under item numbers 41 to 43 of notes to Financial Statements.

DIRECTORS' REPORT

FORM A

form for disclosure of particulars with respect to conservation of energy

		Unit	Year ended 31/3/2013	Year ended 31/3/2012
A	Electricity. Power Generation & Fuel consumption			
	Purchase Units	Million Kwh	127	139
	Total Amount	₹ Cr	89.04	85.17
	Average rate of purchasing	₹/kwh	7.01	6.15
	CPP - Units generated from fuel oil			
	Own Generation Units (From Fuel Oil)	Million Kwh	15	4
	Quantity Consumed			
	LSHS/FO	MT	330	465
	H S D	KL	3345	695
	Total Amount	₹ Cr	15.68	4.67
	Average cost of fuel per Kg	₹/kg	51.04	45.13
	Average cost of generation	₹/kwh	10.68	11.52
	Unit generated per unit of fuel (LSHS/FO/HSD)	kwh/kg	4.78	3.92
	CPP - Units generated from Coal			
	Own Generation Units (From Coal)	Million Kwh	3,234	3,372
	Quantity Consumed			
	Coal	MT	15,83,003	16,90,718
	LDO	KL	687	1,609
	Total Amount	₹ Cr	929.18	1053.04
	Average cost per Kg (Coal)	₹/kg	5.86	6.20
	Average cost per Kg (LDO)	₹/kg	41.33	37.92
	Average cost of generation	₹/kwh	3.05	3.33
	Unit generated per unit of fuel (Coal)	kwh/kg	2.25	2.17
B	Fuel consumption for Metal Production			
	(a) L.PG/Propane			
	Quantity	Million Kg	6.51	8.72
	Total Amount	₹ Cr	40.17	41.54
	Average cost per Kg	₹/Kg	61.72	47.62
	(b) L.DO/LSHS/FO			
	Quantity	KL	21,486	21,374
	Total Amount	₹ Cr	87.85	79.25
	Average cost per Ltr	₹/Ltr	40.89	37.08
	(c) Coal for Steam & Others			
	Quantity	MT	53,042	60,514
	Total Amount	₹ Cr	31.25	37.60
	Average cost per MT	₹/MT	5,891	6,214
	(d) Met Coke & Coke breeze			
	Quantity	MT	120,751	127,686
	Total Amount	₹ Cr	225.58	262.56
	Average cost per MT	₹/MT	18,682	20,563



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing agreement with the Bombay Stock Exchange and the National Stock Exchange (India) Limited, the Board members and the Senior Management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended on March 31, 2013.

For **Hindustan Zinc Limited**

Akhilesh Joshi

CEO & Whole-time Director

Place: Mumbai

Date: April 25, 2013

SECRETARIAL COMPLIANCE REPORT

To,
The Members,
Hindustan Zinc Limited, Udaipur

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

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

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

We report that for the financial year ended on March 31, 2013, the Company has complied with the provisions of Companies Act, 1956 and Rules, Regulations framed there under, as given below:

1. Maintained all the statutory registers required under the Companies Act, 1956 ("the Act") and the Rules made thereunder.
2. Filed all the forms and returns and furnished necessary particulars to the Registrar of Companies, Rajasthan, as required by the Act.
3. Filed all the quarterly, half-yearly and annual disclosures physically and electronically with the Stock Exchanges and SEBI, as per the applicable clauses of the Listing Agreement (as amended from time to time) and other rules, regulations, bye-laws, and so on.
4. Issued all notices required to be given for convening of Board / Committee Meetings and General Meeting, within the time limit prescribed by law.
5. Conducted the Board / Committee Meetings and Annual General Meeting as per the requirement of the Act.
6. Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors / Committee and the Shareholders.
7. The Company closed its Register of Members from June 30, 2012 to July 06, 2012 (both days inclusive) during the financial year.
8. The Board of Directors of the Company is duly constituted. The appointment of Directors has been made in accordance with the provisions of the Act.
9. Payment of Remuneration to the Directors, including sitting fees, commission, and others, are provided in compliance with the provisions of the Act.
10. The Company had constituted the Audit Committee, as required under section 292A of the Act.
11. Paid dividend to the shareholders within the time limit prescribed and has also transferred the unpaid dividends to the Central Government within the time limit from time to time.
12. Made due disclosure required under the other applicable provisions of the Act.

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

CS Manoj Maheshwari

Partner

FCS: 3355; C P No. : 1971

Place : Jaipur

Date: April 25, 2013

CORPORATE GOVERNANCE REPORT



Hindustan Zinc remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices

CORPORATE GOVERNANCE PHILOSOPHY

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

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

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

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

- (ii) Operational Management and Control: Business Management Group comprising functional heads and unit or location heads steered by CEO, CFO and COO, handles management and coordination of operations with regular reviews and meetings to seek continuous improvement in the Company's working and to harness its potential and to address unforeseen challenges.
- (iii) Location and Unit Executive Management: comprising unit/plant management and departmental heads for overall execution and empowered through decentralised decision making.

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

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



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

BOARD OF DIRECTORS

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

Composition of the Board

As on March 31, 2013, Hindustan Zinc's Board comprised eight Directors, four of whom are nominee Directors from Government of India. According to the Shareholders' Agreement with the Government of India, the latter can nominate up to five Directors, whereas the strategic promoters, Sterlite Industries (India) Limited can nominate up to six to the Board of the Company. The Chairman and the Whole-time Director are nominees of Sterlite Industries (India) Limited. All others are non-executive Directors.

The composition of the Board is in conformity with Clause 49, which stipulates that at least 50 per cent of the Board should consist of non-executive Directors and, in case the Chairman is a non-executive Director, at least one-third of the Board should be

independent. The Company is also compliant with SEBI circular dated April 8, 2008, which stipulates that at least 50 per cent of the Board should be independent, if the Chairman is either a promoter or related to the promoters or senior management, as defined under the Clause 49.

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

Number of Board Meetings

The Board of Directors met four times during the year, on April 19, 2012, July 20, 2012, October 18, 2012 and January 18, 2013. The maximum time gap between any two meetings was less than four months. The agenda for each meeting is prepared well in advance, along with explanatory notes, wherever required, and distributed to all Directors.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, none of the Directors are members of more than ten Board-level committees nor are they Chairman of more than five committees, in which they are members. The composition of Board of Directors during 2012-13 is given in Table 1.

CORPORATE GOVERNANCE REPORT

Table 1: Composition of the Board of Directors

Name of Director	Relationship with Other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorships of Public Companies	No. of Committee Memberships#	No. of Chairmanships of Committees#
Mr. Agnivesh Agarwal, Chairman	Nephew of Mr. Navin Agarwal	Non-Executive	4	3	No	3@	--	--
Mr. Navin Agarwal	Uncle of Mr. Agnivesh Agarwal	Non-Executive	4	4	No	8@	1	1
Mr. Akhilesh Joshi	None	Executive	4	4	Yes	1	--	--
Mr. A.R.Narayanaswamy	None	Independent	4	4	Yes	2	2	1
Mr. R. K. Malhotra ^{5*}	None	Independent	2	2	No	2	1	--
Mrs. Anjali Anand Srivastava ⁵	None	Independent	4	3	No	3	3	--
Mr. Rajib Sekhar Sahoo ⁵	None	Independent	4	4	No	3	3	--
Ms. Shaukat Ara Tirmizi ⁵	None	Independent	4	1	No	--	--	--
Mr. Naresh Kumar ^{5**}	None	Independent	1	1	NA	--	--	--
Mr. Durga Shanker Mishra ^{5***}	None	Independent	1	1	NA	2	--	--

Notes:

* Ceased to be Director on 17.08.2012

** Appointed as Director w.e.f. 17.08.2012 and ceased on 06.12.2012

*** Appointed as Director w.e.f. 06.12.2012

⁵ Nominees of Government of India

Only Audit Committee and Shareholder Grievance Committee considered

@ Excludes foreign companies: Mr. Agnivesh Agarwal – 3, Mr. Navin Agarwal – 2

Information Supplied to the Board

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

- o Major capital budgets and any updates thereof
- o Quarterly results for the Company
- o Minutes of the meetings of the Audit Committee and other Committees of the Board
- o 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
- o Materially important notices of show cause, demand, prosecution and penalty
- o Fatal or serious accidents, dangerous occurrences or any material environmental problems
- o Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company



- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions.
- Any significant development in human resources / industrial relations front, like signing of wage agreement, implementation of voluntary retirement scheme, and so on
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Quarterly performance report on the ongoing projects
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others
- The Board periodically reviews compliance reports of all laws applicable to the Company
- Update on major legal cases
- Significant achievement in exploration activities
- CSR activities

Remuneration to Directors

Non-executive Directors are paid a fixed sitting fee for each meeting, which is approved by the Board, except CEO & whole-time Director and Government Directors in the employment of Government. The remuneration paid to Mr. Akhilesh Joshi is as per the approval granted by the Board and approved in the 46th annual general meeting. The remuneration in the form of commission had been approved by the Board of Directors and is payable to all the non-executive Directors, other than officiating Government Directors, for 2012-13 and is within the limits of section 309(4) and computed in the manner referred to in section 198(1) of the Companies Act 1956.

Table 2 A: Sitting fee and Commission to Directors for 2012-13 (₹)

Name of Director	Category	Sitting fees [§]	Commission
Mr. Agnivesh Agarwal, Chairman	Non-Executive	60,000	1,500,000
Mr. Navin Agarwal	Non-Executive	80,000	750,000
Mr. R. K. Malhotra	Independent	—	—
Mr. A.R. Narayanaswamy	Independent	150,000	750,000
Mr. Akhilesh Joshi	Executive	—	—
Mrs. Anjali Anand Srivastava	Independent	—	—
Mr. Rajib Sekhar Sahoo	Independent	80,000	750,000
Ms. Shaukat Ara Tirmizi	Independent	20,000	750,000
Mr. Naresh Kumar	Independent	—	—
Mr. Durga Shanker Mishra	Independent	—	—

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

CORPORATE GOVERNANCE REPORT

Table 2 B: Remuneration reimbursed / paid to Executive Directors for 2012-13

Name of Director	Category	Salary and perquisites	Stock option of holding Company	Total
Mr. Akhilesh Joshi	CEO & Whole time Director	₹ 19,795,050	₹ 7,924,676	₹ 27,719,726

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

During 2012-13, the Company did not advance any loan to any of its Directors.

Code of Conduct and Risk Management Framework

Code of Conduct

Values and principles are central to our functioning. Our principles are enshrined in a "Code of Conduct" for all our Board members and senior management of the Company and are adhered to, in letter and spirit. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. This code ensures compliance with the provisions of the revised Clause 49 of the Listing Agreement executed with the stock exchange.

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

These covers:

- Guidelines on corporate communication
- Securities dealing code (Insider Trading Regulation)
- Whistle Blower Policy
- Gift Policy
- The UK Bribery Act
- Foreign Corrupt Practices Act
- Fraud
- Bribery and corruption
- Human Rights
- Antitrust compliance
- Health safety and environment
- Political contribution

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

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

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

Internal Control System

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

Corruption and Anti-competitive Behaviour

We are committed to a pattern of behaviour that is wholly consistent with our principles of ethics and fair practices. We will not be party to any act or measure that compromises or is likely to compromise our values. Robust systems are in place to address all



issues involving anti-trust behaviour. These systems are reviewed periodically at the corporate level.

Guidelines for financial transactions and non-financial documents set by top management are communicated to employees along with the Code of Conduct. No incident of corruption was reported during the year 2012-13. We also comply with relevant statutory requirements including anti-competitive behaviour. No legal action in this regard was initiated against us in FY 2012-13.

Compliance

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

Risk Management

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

The Company has developed a very comprehensive risk management policy and review mechanism and the same is reviewed by the Audit Committee at periodic intervals, which, in turn, informs the Board about the risk assessment and mitigation procedures adopted by the management. Suggestions or guidance given by the Audit Committee members are immediately implemented. The Company has unit-wise risk matrix, which provides for root cause of the risk and its mitigation procedure.

Location heads and Unit heads periodically review the identified risks and update the control measures. At the corporate level, all major risks are reviewed by the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer and directions are issued accordingly.

Committees of the Board

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

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

a) Audit Committee

As on March 31, 2013, the Audit Committee comprises four Directors, out of which majority are independent Directors. Mr. A.R.Narayanaswamy is the Chairman of the Committee.

The time gap between any two meetings was less than four months. The Committee met four times in the year under review on April 19, 2012, July 20, 2012, October 18, 2012 and January 18, 2013. The details of the Audit Committee are given in Table 3.

Table 3: Attendance record of Audit Committee Meetings

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended	Sitting fees (₹)
Mr. A.R. Narayanaswamy	Chairman	Independent	4	4	40000
Mr. R. K. Malhotra*	Member	Independent	2	2	-
Mr. Akhilesh Joshi	Member	Executive	4	4	-
Ms. Anjali Anand Srivastava	Member	Independent	4	3	-
Mr. Naresh Kumar**	Member	Independent	-	-	-
Mr. Durga Shanker Mishra***	Member	Independent	-	-	-

* Ceased to be member on 17.08.2012

** Appointed as member w.e.f. 18.10.2012 and ceased on 06.12.2012

*** Appointed as member w.e.f. 18.01.2013

CORPORATE GOVERNANCE REPORT

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

Mr. A. R. Narayanaswamy is a practising Chartered Accountant and Chairman of the Audit Committee and all the members of the Audit Committee have accounting and financial management knowledge. The quorum for the meeting of the Audit Committee is two members. The Chairman of the Audit Committee attended the 46th Annual General Meeting (AGM) held on July 6, 2012. The Audit Committee functions in accordance with its constitution and charter, framed in compliance with Clause 49.

The functions of the Audit Committee include the following.

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

- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit plan
- Discussion with internal auditors on any significant findings and follow up thereof
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the whistle blower mechanism
- Appointment of the Chief Financial Officer of the Company
- Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee

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

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

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

- Management discussion and analysis of financial condition and results of operations



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

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

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

- o A statement in summary form of transactions with related parties in the ordinary course of business
- o Details of material individual transactions with related parties which are not in the normal course of business

- o Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

b) Shareholders'/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of three members. The Committee met three times in the year under review on April 19, 2012, July 20, 2012 and January 18, 2013.

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

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

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

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended	Sitting fees (₹)
Mr. A. R. Narayanaswamy	Chairman	Independent	3	3	30000
Mr. Akhilesh Joshi	Member	Executive	3	3	-
Mr. R. K. Malhotra*	Member	Independent	2	2	-
Mr. Naresh Kumar**	Member	Independent	-	-	-
Mr. Durga Shanker Mishra***	Member	Independent	-	-	-

* Ceased to be member on 17.08.2012

** Appointed as member w.e.f. 18.10.2012 and ceased on 06.12.2012

*** Appointed as member w.e.f. 18.01.2013

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

Details of queries and grievances received and attended by the Company during the year 2012-13 is given in Table 5.

Table 5: Nature of complaints received and attended to during 2012-13

1.	Number of complaints received from the investors comprising non-receipt of dividend warrants, non-receipt of securities sent for transfer and transmission, complaints received from SEBI and so on	16
2.	Number of complaints resolved	16
3.	Number of complaints not resolved to the satisfaction of the investors as on March 31, 2013	NIL
4.	Complaints pending as on March 31, 2013	NIL
5.	Number of Share transfers pending for approval, as on March 31, 2013	NIL

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

CORPORATE GOVERNANCE REPORT

MANAGEMENT

Management Discussion and Analysis

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

Disclosures of Related Party Transactions

There have been no materially significant related party transactions with the Company's promoters, Directors, management or their relative's which have a potential conflict with the interests of the Company. Members may refer to disclosures of transactions with related parties, such as promoters, Directors, relatives or management made in the Balance Sheet in Notes to Financial Statements at Note No. 36 in compliance of Clause 32 of the Listing Agreement and Accounting Standard 18.

Disclosure of Accounting Treatment in Preparation of Financial Statements

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

Compliance with Capital market regulations

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

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

CEO/ CFO Certification

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

Directors

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

1. Mr. Navin Agarwal

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

Mr. Agarwal has over 22 years of experience in strategic and operational management. He has been the driver behind our growth. He holds a Bachelor of Commerce degree from Sydenham College, Mumbai, and has also completed the Owner/President Management Program at Harvard University.

2. Ms. Anjali Anand Srivastava

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

Communication with Shareholders and others

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



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

Table 6: Details of the Announcement of the Financial Results for 2012-13

Description	Date
Unaudited Financial Results for the quarter ended on June 30, 2012	July 20, 2012
Unaudited Financial Results for the quarter / half year ended on September 30, 2012	October 18, 2012
Unaudited Financial Results for the quarter / nine months ended on December 31, 2012	January 18, 2013
Audited Financial Results for the quarter/ year ended on March 31, 2013	April 25, 2013

In addition to this, if there is any other announcement affecting the shareholders / public, it is duly informed to stock exchanges and

published in the newspapers for the benefit of shareholders and public at large.

General Body Meetings

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

Date	AGM	Location	Time
July 30, 2010	44th AGM	Yashad Bhawan, Udaipur, Rajasthan	3.30 P.M.
June 25, 2011	45th AGM	Yashad Bhawan, Udaipur, Rajasthan	3.30 P.M.
July 6, 2012	46th AGM	Yashad Bhawan, Udaipur, Rajasthan	3.30 P.M.

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

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

Postal Ballot

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

CORPORATE GOVERNANCE REPORT

COMPLIANCE

Mandatory Requirements

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

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

ADDITIONAL SHAREHOLDER INFORMATION

Annual General Meeting

Date: June 15, 2013

Time: 2.30 pm

Venue: Yashad Bhawan, Udaipur

Financial Calendar

For the year ending March 31, 2014, results will be announced by:

- o **End-July, 2013 :** First Quarter
- o **End-October, 2013:** Second Quarter and Half Yearly
- o **End-January, 2014:** Third Quarter
- o **End-April, 2014 :** Fourth Quarter and Annual

Book Closure

The dates of book closure are from May 13, 2013 to May 15, 2013, both days inclusive.

Dividend

During the year, the Company has paid interim dividend of 80% per share of face value of ₹ 2 each, that is ₹ 1.60 per share to all the shareholders whose name appeared in register of members

as on October 26, 2012. Further, the Board has recommended final dividend of 75% per share of face value of ₹ 2 each, that is ₹ 1.50 per share, subject to approval by the shareholders at the forthcoming annual general meeting. The total dividend for the year is 155%, that is ₹ 3.10 per share, which is the highest ever dividend declared by the Company.

Listing

At present, the equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE), and The National Stock Exchange (NSE). The annual listing fees for the financial year 2012-13 to NSE and BSE have been paid.

Table 8: Hindustan Zinc's Stock Exchange Codes

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



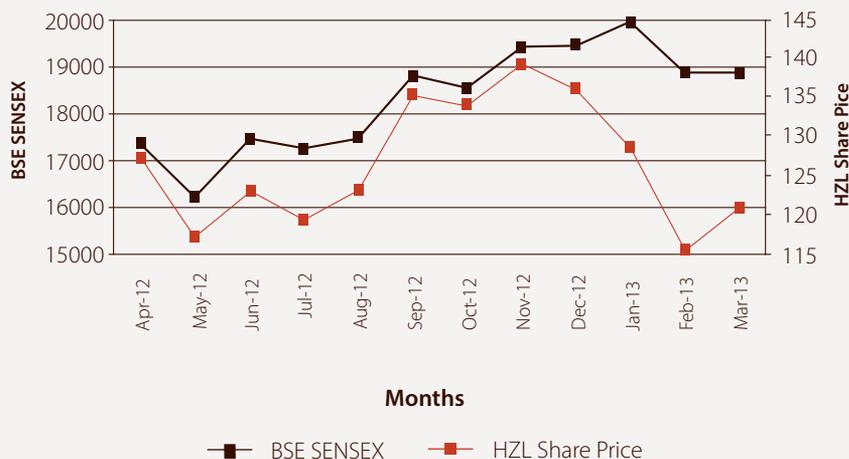
Stock Market Data

Table 9: High, Lows and Volumes of Company's Shares for 2012-13 at BSE and NSE

	BSE			NSE		
	High	Low	Volume (No. of Shares)	High	Low	Volume (No. of Shares)
April-2012	134.50	122.10	1,614,281	134.45	122.25	15,728,099
May-2012	128.75	113.05	1,026,534	128.75	112.75	10,700,684
June-2012	124.60	114.05	1,961,558	124.75	114.10	11,369,231
July-2012	128.95	113.55	2,095,434	128.90	113.60	15,293,693
August-2012	136.85	117.25	3,231,944	136.85	117.15	21,076,934
September-2012	139.95	122.40	2,083,240	145.00	122.35	14,653,409
October-2012	140.00	128.55	2,943,804	139.95	128.70	13,885,443
November-2012	142.55	130.90	1,798,409	142.40	130.75	13,011,382
December-2012	146.80	134.75	2,210,309	147.00	134.30	17,821,995
January-2013	142.95	124.50	2,975,644	143.25	124.30	22,041,162
February-2013	129.95	113.50	1,871,389	130.20	113.00	12,455,171
March-2013	123.40	110.55	4,076,610	124.00	110.70	12,453,828

Chart: Hindustan Zinc's Share Performance versus BSE Sensex

HZL Share Price/ BSE (Sensex) Monthly Close



CORPORATE GOVERNANCE REPORT

Market Cap Performance of Hindustan Zinc from March 31, 2008 to March 31, 2013 (INR Crores)



Distribution of Shareholding

Table 10 and 11 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class, as on March 31, 2013.

Table 10: Shareholding Pattern by Size on March 31, 2013

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of share-holding
Up to 500	45659	77.7929	6,584,620	0.1558
501- 1000	5938	10.1170	5,103,972	0.1208
1001- 2000	2871	4.8916	4,737,105	0.1121
2001- 3000	1092	1.8605	2,934,432	0.0694
3001- 4000	530	0.9030	1,970,843	0.0466
4001- 5000	732	1.2472	3,557,862	0.0842
5001- 10000	900	1.5334	7,097,005	0.1680
10001- 20000	475	0.8093	7,142,159	0.1690
20,001- 30000	138	0.2351	3,495,603	0.0827
30001- 40000	52	0.0886	1,836,372	0.0435
40001- 50000	58	0.0988	2,671,204	0.0632
50001- 100000	82	0.1397	5,805,613	0.1374
100001 and above	166	0.2828	4,172,382,210	98.7472
Total	58693	100.00	4,225,319,000	100.00



Table 11: Shareholding Pattern by Ownership as on March 31, 2013

CATEGORY		NO. OF SHARES HELD	% OF SHARE HOLDING
A	PROMOTER'S HOLDING		
1	PROMOTERS		
	- INDIAN PROMOTORS STERLITE INDUSTRIES (I) LTD	2,743,154,310	64.9218
	- FOREIGN PROMOTORS	0	0.0000
	SUB TOTAL	2,743,154,310	64.9218
B	NON-PROMOTER HOLDING		
2	INSTITUTIONAL INVESTOR		
a	MUTUAL FUNDS AND UTI	48,802,150	1.1550
b	BANKS, FINANCIAL INSTITUTIONS, INSURANCE COMPANIES (Central / state Govt. Institutions/ Non-government Institutions)	36,601,758	0.8662
c	FIs	61,397,826	1.4531
	SUB TOTAL	146,801,734	3.4743
3	OTHERS		
a	PRIVATE CORPORATE BODIES	41,358,910	0.9788
b	INDIAN PUBLIC	43,268,605	1.0240
c	NRIs/OCBs	1,158,349	0.0274
d	NRI COMPANY	830,000	0.0196
e	Bank Foreign	10,000	0.0002
f	Foreign National individual	6,251	0.0001
g	ANY OTHER	780,251	0.0185
h	GOI -President of India	1,247,950,590	29.5351
	SUB TOTAL	1,335,362,956	31.6038
	GRAND TOTAL	4,225,319,000	100.0000

CORPORATE GOVERNANCE REPORT

Dematerialisation of Shares

The shares of the Company are compulsory traded in dematerialised form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. As on March 31, 2013, 422,19,67,148 equity shares, forming 99.92% of the share capital of the Company, stand dematerialised.

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

Outstanding GDRs /ADRs /Warrants/Options

The Company had not issued any Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/Warrants/Options.

Details of Public Funding Obtained in the Last Three Years

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

Registrar and Transfer Agent

Address:

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

Company's Registered Office Address:

Hindustan Zinc Limited
Yashad Bhawan
Udaipur – 313004
Rajasthan

Plant Locations

Mining Units:

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

Smelting Units:

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

Processing & Refining Units:

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

Wind Power Farms:

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

Address for Correspondence

Mr. R. Pandwal

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



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

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

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

Amitabh Gupta

Chief Financial officer

Akhilesh Joshi

CEO & Whole-time Director

Date: 25th April 2013

Place: Mumbai

CORPORATE GOVERNANCE REPORT

AUDITORS' CERTIFICATE

To the Members of Hindustan Zinc Limited

1. We have examined the compliance of conditions of Corporate Governance by Hindustan Zinc Limited (the Company), for the year ended on 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the management, we certify that the Company has complied with the conditions of

Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

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

K.A. Katki
Partner
M. No. 038568

Place : Mumbai
Date: April 25, 2013



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

BANKERS

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

CHIEF FINANCIAL OFFICER

Mr. Amitabh Gupta

COMPANY SECRETARY

Mr. Rajendra Pandwal

REGISTERED OFFICE

Yashad Bhavan
Udaipur – 313 004

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells

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

INDEPENDENT AUDITORS' REPORT

To the members of Hindustan Zinc Limited

Report on the Financial Statements

We have audited the accompanying financial statements of HINDUSTAN ZINC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, together with the early adoption by the Company of Accounting Standard (AS) 30 Financial Instruments, Recognition and Measurement effective April 1, 2007, and the consequential limited revisions as have been announced by the Institute of Chartered Accountants of India to certain Accounting Standards, as stated in Note 2(a) and 38.
 - (e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)

K. A. Katki
(Partner)
(Membership No. 038568)

Place: Mumbai
Date: April 25, 2013



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

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

Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.

- ii. There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues

in arrears as at March 31, 2013 for a period of more than six months from the date they became applicable.

- iii. Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2013 on account of disputes are given below:

Name of Statute	Nature of dues	Amount (₹ In Crores)	Period to which the amount relates	Forum where dispute is Pending
COMPANY'S APPEALS				
A	Sales Tax Claims	54.12	FY 1980-81 to 2010-11	Deputy Commissioner, Joint Commissioner, Commercial Tax Department, Tribunal and High Court.
	Sub Total (A)	54.12		
B	Central Excise Duty	92.03	FY 1985-86 to 2010-11	Central Excise & Service Tax Appellate Tribunal, Commissioner (Appeals) and High Court / Supreme Court.
	Sub Total (B)	92.03		
C	Income Tax	421.51	AY 1996-97, 1997-98, 2006-07, 2007-08, 2009-10 and 2010-11.	Commissioner of Income Tax (Appeals)
	Disputes in respect appeals pending before High Court	2.36	AY 1992-93 to 1994-95, 1996-97, 1997-98 and 2003-04.	High Court
	Sub Total (C)	423.87		
DEPARTMENT'S APPEALS				
D	Income Tax	446.82	AY 1989-90 to 1991-92, 1993-94 and 1996-97 to 2009-10	Tribunal / Set aside Assessing Officer/ Commissioner of Income Tax (Appeals)
	Relief granted by Tribunal for differences in computation, allowances of certain expenses and enhancement of rebate, etc.	52.78	AY 1990-91 to 1994-95 and 1996-97	High Court / Supreme Court
	Sub Total (D)	499.60		
	Sub Total (E) = (C) + (D)	923.47		
Total (A) + (B) + (E)		1,069.62		



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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)

K. A. Katki
(Partner)
(Membership No. 038568)

Place: Mumbai
Date: April 25, 2013

BALANCE SHEET

as at March 31, 2013

(₹ in Crores)

Particulars	Note	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	845.06	845.06
Reserves and surplus	4	31,430.68	26,036.20
Total Shareholders' funds		32,275.74	26,881.26
Non-current liabilities			
Deferred tax liabilities (net)	5	1,279.86	1,108.81
Other long term liabilities	6	28.23	17.15
Total Non-current liabilities		1,308.09	1,125.96
Current liabilities			
Short-term borrowings	7	0.39	0.39
Trade payable (other than acceptances)		484.20	410.29
Other current liabilities	8	572.12	563.15
Short-term provisions	9	824.87	503.94
Total Current liabilities		1,881.58	1,477.77
TOTAL		35,465.41	29,484.99
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10.A	8,473.69	8,465.72
Intangible assets	10.B	10.05	47.10
Capital work-in-progress		1,081.85	444.96
Total Fixed asset (net)		9,565.59	8,957.78
Non-current investments	11	2.70	2.59
Long term loans and advances	12	1,898.29	875.80
Other non-current assets	13	239.19	14.61
Total Non-current assets		11,705.77	9,850.78
Current assets			
Current investments	14	14,537.18	12,692.26
Inventories	15	1,111.09	797.94
Trade receivables	16	402.87	332.45
Cash and cash equivalents	17	6,942.10	5,255.32
Short term loans and advances	18	373.32	233.43
Other current assets	19	393.08	322.81
Total Current assets		23,759.64	19,634.21
TOTAL		35,465.41	29,484.99

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

K.A.Katki
Partner

Akhilesh Joshi
CEO & Whole-time Director

A. R. Narayanaswamy
Director

Date: April 25, 2013
Place: Mumbai

Amitabh Gupta
Chief Financial Officer

R. Pandwal
Company Secretary



STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2013

(₹ in Crores)

Particulars	Note	FY 2012-13	FY 2011-12
Revenue from operations (gross)		13,658.14	12,061.09
Less: Excise duty		(958.30)	(655.78)
Revenue from operations (net)	20	12,699.84	11,405.31
Other income	21	2,032.15	1,542.83
TOTAL REVENUE		14,731.99	12,948.14
Expenses:			
Cost of materials consumed	22	793.06	217.69
Changes in inventories of finished goods and work-in-progress	23	(112.54)	94.44
Employee benefits expense	24	649.91	534.64
Finance costs	25	29.10	13.95
Depreciation and amortisation expense (refer note 14B)		647.04	610.67
Other expenses	26	4,887.77	4,489.08
TOTAL EXPENSES		6,894.34	5,960.47
Profit before exceptional item and tax		7,837.65	6,987.67
Exceptional items	39 (a)	17.53	43.13
Profit before tax		7,820.12	6,944.54
Tax expense (benefit):			
Current tax expenses		1,542.98	1,408.95
(Less) : MAT credit		(798.47)	(134.37)
Short / (Excess) provision for tax relating to prior years		10.57	(19.89)
Net current tax expense		755.08	1,254.69
Deferred tax - for the year		165.56	135.63
Deferred tax - prior year		-	28.18
Deferred tax		165.56	163.81
Net tax expense / (benefit)		920.64	1,418.50
Profit for the year		6,899.48	5,526.04
Earnings per equity share (of ₹ 2/- each)			
Basic and diluted		16.33	13.08

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

K.A.Katki
Partner

Akhilesh Joshi
CEO & Whole-time Director

A. R. Narayanaswamy
Director

Date: April 25, 2013
Place: Mumbai

Amitabh Gupta
Chief Financial Officer

R. Pandwal
Company Secretary

CASH FLOW STATEMENT

for the year ended March 31, 2013

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	7,820.12	6,944.54
Adjustments for :		
Depreciation and amortisation expenses (including research and development assets)	647.24	610.88
Finance costs	29.10	13.95
Interest and dividend earned	(867.95)	(597.57)
Mark to Market adjustment on financial instruments	(535.78)	(268.14)
Liabilities no longer required written back	(0.92)	(7.75)
(Profit) / Loss on sale of fixed asset (net)	19.26	(0.69)
Net gain on sale of current investments	(570.62)	(640.63)
Operating profit before working capital changes	6,540.45	6,054.59
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(313.15)	(35.56)
Trade receivables	(70.42)	(123.56)
Short term loans and advances	(139.87)	54.55
Long term loans and advances	43.83	(16.85)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	73.92	111.26
Other current liabilities	211.68	(44.05)
Other long term liabilities	11.08	(6.64)
Cash generated from operations	6,357.52	5,993.74
Income taxes paid during the year	(1,605.83)	(1,501.69)
Net cash flows from operating activities	4,751.69	4,492.05
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(1,755.82)	(1,671.87)
Interest and dividend received	573.10	494.74
Bank balances not considered as cash and cash equivalents		
- Placed	(6,520.17)	(5,725.59)
- Matured	5,094.52	5,855.00
Purchase of current investments	(24,675.87)	(30,266.11)
Sale of current investments	24,047.23	27,811.09
Sale of fixed assets	3.24	4.16
Net cash flow used in investing activities	(3,233.77)	(3,498.58)



CASH FLOW STATEMENT

for the year ended March 31, 2013 (Contd.)

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Interest and finance charges paid	(29.10)	(13.95)
Dividend and tax thereon paid	(1,227.69)	(1,227.70)
Net cash flow used in financing activities	(1256.79)	(1,241.65)
Net increase /(decrease) in cash and cash equivalents	261.13	(248.18)
Cash and cash equivalents at the beginning of the year	29.05	277.23
Cash and cash equivalents at the end of the year	290.18	29.05
Reconciliation Cash and cash equivalents with the balance sheet		
Cash and cash equivalents (refer note 17)	6,942.10	5,255.32
Less:- Bank balances not considered as cash and cash equivalents as defined in AS-3 Cash Flow Statements	6,651.92	5,226.27
Cash and cash equivalents as at the end of the year*	290.18	29.05
*Comprises		
Cash on hand	0.02	0.03
Balances with banks		
Current accounts	47.16	29.02
Deposit accounts	243.00	-
	290.18	29.05

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

K.A.Katki
Partner

Akhilesh Joshi
CEO & Whole-time Director

A. R. Narayanaswamy
Director

Date: April 25, 2013
Place: Mumbai

Amitabh Gupta
Chief Financial Officer

R. Pandwal
Company Secretary

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 1 COMPANY OVERVIEW

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

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

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared as a going concern under historical cost convention on accrual basis in accordance with Companies Act 1956 read together with early adoption of Accounting Standard (AS) 30 'Financial instruments: Recognition and Measurement' by the Company, and the consequential limited revisions to certain Accounting Standards by The Institute of Chartered Accountants of India (ICAI) which have been measured at their fair value. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles.

b) Use of Estimates

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

c) Fixed Assets (Tangible and Intangible)

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

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

d) Capital Work-In-Progress

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

e) Impairment of Fixed Assets

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

f) Depreciation and Amortisation

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

- o Additions and disposals are reckoned on the first day and the last day of the month respectively.
- o Individual items of plant and machinery and vehicles costing upto ₹ 25000 are wholly depreciated.
- o In respect of additions arising on account of insurance spares, on additions or extension forming an integral part of existing plants and on the revised carrying amount of the assets identified as impaired on which depreciation has been provided over residual life of the respective fixed assets.

Intangible assets are amortised over its expected useful life.

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

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

g) Financial Asset Investments

- o Investments are recorded as long term investments unless they are expected to be sold within one year.



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

Investments in joint venture are valued at cost less provision for impairment, if any. Investments are reviewed for impairment.

- o Investments classified as 'held for trading' that have a market price are measured at fair value and gains and losses arising on account of fair valuation is routed through Statement of Profit and Loss. Investments in unquoted equity instruments that do not have a market price and whose fair value cannot be reliably measured, are measured at cost.
- o Investments classified as Available for Sale are initially recorded at cost and then re-measured at subsequent reporting dates to fair value. Unrealised gains/losses on such investments are recognised directly in Investment Revaluation Reserve Account. At the time of disposal, de-recognition or impairment of the investments, cumulative gain or loss previously recognised in the Investment Revaluation Reserve Account is recognised in the Statement of Profit and Loss.

h) Inventories

- o Ore, concentrate (Mined Metal), work-in-progress and finished goods (including significant by-products) are valued at lower of cost and net realisable value on weighted average basis.
- o Stores and spares are valued at lower of cost and net realisable value on weighted average basis.
- o Immaterial by-products, aluminum scrap, chemical lead scrap, anode scrap and coke fines are valued at net realisable value.

i) Cash Flow Statement

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

j) Revenue and Expenses

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

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

Expenditure on projects is:

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

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

Prior period or prepaid expenses exceeding ₹ 0.05 Crores is appropriately disclosed.

All revenue expenses on research and development are written off.

k) Government Grants, Subsidies and Export Incentives

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

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

l) Foreign Currency Transactions

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

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

m) Derivative Financial Instruments

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

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

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

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

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

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

n) Borrowing Cost

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

o) Segment Reporting

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

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

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

p) Employee Benefits

i) Short term

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

ii) Long term

1. Defined contribution plan and family pension scheme:

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

2. Defined benefit plan: Gratuity

The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation carried out annually and determined using the projected unit credit method. The Company makes annual contributions to funds administered by trustees



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

and managed by insurance company for amounts notified by the said insurance company. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

3. Other long term benefit plan : Compensated absences

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

q) Voluntary Retirement Expenses

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

r) Taxation

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

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset, if there is convincing evidence that the Company

will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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

s) Dividend

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

t) Provisions, Contingent Liabilities and Contingent Assets

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

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 3 SHARE CAPITAL

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	₹ in Crores	Number	₹ in Crores
Authorised				
Equity shares of ₹ 2/- (2012 : ₹ 2 /-) each.	5,000,000,000	1,000.00	5,000,000,000	1,000.00
Issued, subscribed and paid up				
Equity shares of ₹ 2/- (2012 : ₹ 2 /-) each fully paid up	4,225,319,000	845.06	4,225,319,000	845.06
TOTAL	4,225,319,000	845.06	4,225,319,000	845.06

i) Reconciliation of number of shares and amounts outstanding.

Particulars	Equity Shares		Equity Shares	
	Number	₹ in Crores	Number	₹ in Crores
Equity shares of ₹ 2/- (2012 : ₹ 2 /-) each outstanding at the beginning of the year	4,225,319,000	845.06	4,225,319,000	845.06
EQUITY SHARES OUTSTANDING AT THE END OF THE YEAR	4,225,319,000	845.06	4,225,319,000	845.06

ii) 2,743,154,310 Equity Shares (2012: 2,743,154,310) are held by M/s. Sterlite Industries (India) Limited the holding company. The ultimate holding company is Vedanta Resources PLC, United Kingdom (VRPLC). No shares are held by VRPLC or its other subsidiaries or associates.

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

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s. Sterlite Industries (India) Limited	2,743,154,310	64.92	2,743,154,310	64.92
Government of India- President of India	1,247,950,590	29.54	1,247,950,590	29.54

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

Particulars	Aggregate number of shares	
	March 31, 2013	March 31, 2012
Equity shares allotted as fully paid up by way of bonus shares without payment being received in cash	2,112,659,500	2,112,659,500

v) Other disclosures

The Company has one class of equity shares having a par value of ₹ 2 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividends as and when declared by the Company. Interim Dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholder's approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount in proportion to their shareholding.

During the year ended March 31, 2013, the amount of per share final dividend recognised as distribution to equity shareholders was ₹ 1.50 per share (2012 : ₹ 0.90 per share)



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 4 RESERVES AND SURPLUS		(₹ in Crores)	
Particulars	As at March 31, 2013	As at March 31, 2012	
Capital Reserves			
Balance provisions after adjustment as per Metal Corporation (Nationalisation and Miscellaneous Provision) Act, 1976			
Balance as at the beginning and end of the year	0.61	0.61	
General Reserve			
Balance as at the beginning of the year	8,983.18	7,883.18	
Add-Transferred from surplus in Statement of Profit and Loss	700.00	1,100.00	
Less-Transferred to share capital towards bonus shares	-	-	
Balance as at the end of the year	9,683.18	8,983.18	
Investment Revaluation Reserve			
Balance as at the beginning of the year	-	-	
Add- Addition during the year	11.59	-	
Balance as at the end of the year	11.59	-	
Hedging Reserve			
Balance as at the beginning of the year	0.49	(0.13)	
Add-Effect of commodity price variation on hedging instruments outstanding at the end of the year	16.13	0.85	
Less- Effect of deferred tax adjustments	(5.49)	(0.23)	
Balance as at the end of the year	11.13	0.49	
Surplus in Statement of Profit and Loss			
Balance as at the beginning of the year	17,051.92	13,804.47	
Add-Profit for the year	6,899.48	5,526.04	
Less:			
Proposed dividend to Equity shareholders	(633.80)	(380.28)	
Tax on proposed dividend	(107.71)	(61.69)	
Interim dividend to Equity shareholders	(676.05)	(633.80)	
Tax on interim dividend	(109.67)	(102.82)	
Transfer to general reserves	(700.00)	(1,100.00)	
Balance as at the end of the year	21,724.17	17,051.92	
TOTAL	31,430.68	26,036.20	

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 5 DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Tax effect of items constituting deferred tax assets		
Deferred tax asset:		
Voluntary retirement expenditure	16.44	15.31
On timing differences on expenses	5.51	3.60
On others	0.03	0.29
	21.98	19.20
Tax effect of items constituting deferred tax liabilities		
Deferred tax liability:		
On differences between book and tax depreciation	1,212.16	1,048.26
On investments	83.95	79.29
On others	5.73	0.46
	1,301.84	1,128.01
DEFERRED TAX LIABILITIES (NET)	1,279.86	1,108.81

NOTE 6 OTHER LONG TERM LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Security deposits	26.16	16.49
Other liabilities (liquidated damages, etc.)	2.07	0.66
TOTAL	28.23	17.15

NOTE 7 SHORT TERM BORROWINGS

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured loan		
From others	0.39	0.39
(Repayable on demand based on fulfillment of certain conditions stipulated in contract)		
TOTAL	0.39	0.39

The Company has not defaulted in repayment of loans and interest, as applicable



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 8 OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Unclaimed dividends	1.65	1.27
Unclaimed matured deposits and interest accrued thereon	0.08	0.08
Other payables		
Due to related parties	10.10	10.49
Security and other deposits	184.22	237.38
Advance from customers	81.94	63.99
Others (includes statutory payables, employee benefits, fixed assets creditors etc.)	294.13	249.94
TOTAL	572.12	563.15

NOTE 9 SHORT TERM PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for proposed equity dividend	633.80	380.28
Provision for tax on proposed dividend	107.71	61.69
Provision for tax (Net of advance tax)	83.36	61.97
TOTAL	824.87	503.94

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

Particulars	Gross Block				Accumulated Depreciation			Net Block					
	As at 01.04.2012	Additions	Deductions/ Adjustments	As at 31.03.2013	Adjustment for giant	Gross Block as at 31.03.2013	As at 01.04.2012	Provided during the year	Deductions/ Adjustments	Balance as at 31.03.2013	As at 31.03.2013	As at 31.03.2012	
A													
Tangible Assets													
Land													
Freehold Land (Previous year)	77.11	28.30	(2.21)	107.62	-	107.62	-	-	-	-	107.62	77.11	
Leasehold Land (Previous year)	32.44	44.67	1.15	77.11	-	77.11	-	-	-	-	77.11	32.44	
Buildings (Previous year)	91.63	11.97	0.71	102.45	-	102.45	-	-	-	-	102.45	91.63	
Buildings (Previous year)	45.36	46.98	1.14	91.63	0.25	1,095.99	114.27	29.72	0.15	143.84	952.15	45.36	
Buildings (Previous year)	1,017.70	79.68	0.56	1,096.24	0.25	1,017.45	87.67	26.88	0.48	114.27	903.18	819.16	
Railway siding (Previous year)	907.28	110.98	-	1,017.70	-	10.63	7.58	0.44	-	8.02	2.61	3.05	
Railway siding (Previous year)	10.63	-	-	10.63	-	10.63	7.49	0.44	0.35	7.58	3.05	3.51	
Mine Development expenditure (Previous year)	11.00	17.24	0.37	10.63	-	116.19	68.85	23.55	-	92.40	23.79	30.10	
Mine Development expenditure (Previous year)	98.95	-	-	116.19	-	98.95	-	-	-	66.85	30.10	-	
Plant and Equipment (Previous year)	59.88	39.07	-	98.95	-	98.95	59.88	8.97	-	66.85	30.10	-	
Plant and Equipment (Previous year)	10,062.09	572.74	31.82	10,603.01	14.12	10,588.89	2,808.41	627.40	10.16	3,425.65	7,163.24	7,239.57	
Furniture and Fixtures (Previous year)	8,467.97	1,609.93	15.81	10,062.09	14.11	10,047.98	2,268.76	553.40	13.75	2,808.41	7,239.57	6,185.10	
Furniture and Fixtures (Previous year)	20.64	2.05	0.16	22.53	-	22.53	9.47	1.26	0.05	10.68	11.85	11.17	
Vehicles (Previous year)	18.64	2.46	0.46	20.64	-	20.64	8.25	1.63	0.41	9.47	11.17	10.39	
Vehicles (Previous year)	24.56	2.70	0.55	26.71	-	26.71	8.16	2.41	0.24	10.33	16.38	16.40	
Office equipment (Previous year)	20.09	5.29	0.82	24.56	-	24.56	6.53	2.14	0.51	8.16	16.40	13.56	
Office equipment (Previous year)	161.53	13.29	1.15	173.67	1.75	171.92	65.98	13.00	0.66	78.32	99.60	93.51	
Total tangible assets	146.61	727.97	0.79	161.53	2.04	159.49	54.39	12.14	0.55	65.98	93.51	90.18	
	11,564.84	1,875.09	19.52	11,564.84	16.40	11,548.44	3,082.72	697.78	11.26	3,769.24	8,473.69	8,465.72	
B													
Intangible Assets													
Computer software (Previous year)	11.05	10.82	-	21.87	-	21.87	10.64	1.18	-	11.82	10.05	0.41	
Investment in shares (Previous year)	11.05	-	-	11.05	-	11.05	7.90	2.74	-	10.64	0.41	3.15	
Total intangible assets	98.41	10.82	-	98.41	-	98.41	51.72	4.70	56.42	-	-	46.69	
	109.46	10.82	98.41	21.87	-	21.87	62.36	5.88	56.42	11.82	10.05	47.10	
	109.46	-	-	109.46	-	109.46	54.95	7.41	-	62.36	-	-	

Reconciliation of Depreciation and amortisation expenses

	FY 2012-13	FY 2011-12
Depreciation on tangible assets as above	697.78	605.60
Depreciation on intangible assets as above	5.88	7.41
Depreciation as above	703.66	613.01
Less: Depreciation included in Research and development expenditure	0.20	0.21
Less: Depreciation for intangible asset adjusted (Refer Note 14B)	56.42	-
Less: adjustment to capital work in progress	-	2.13
As per statement of Profit and loss account	647.04	610.67



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 11 NON CURRENT INVESTMENTS (TRADE, UNQUOTED AND AVAILABLE FOR SALE)

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Equity Investments in Joint Venture - Jointly controlled entity - Madanpur South Coal Company Limited (at cost)		
1,95,814 equity shares of ₹10 each (2012: 1,90,354 equity shares of ₹ 10 each)	2.70	2.59
TOTAL	2.70	2.59

NOTE 12 LONG TERM LOANS AND ADVANCES

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good		
Capital advances	348.68	159.98
Advance to related party (refer note 36)	0.11	0.13
MAT credit entitlement	1,245.02	457.12
Loans to employees	8.52	10.69
Deposits with Government departments etc.,	88.03	67.34
Claims receivable	19.30	81.64
Taxation (net)	188.63	98.90
TOTAL	1,898.29	875.80

NOTE 13 OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued on deposit	239.19	14.61
TOTAL	239.19	14.61

NOTE 14 CURRENT INVESTMENTS

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Investments in bonds	2,151.15	1,379.61
Investments in mutual funds	12,276.03	11,312.65
Investment in Equity Instruments	110.00	-
TOTAL	14,537.18	12,692.26

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 14A CURRENT INVESTMENTS - NON TRADE

(₹ in Crores)

HELD FOR TRADING - AT FAIR VALUE (REFER NOTE 38)

Particulars	Face value (in ₹)	Total number of Bonds	As at March 31, 2013	Total number of Bonds	As at March 31, 2012
Investments in bonds - Quoted					
11.8 %, Tata Iron and Steel Company Perpetual, Non convertible debentures	1,000,000	2,246	245.67	2,246	238.64
Tax free secured , Redeemable Non convertible Bonds -National Highways Authority of India	1,000	1,236,188	133.83	1,236,188	127.85
Tax free secured , Redeemable Non convertible Bonds - Power Finance Corporation Limited	1,000	2,123,924	228.43	1,423,924	146.95
Tax free secured , Redeemable Non convertible Bonds - Indian Railway Finance Corporation	1,000	2,237,537	231.98	1,087,537	108.86
Tax free secured , Redeemable Non convertible Bonds - Housing and Urban Development Corporation Limited	1,000	5,000,000	516.34	5,000,000	481.74
Tax free secured , Redeemable Non convertible Bonds - Rural Electrification Corporation	1,000	2,755,720	292.80	2,755,720	275.57
Tax free secured , Redeemable Non convertible Bonds - Indian Railway Finance Corporation	1,000	5,000,000	502.10	-	-
Aggregate of quoted investments			2,151.15		1,379.61

NOTE 14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
AXIS FMP Series 15 - 370 Days - IP	10	-	-	40,000,000	41.85
AXIS FMP Series 21 - 394 Days - IP	10	20,000,000	22.21	20,000,000	20.20
Birla Sun Life Cash Plus Institutional Premium	100	-	-	873,629	15.00
Birla Sun Life Fixed Term Plan - Series GG (368 Days)	10	80,000,000	81.20	-	-
Birla Sun Life Fixed Term Plan - Series GJ (367 Days)	10	46,000,000	46.65	-	-
Birla Sun Life Fixed Term Plan - Series GM (367 Days)	10	25,000,000	25.34	-	-
Birla Sun Life Fixed Term Plan - Series GO	10	20,000,000	20.24	-	-
Birla Sun Life Fixed Term Plan - Series GQ	10	22,000,000	22.25	-	-
Birla Sun Life Fixed Term Plan - Series GR	10	45,000,000	45.40	-	-
Birla Sun Life Fixed Term Plan - Series HD	10	75,000,000	75.25	-	-
Birla Sun Life Fixed Term Plan Series - GF	10	35,000,000	35.62	-	-
Birla Sun Life Fixed Term Plan Series DB	10	-	-	85,000,000	92.09



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
Birla Sun Life Fixed Term Plan Series DD	10	-	-	80,000,000	86.19
Birla Sun Life Fixed Term Plan Series DE	10	-	-	110,000,000	117.12
Birla Sun Life Fixed Term Plan Series DH	10	-	-	22,000,000	23.34
Birla Sun Life Fixed Term Plan Series DN	10	-	-	65,000,000	67.73
Birla Sun Life Fixed Term Plan Series DO	10	-	-	50,000,000	51.95
Birla Sun Life Fixed Term Plan Series DS	10	-	-	40,000,000	41.30
Birla Sun Life Fixed Term Plan Series DT	10	-	-	125,000,000	128.28
Birla Sun Life Fixed Term Plan Series DX	10	-	-	70,000,000	71.52
Birla Sun Life Fixed Term Plan Series DY	10	-	-	50,000,000	51.07
Birla Sun Life Fixed Term Plan Series EA	10	-	-	20,000,000	20.44
Birla Sun Life Fixed Term Plan Series EB	10	-	-	75,000,000	76.23
Birla Sun Life Fixed Term Plan Series EE	10	-	-	65,000,000	65.97
Birla Sun Life Fixed Term Plan Series EF	10	-	-	50,000,000	50.73
Birla Sun Life Fixed Term Plan Series EG	10	-	-	40,000,000	40.51
Birla Sun Life Fixed Term Plan Series EI	10	-	-	125,000,000	126.34
Birla Sun Life Fixed Term Plan Series EK	10	-	-	45,000,000	45.47
Birla Sun Life Fixed Term Plan Series EM	10	-	-	80,000,000	80.72
Birla Sun Life Fixed Term Plan Series EP	10	-	-	20,000,000	20.17
Birla Sun Life Fixed Term Plan Series ES	10	100,000,000	110.94	100,000,000	100.76
Birla Sun Life Fixed Term Plan Series EU	10	-	-	15,000,000	15.15
Birla Sun Life Fixed Term Plan Series EV	10	150,000,000	166.52	150,000,000	151.43
Birla Sun Life Fixed Term Plan Series EW	10	-	-	100,000,000	100.75
Birla Sun Life Fixed Term Plan Series FA	10	-	-	100,000,000	100.29
Birla Sun Life Fixed Term Plan Series FC	10	80,000,000	88.24	80,000,000	80.13
Birla Sun Life Fixed Term Plan Series FU	10	30,000,000	30.72	-	-
Birla Sun Life Fixed Term Plan Series FW	10	22,000,000	23.30	-	-
Birla Sun Life Interval Income Fund - Annual Plan II	10	35,000,000	35.48	-	-
Birla Sun Life Short Term Fund	10	12,021,369	52.18	-	-
Canara Robeco FMP - Series 7 - Plan A - (367 Days)	10	-	-	40,000,000	40.11
Deutsche Fixed Maturity Plan - Series 1 - IP	10	-	-	30,000,000	30.45
Deutsche Fixed Maturity Plan - Series 10 - IP	10	30,000,000	33.17	30,000,000	30.14
Deutsche Fixed Maturity Plan - Series 11 - IP	10	-	-	25,000,000	25.08

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
Deutsche Fixed Maturity Plan - Series 23	10	50,000,000	50.65	-	-
Deutsche Fixed Maturity Plan - Series 24	10	45,000,000	45.55	-	-
Deutsche Fixed Maturity Plan - Series 28	10	250,00,000	25.01	-	-
Deutsche Fixed Maturity Plan - Series 3 - IP	10	-	-	25,000,000	25.24
Deutsche Fixed Maturity Plan - Series 30	10	60,000,000	60.00	-	-
Deutsche Fixed Maturity Plan - Series 5 - IP	10	-	-	38,000,000	38.31
Deutsche Fixed Maturity Plan - Series 6 - IP	10	25,000,000	27.69	25,000,000	25.24
Deutsche Fixed Maturity Plan - Series 7 - IP	10	50,000,000	55.43	50,000,000	50.50
Deutsche Fixed Maturity Plan - Series 9 - IP	10	45,000,000	49.83	45,000,000	45.31
Deutsche Fixed Term Fund - Series 94 - IP	10	-	-	20,000,000	20.46
Deutsche Fixed Term Fund - Series 95 - IP	10	-	-	25,000,000	25.53
Deutsche Insta Cash Plus Fund - Super Institutional Plan	100	-	-	3,015,518	42.02
DSP Blackrock FMP 12M - Series 18 - IP	10	-	-	40,000,000	43.91
DSP Blackrock FMP 12M - Series 19 - IP	10	-	-	35,000,000	38.03
DSP Blackrock FMP 12M - Series 20 - IP	10	-	-	35,000,000	37.78
DSP Blackrock FMP 12M - Series 23 - IP	10	-	-	25,000,000	26.75
DSP Blackrock FMP 12M - Series 6 - IP	10	-	-	25,000,000	26.25
DSP Blackrock FMP Series 18 - 12 M - IP	10	-	-	20,000,000	20.59
DSP Blackrock FMP Series 20 - 12 M - IP	10	-	-	35,000,000	35.88
DSP Blackrock FMP Series 23 - 12 M - IP	10	-	-	100,000,000	102.02
DSP Blackrock FMP Series 24 - 12 M - IP	10	-	-	20,000,000	20.36
DSP Blackrock FMP Series 32 - 12 M - IP	10	-	-	75,000,000	75.58
DSP Blackrock FMP Series 34 - 12 M - IP	10	-	-	80,000,000	80.45
DSP Blackrock FMP Series 36 - 12 M - IP	10	-	-	35,000,000	35.21
DSP Blackrock FMP Series 37 - 13M - IP	10	81,000,000	89.83	81,000,000	81.65
DSP Blackrock FMP Series 39 - 12 M - IP	10	-	-	100,000,000	100.47
DSP Blackrock FMP Series 43 - 12 M - IP	10	70,000,000	77.08	70,000,000	70.00
DSP Blackrock FMP Series 81 - 12 M - IP	10	30,000,000	30.72	-	-
DSP Blackrock FMP Series 84 - 12 M - IP	10	140,000,000	141.92	-	-
DSP Blackrock FMP Series 86 - 12 M	10	110,000,000	111.17	-	-
DSP Blackrock FMP Series 87 - 12 M	10	125,000,000	126.12	-	-
DSP Blackrock FMP Series 88 - 12.5 M	10	115,000,000	115.89	-	-
DSP Blackrock FMP Series 89 - 12 M	10	175,000,000	175.58	-	-



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
DSP Blackrock FMP Series 93 - 12 M	10	65,000,000	65.00	-	-
DSP Blackrock Liquidity Fund - IP	1,000	-	-	130,334	20.01
HDFC Annual Interval Fund Series - I - Plan A	10	20,000,000	20.17	-	-
HDFC FLOATING RATE INCOME FUND - LTP	10	24,482,921	50.08	-	-
HDFC FMP 13M - SEPTEMBER 2011 - 1 - IP	10	-	-	125,000,000	130.72
HDFC FMP 369 D - DECEMBER 2012 - 1	10	30,000,000	30.58	-	-
HDFC FMP 370 D - DECEMBER 2011 - 1 - IP	10	-	-	30,000,000	30.63
HDFC FMP 370 D - DECEMBER 2011 - 2 - IP	10	-	-	50,000,000	51.04
HDFC FMP 370 D - FEBRUARY 2012 - 1 - IP	10	-	-	30,000,000	30.33
HDFC FMP 370 D - FEBRUARY 2012 - 2 - IP	10	-	-	60,000,000	60.54
HDFC FMP 370 D - JANUARY 2012 - 2 - IP	10	-	-	20,000,000	20.32
HDFC FMP 370 D - JANUARY 2012 - 3 - IP	10	-	-	50,000,000	50.80
HDFC FMP 370 D - JANUARY 2012 - 4 - IP	10	-	-	75,000,000	75.97
HDFC FMP 370 D - NOVEMBER 2011 - 2 - IP	10	-	-	30,000,000	30.82
HDFC FMP 370 D - NOVEMBER 2011 - 3 - IP	10	-	-	30,000,000	30.78
HDFC FMP 370D - JULY 2011 - 1 - IP	10	-	-	25,000,000	26.65
HDFC FMP 370D - JULY 2011 - 2 - IP	10	-	-	200,000,000	211.84
HDFC FMP 370D - JUNE 2011 - 2 - IP	10	-	-	30,000,000	32.22
HDFC FMP 370D - JUNE 2011 - 3 - IP	10	-	-	25,000,000	26.77
HDFC FMP 370D - March 2011 - 5 - IP	10	-	-	35,000,000	38.42
HDFC FMP 370D - MAY 2011 - 1 - IP	10	-	-	90,000,000	97.33
HDFC FMP 370D - MAY 2011 - 2 - IP	10	-	-	20,000,000	21.60
HDFC FMP 371 D - DECEMBER 2012 - 1	10	28,000,000	28.42	-	-
HDFC FMP 371 D - FEBRUARY 2013 - 1	10	40,000,000	40.50	-	-
HDFC FMP 372 D - FEBRUARY 2013 - 1	10	65,000,000	65.73	-	-
HDFC FMP 372 D - JANUARY 2013 - 2	10	20,000,000	20.25	-	-
HDFC FMP 372 D - JANUARY 2013 - 3	10	20,000,000	20.27	-	-
HDFC FMP 384D March 2013 (1)	10	75,000,000	75.03	-	-
HDFC FMP 390 D - MARCH 2012 - 1 - IP	10	50,000,000	55.02	50,000,000	50.03
HDFC FMP 398D March 2013 (1)	10	30,000,000	30.22	-	-
HDFC FMP 566 D - DECEMBER 2012 - 1	10	60,000,000	61.53	-	-
ICICI Prudential Fixed Maturity Plan Series 63 - 3 Years Plan M	10	35,000,000	37.27	-	-

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
ICICI Prudential Fixed Maturity Plan Series 64 - 3 Years Plan I	10	15,000,000	15.83	-	-
ICICI Prudential Fixed Maturity Plan Series 65 366 Days Plan I	10	25,000,000	25.36	-	-
ICICI Prudential Fixed Maturity Plan Series 65 488 Days Plan D	10	50,000,000	51.09	-	-
ICICI Prudential Fixed Maturity Plan Series 65 502 Days Plan C	10	75,000,000	76.98	-	-
ICICI Prudential Fixed Maturity Plan Series 65 505 Days Plan J	10	50,000,000	50.78	-	-
ICICI Prudential Fixed Maturity Plan Series 66 - 368 Days Plan B	10	60,000,000	60.83	-	-
ICICI Prudential Fixed Maturity Plan Series 66 - 420 Days Plan A	10	200,000,000	202.83	-	-
ICICI Prudential FMP Series 54 - One Year Plan A - IP	10	-	-	35,000,000	38.42
ICICI Prudential FMP Series 54 - One Year Plan C - IP	10	-	-	60,000,000	65.36
ICICI Prudential FMP Series 54 - One Year Plan D - IP	10	-	-	40,000,000	43.60
ICICI Prudential FMP Series 55 - One Year Plan G - IP	10	-	-	40,000,000	43.31
ICICI Prudential FMP Series 56 - One Year Plan E - IP	10	-	-	50,000,000	54.39
ICICI Prudential FMP Series 57- One Year Plan A - IP	10	-	-	35,000,000	37.86
ICICI Prudential FMP Series 59- One Year Plan A - IP	10	-	-	50,000,000	52.98
ICICI Prudential FMP Series 59- One Year Plan B - IP	10	-	-	45,000,000	47.23
ICICI Prudential FMP Series 59- One Year Plan F - IP	10	-	-	60,000,000	61.28
ICICI Prudential FMP Series 60- One Year Plan D - IP	10	-	-	25,000,000	25.68
ICICI Prudential FMP Series 60- One Year Plan F - IP	10	-	-	60,000,000	61.42
ICICI Prudential FMP Series 60- One Year Plan J - IP	10	-	-	50,000,000	50.95
ICICI Prudential FMP Series 61- One Year Plan A - IP	10	-	-	100,000,000	101.10
ICICI Prudential FMP Series 61- One Year Plan C - IP	10	-	-	75,000,000	76.09
ICICI Prudential FMP Series 62- 396 Days - Plan F - IP	10	125,000,000	138.59	125,000,000	126.30
ICICI Prudential FMP Series 62- One Year Plan A - IP	10	-	-	50,000,000	50.53
ICICI Prudential FMP Series 62- One Year Plan B - IP	10	-	-	50,000,000	50.50
ICICI Prudential FMP Series 62- One Year Plan C - IP	10	-	-	25,000,000	25.25
ICICI Prudential FMP Series 63 - 1 year - Plan B - IP	10	-	-	70,000,000	70.35
ICICI Prudential FMP Series 63 - 1 year - Plan C - IP	10	-	-	100,000,000	100.19



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
ICICI Prudential FMP Series 63 - 1 year - Plan E - IP	10	100,000,000	109.92	100,000,000	100.00
ICICI Prudential FMP Series 63 - 376 Days - Plan J - IP	10	70,000,000	77.46	70,000,000	70.29
ICICI Prudential FMP Series 63 - 378 Days - Plan I - IP	10	100,000,000	110.61	100,000,000	100.42
ICICI Prudential FMP Series 63- 384 Days - Plan A - IP	10	120,000,000	133.17	120,000,000	120.76
ICICI Prudential FMP Series 66 366 Days Plan D	10	25,000,000	25.23	-	-
ICICI Prudential FMP Series 66 366 Days Plan F	10	50,000,000	50.58	-	-
ICICI Prudential FMP Series 66 407 Days Plan C	10	115,000,000	116.47	-	-
ICICI Prudential FMP Series 66 407 Days Plan I	10	80,000,000	80.63	-	-
ICICI Prudential FMP Series 66 412 Days Plan E	10	45,000,000	45.39	-	-
ICICI Prudential FMP Series 67 371 Days Plan C	10	50,000,000	50.00	-	-
ICICI Prudential FMP Series 67 371 Days Plan E	10	75,000,000	75.00	-	-
ICICI Prudential FMP Series 67 378 Days Plan A	10	50,000,000	50.07	-	-
ICICI Prudential Income Plan	10	41,778,773	155.04	-	-
ICICI Prudential Interval Fund - Series VI - Annual Interval Plan C	10	25,000,000	25.17	-	-
ICICI Prudential Interval Fund- Annual Interval Plan I - IP	10	27,354,860	33.94	111,161,546	125.87
ICICI Prudential Interval Fund- Annual Interval Plan IV - IP	10	-	-	22,151,723	28.69
ICICI Prudential Long Term Plan - Premium Plus	10	62,885,414	80.23	-	-
ICICI Prudential Short Term Plan	10	63,840,654	157.05	-	-
IDFC Cash Fund Plan C - Super IP	1,000	-	-	230,029	30.02
IDFC Dynamic Bond Fund-Regular Plan	10	72,233,821	101.67	-	-
IDFC Fixed Maturity Plan – Thirteen Months Series 7 - IP	10	75,000,000	83.16	75,000,000	75.77
IDFC Fixed Maturity Plan 366 days Series 82	10	20,000,000	20.47	-	-
IDFC Fixed Maturity Plan Yearly Series 43 -IP	10	-	-	25,000,000	26.77
IDFC Fixed Maturity Plan Yearly Series 45 -IP	10	-	-	40,000,000	42.32
IDFC Fixed Maturity Plan Yearly Series 46 -IP	10	-	-	27,000,000	28.34
IDFC Fixed Maturity Plan Yearly Series 48 -IP	10	-	-	30,000,000	30.33
IDFC Fixed Maturity Plan Yearly Series 49 -IP	10	-	-	62,000,000	62.63
IDFC Fixed Maturity Plan Yearly Series 51 -IP	10	-	-	20,000,000	20.18
IDFC Fixed Maturity Plan Yearly Series 53 -IP	10	-	-	25,000,000	25.82
IDFC Fixed Maturity Plan Yearly Series 54 -IP	10	-	-	500,00,000	51.48
IDFC Fixed Maturity Plan Yearly Series 56 -IP	10	-	-	400,00,000	41.04
IDFC Fixed Maturity Plan Yearly Series 57 -IP	10	-	-	200,00,000	20.47

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
IDFC Fixed Maturity Plan Yearly Series 58 -IP	10	-	-	300,00,000	30.65
IDFC Fixed Maturity Plan Yearly Series 59 -IP	10	-	-	300,00,000	30.62
IDFC Fixed Maturity Plan Yearly Series 61 -IP	10	-	-	600,00,000	60.95
IDFC Fixed Maturity Plan Yearly Series 64 -IP	10	-	-	750,00,000	75.58
IDFC Fixed Maturity Plan Yearly Series 65 -IP	10	250,00,000	27.61	250,00,000	25.10
IDFC Fixed Term Plan - Series 7	10	150,00,000	15.22	-	-
IDFC Fixed Term Plan Series 10	10	380,00,000	38.45	-	-
IDFC Fixed Term Plan Series 11	10	400,00,000	40.36	-	-
IDFC Fixed Term Plan Series 12	10	470,00,000	47.39	-	-
IDFC Fixed Term Plan Series 13	10	1250,00,000	125.44	-	-
IDFC Fixed Term Plan Series 14	10	350,00,000	35.15	-	-
IDFC Fixed Term Plan Series 2	10	250,00,000	26.44	-	-
IDFC Fixed Term Plan Series 9	10	320,00,000	32.39	-	-
IDFC Money Manager Fund - Investment Plan	10	275,32,888	50.16	-	-
IDFC Yearly Series Interval Fund - Series I	10	500,00,000	50.66	-	-
IDFC Yearly Series Interval Fund - Series II	10	600,00,000	60.87	-	-
IDFC Yearly Series Interval Fund - Series III	10	250,00,000	25.31	-	-
JP Morgan India Fixed Maturity Plan - Series 12	10	1300,00,000	132.57	-	-
JP Morgan India Fixed Maturity Plan - Series 13	10	850,00,000	86.28	-	-
JP Morgan India FMP - Series 6 - IP	10	1500,00,000	166.21	1500,00,000	151.06
JP Morgan India FMP - Series 8 - IP	10	-	-	1100,00,000	110.30
JP Morgan India Income Fund - Series 301	10	1050,00,000	110.81	-	-
JP Morgan India Income Fund - Series 302	10	270,00,000	28.21	-	-
JPMorgan India Active Bond Fund	10	2836,42,301	336.87	-	-
JPMorgan India FMP - Series 15 (412 days)	10	510,00,000	51.42	-	-
JPMorgan India FMP - Series 16	10	900,00,000	90.34	-	-
JPMorgan India FMP - Series 17	10	650,00,000	65.24	-	-
JPMorgan India FMP - Series 18	10	350,00,000	35.06	-	-
JPMorgan India Liquid Fund - Super Institutional Plan	10	-	-	18,711,901	26.01
JPMorgan India Short Term Income Fund	10	225,630,216	288.73	-	-
JPMorgan India Treasury Fund	10	328,707,326	505.28	-	-
Kotak FMP Series 100 - 373 Days	10	75,000,000	75.12	-	-
Kotak FMP Series 101 - 371 Days	10	25,000,000	25.00	-	-



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE14A (CONTD.)		(₹ in Crores)			
Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
Kotak FMP Series 102 - 374 Days	10	30,000,000	30.00	-	-
Kotak FMP Series 41 - IP	10	-	-	50,000,000	55.02
Kotak FMP Series 44 - IP	10	-	-	50,000,000	54.49
Kotak FMP Series 45 - IP	10	-	-	20,000,000	21.74
Kotak FMP Series 46 - IP	10	-	-	50,000,000	54.12
Kotak FMP Series 51 - IP	10	-	-	50,000,000	53.60
Kotak FMP Series 52 - IP	10	-	-	25,000,000	26.70
Kotak FMP Series 54 - IP	10	-	-	15,000,000	15.88
Kotak FMP Series 56 - IP	10	-	-	20,000,000	21.05
Kotak FMP Series 62 - IP	10	-	-	20,000,000	20.71
Kotak FMP Series 68 - IP	10	-	-	25,000,000	25.55
Kotak FMP Series 69 - IP	10	-	-	45,000,000	45.87
Kotak FMP Series 70 - IP	10	-	-	30,000,000	30.44
Kotak FMP Series 72 - IP	10	-	-	24,000,000	24.33
Kotak FMP Series 74 - IP	10	-	-	45,000,000	45.47
Kotak FMP Series 75 - IP	10	-	-	80,000,000	80.70
Kotak FMP Series 76 - IP	10	100,000,000	110.63	100,000,000	101.06
Kotak FMP Series 78 - IP	10	-	-	30,000,000	30.30
Kotak FMP Series 80 - IP	10	100,000,000	110.97	100,000,000	100.58
Kotak FMP Series 82 - IP	10	25,000,000	27.68	25,000,000	25.10
Kotak FMP Series 83 - IP	10	-	-	100,000,000	100.00
Kotak FMP Series 84 - IP	10	100,000,000	109.95	100,000,000	100.00
Kotak FMP Series 94 - 370 Days	10	50,000,000	50.67	-	-
Kotak FMP Series 95 - 400 Days	10	50,000,000	50.62	-	-
Kotak FMP Series 96 - 370 Days	10	25,000,000	25.25	-	-
Kotak FMP Series 97 - 395 Days	10	110,000,000	110.79	-	-
Kotak FMP Series 98	10	40,000,000	40.85	-	-
Kotak FMP Series 99 - 18 Months	10	45,000,000	45.63	-	-
L&T FMP - VII - (January 507DA)	10	40,000,000	40.59	-	-
L&T FMP - VII - March 13M A	10	400,00,000	40.31	-	-
L&T FMP - VII - March 381D A	10	25,000,000	25.04	-	-
Reliance Fixed Horizon Fund - XIX Series 10 Super IP	10	-	-	50,000,000	55.00
Reliance Fixed Horizon Fund - XIX Series 4 Super IP	10	-	-	50,000,000	54.38

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
Reliance Fixed Horizon Fund - XX Series 19 Super IP	10	-	-	10,000,000	10.76
Reliance Fixed Horizon Fund - XX Series 22 Super IP	10	-	-	50,000,000	53.31
Reliance Fixed Horizon Fund - XX Series 24 Super IP	10	-	-	44,000,000	46.39
Reliance Fixed Horizon Fund - XXI Series 13 Super IP	10	-	-	60,000,000	61.83
Reliance Fixed Horizon Fund - XXI Series 14 Super IP	10	-	-	55,000,000	56.51
Reliance Fixed Horizon Fund - XXI Series 16 Super IP	10	-	-	650,00,000	66.51
Reliance Fixed Horizon Fund - XXI Series 9 Super IP	10	-	-	100,000,000	101.03
Reliance Fixed Horizon Fund - XXIII Series 5	10	350,000,000	352.27	-	-
Reliance Fixed Horizon Fund - XXIII Series 7	10	25,000,000	25.05	-	-
Reliance Fixed Horizon Fund - XXIII Series 9	10	100,000,000	100.00	-	-
Reliance Fixed Horizon Fund XXI - Series 11 Super IP	10	110,000,000	121.51	110,000,000	110.30
Reliance Fixed Horizon Fund XXI - Series 12 Super IP	10	-	-	110,000,000	110.30
Reliance Fixed Horizon Fund XXI - Series 18 Super IP	10	180,000,000	199.65	180,000,000	181.55
Reliance Fixed Horizon Fund XXI - Series 2 Super IP	10	-	-	105,000,000	107.08
Reliance Fixed Horizon Fund XXI - Series 21	10	32,000,000	33.90	-	-
Reliance Fixed Horizon Fund XXI - Series 4 Super IP	10	-	-	90,000,000	91.51
Reliance Fixed Horizon Fund XXI - Series 5 Super IP	10	-	-	330,000,000	335.22
Reliance Fixed Horizon Fund XXI - Series 6 Super IP	10	-	-	170,000,000	172.13
Reliance Fixed Horizon Fund XXI - Series 8 Super IP	10	-	-	45,000,000	45.40
Reliance Fixed Horizon Fund XXII - Series 26	10	30,000,000	31.58	-	-
Reliance Fixed Horizon Fund XXII - Series 33	10	50,000,000	51.31	-	-
Reliance Fixed Horizon Fund XXII - Series 35	10	35,000,000	35.69	-	-
Reliance Fixed Horizon Fund XXII - Series 37	10	25,000,000	25.49	-	-
Reliance Fixed Horizon Fund XXII - Series 38	10	25,000,000	25.42	-	-
Reliance Fixed Horizon Fund XXII - Series 39	10	30,000,000	30.46	-	-
Reliance Fixed Horizon Fund XXIII - Series 1	10	55,000,000	55.74	-	-
Reliance Fixed Horizon Fund XXIII - Series 2	10	60,000,000	60.77	-	-
RELIANCE INCOME FUND	10	34,258,112	38.97	-	-
Reliance Interval Fund - Annual Interval Fund - Series I	10	90,791,887	108.24	-	-
Reliance Liquid Fund Treasury Plan - IP	10	-	-	19,158,556	50.03
Reliance Short Term Fund	10	35,804,650	78.29	-	-
Reliance Yearly Interval Fund - Series I	10	250,000,000	253.32	-	-
Reliance Yearly Interval Fund - Series II	10	290,000,000	294.00	-	-



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
Reliance Yearly Interval Fund - Series III	10	47,000,000	47.55	-	-
Reliance Yearly Interval Fund - Series IV	10	50,000,000	50.45	-	-
Reliance Yearly Interval Fund - Series V	10	25,000,000	25.05	-	-
Religare Active Income Fund - Plan A	10	183,419,308	256.76	-	-
Religare Fixed Maturity Plan Series IX – Plan B - IP	10	-	-	35,000,000	36.62
Religare Fixed Maturity Plan Series VII - Plan C - IP	10	-	-	45,000,000	48.85
Religare Fixed Maturity Plan Series VIII - Plan A - IP	10	-	-	28,000,000	30.14
Religare Fixed Maturity Plan Series VIII - Plan F - IP	10	-	-	20,000,000	20.99
Religare Fixed Maturity Plan Series X – Plan B - IP	10	-	-	15,000,000	15.48
Religare Fixed Maturity Plan Series X – Plan E - 371 DAYS - IP	10	-	-	23,000,000	23.61
Religare Fixed Maturity Plan Series X – Plan F - 371 DAYS - IP	10	-	-	25,000,000	25.65
Religare Fixed Maturity Plan Series XI – Plan A - 369 DAYS - IP	10	-	-	20,000,000	20.47
Religare Fixed Maturity Plan Series XI – Plan E - 371 DAYS - IP	10	-	-	20,000,000	20.44
Religare Fixed Maturity Plan Series XII – Plan C - IP	10	-	-	20,000,000	20.23
Religare Fixed Maturity Plan Series XIII – Plan A - IP	10	-	-	20,000,000	20.15
Religare FMP Series XIII – Plan C - 13 Months - IP	10	20,000,000	22.18	20,000,000	20.15
Religare FMP Series XIII – Plan D - 386 Days - IP	10	15,000,000	16.65	15,000,000	15.13
Religare FMP Series XIII - Plan F - 385 Days - IP	10	30,000,000	33.23	30,000,000	30.22
Religare FMP Series XIV - Plan A - 373 Days - IP	10	38,000,000	42.01	38,000,000	38.00
Religare FMP Series XIV - Plan B - 378 Days - IP	10	34,000,000	37.38	34,000,000	34.00
Religare FMP Series XVI - Plan C - 367 Days - IP	10	25,000,000	25.61	-	-
Religare FMP Series XVI - Plan D - 370 Days	10	25,000,000	25.58	-	-
Religare FMP Series XVII - Plan A - 17 Months	10	20,000,000	20.24	-	-
Religare FMP Series XVII - Plan D	10	55,000,000	55.52	-	-
Religare FMP Series XVII - Plan E	10	50,000,000	50.45	-	-
Religare FMP Series XVIII - Plan A	10	25,000,000	25.14	-	-
Religare FMP Series XVIII - Plan B	10	20,000,000	20.04	-	-
Religare Liquid Fund - Super IP	1,000	-	-	135,734	20.01
SBI SDFS 13 - 367 Days - Series 19 - IP	10	-	-	100,000,000	100.00
SBI SDFS 13 Months 12 - IP	10	50,000,000	55.52	50,000,000	50.47
SBI SDFS 13 Months Series 14	10	100,000,000	100.72	-	-
SBI SDFS 366 Days Series 20	10	50,000,000	50.93	-	-

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 14A (CONTD.)

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
SBI SDFS 366 Days Series 22	10	90,000,000	91.15	-	-
SBI SDFS 366 Days Series 23	10	75,000,000	75.28	-	-
SBI SDFS 366 Days Series 25	10	75,000,000	75.00	-	-
SBI SDFS 367 Days - Series 16 - IP	10	-	-	75,000,000	75.78
TATA Fixed Maturity Plan Series 34 - Scheme B	10	-	-	85,000,000	92.02
TATA Fixed Maturity Plan Series 34 - Scheme C	10	-	-	45,000,000	48.75
TATA Fixed Maturity Plan Series 36 - Scheme A	10	-	-	10,000,000	10.68
TATA Fixed Maturity Plan Series 36 - Scheme C	10	-	-	30,000,000	31.38
TATA Fixed Maturity Plan Series 37 - Scheme C	10	-	-	30,000,000	30.92
TATA Fixed Maturity Plan Series 37 - Scheme D	10	-	-	25,000,000	25.65
TATA Fixed Maturity Plan Series 38 - Scheme D	10	-	-	20,000,000	20.42
TATA Fixed Maturity Plan Series 38 - Scheme I	10	-	-	28,000,000	28.44
TATA Fixed Maturity Plan Series 39 - Scheme A	10	-	-	24,000,000	24.31
TATA Fixed Maturity Plan Series 39 - Scheme G - 386 Days	10	50,000,000	55.44	50,000,000	50.52
TATA Fixed Maturity Plan Series 39 - Scheme H	10	30,000,000	33.24	30,000,000	30.18
TATA Fixed Maturity Plan Series 39 - Scheme I	10	-	-	20,000,000	20.13
TATA Fixed Maturity Plan Series 40 - Scheme A	10	25,000,000	27.62	25,000,000	25.07
Tata Fixed Maturity Plan Series 42 Scheme A	10	30,000,000	30.34	-	-
Tata Fixed Maturity Plan Series 42 Scheme B	10	30,000,000	30.14	-	-
Tata Fixed Maturity Plan Series 42 Scheme C	10	25,000,000	25.03	-	-
Tata Fixed Maturity Plan Series 42 Scheme G	10	140,000,000	141.98	-	-
Tata Fixed Maturity Plan Series 42 Scheme H	10	40,000,000	40.36	-	-
Tata Income Fund – Bonus	10	94,824,280	103.52	-	-
UTI Fixed Income Interval Fund - Annual Interval Plan II	10	-	-	43,327,932	52.32
UTI Fixed Income Interval Fund - Annual Interval Plan III	10	17,705,132	28.41	17,705,132	25.97
UTI Fixed Income Interval Fund - Annual Interval Plan IV - IP	10	36,741,405	44.94	36,741,405	40.98
UTI Fixed Term Income Fund Series IX - II (369 Days)	10	-	-	45,000,000	49.11
UTI Fixed Term Income Fund Series X - VI (368 Days)	10	-	-	86,000,000	87.29
UTI Fixed Term Income Fund Series X - VII (368 Days)	10	-	-	110,000,000	111.16
UTI Fixed Term Income Fund Series X - VIII - IP	10	-	-	125,000,000	126.10
UTI Fixed Term Income Fund Series X - X (367 Days)	10	-	-	25,000,000	25.26
UTI Fixed Term Income Fund Series XI - IV (367 days)	10	-	-	20,000,000	20.19
UTI Fixed Term Income Fund Series XI - VII (366 days)	10	-	-	120,000,000	120.35



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE14A (CONTD.)		(₹ in Crores)			
Particulars	Face value (in ₹)	Total number of Units	As at March 31, 2013	Total number of Units	As at March 31, 2012
Investments in mutual funds - Unquoted					
UTI Fixed Term Income Fund Series XIII - I (368 Days)	10	30,000,000	30.69	-	-
UTI Fixed Term Income Fund Series XIV - I (366 days)	10	100,000,000	101.45	-	-
UTI Fixed Term Income Fund Series XIV - II (366 days)	10	100,000,000	101.20	-	-
UTI Fixed Term Income Fund Series XIV - IV (408 days)	10	25,000,000	25.18	-	-
Unquoted investments-A			12,276.03		11,312.65
Investment in Equity Instruments:					
Investment in Andhra Pradesh Gas Power Corporation (APGPCL) (Trade, Unquoted and Available for sale)(refer note 14B)	10	5,928,160	110.00	-	-
Unquoted investments-B			110.00		-
Aggregate of quoted and unquoted investments			14,537.18		12,692.26

14B Towards the year end, on March 30, 2013, the Company has entered into a share purchase agreement with a buyer for the sale of its entire equity investments in Andhra Pradesh Gas Power Corporation Limited (APGPCL) for an aggregate consideration of ₹ 110 Crores, subject to the approval of the Board of APGPCL. Pursuant to the said agreement, Investments aggregating to ₹ 98.41 Crores which were hitherto reflected as intangible assets at cost and amortised, have been reclassified as at the year end as Current Investments -Available for sale at fair value , with the gain on fair valuation aggregating to ₹ 11.59 Crores taken to the investment revaluation reserve , and the cumulative amortisation charge aggregating to ₹ 56.42 Crores (₹ 51.72 Crores for prior years and ₹ 4.70 Crores for the year end) being adjusted in depreciation and amortisation expenses in the Statement of Profit and Loss. The said transfer of investments has since been approved by APGPCL subsequent to the year end on April 10, 2013 and the sale has been concluded as on that date.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 15 INVENTORIES

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
At lower of cost and net realisable value		
Raw materials - Zinc and Lead Mined Metal	196.09	24.22
Work-in-progress		
Ore	17.50	19.62
Mined Metal	119.00	79.46
Others	249.46	188.22
Finished goods	40.84	26.96
Stores and spares (including goods in transit ₹ 26.91 Crores : 2012 ₹ 54.22 Crores)	488.20	459.46
TOTAL	1,111.09	797.94

NOTE 16 TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	10.98	5.12
Trade receivables outstanding for a period less than six months from the date they were due for payment	391.89	327.33
TOTAL	402.87	332.45

NOTE 17 CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash on hand	0.02	0.03
Balances with banks		
Current accounts	47.16	29.02
Deposit accounts (Refer note below)	6,893.27	5,225.00
Unpaid dividend accounts	1.65	1.27
TOTAL	6,942.10	5,255.32
Of the above the balance that meet the definition of cash and cash equivalents as per Accounting Standard 3: Cash flow statement .	290.18	29.05
Note -	3,200.27	1,050.00
Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date.		



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 18 SHORT TERM LOANS AND ADVANCES

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured and considered good		
Prepaid expenses	18.79	14.76
Loans to employees	2.74	2.85
Balance with central excise and other Government authorities	48.02	57.42
Other advance (includes advances to suppliers and contractors etc.)	300.00	158.01
Derivative assets	3.77	0.39
TOTAL	373.32	233.43

NOTE 19 OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Interest accrued on deposit	347.01	314.16
Interest accrued on Investment in Bond	46.07	8.65
TOTAL	393.08	322.81

NOTE 20 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
Sale of products (gross)	13,423.57	11,782.34
Export benefits	60.42	128.58
	13,483.99	11,910.92
Other operating revenues:		
Sale of Scrap and Residuals	121.53	94.04
Rent	2.46	2.37
Claim received	16.18	6.84
Liquidated damages and penalties	9.34	19.08
Carbon credit and Generation based incentive	20.11	14.31
Others (unclaimed amount, etc.)	4.53	13.53
Revenue from operations (gross)	13,658.14	12,061.09
Less: Excise duty	(958.30)	(655.78)
Revenue from operations (net)	12,699.84	11,405.31
Detail of products sold		
Zinc metals	8,504.66	8,679.33
Lead metals	1,690.36	1,178.18
Zinc and Lead Mined Metal	454.53	151.16
Silver metals	2,101.60	1,131.99
Wind Energy	201.57	123.26
Others	470.85	518.42
TOTAL	13,423.57	11,782.34

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 21 OTHER INCOME

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
Gain on mark to market of current Investments	535.78	268.14
Interest Income		
Deposits	696.30	538.29
Investment in Bonds	136.09	26.14
Others (interest from customers, staff loans, etc.)	35.56	33.11
Dividend from current Investments	-	0.03
Net gain on sale of current investments	570.62	640.63
Profit on sale of fixed assets (net)	-	0.69
Net gain on foreign currency transactions	57.80	35.80
TOTAL	2,032.15	1,542.83

NOTE 22 COST OF MATERIALS CONSUMED

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
(i)		
Opening Stock	24.22	19.67
Add: Purchases	964.93	222.24
Less: Closing Stock	(196.09)	(24.22)
Cost of materials consumed	793.06	217.69
(ii) Details of Materials Consumed		
(a) Zinc & Lead Mined Metal	681.76	199.87
(b) Bulk Mined Metal	111.30	17.82
TOTAL	793.06	217.69



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		(₹ in Crores)	
Particulars	FY 2012-13	FY 2011-12	
Opening Stock			
Finished goods	26.96	31.28	
Work in progress			
Ore	19.62	51.07	
Mined Metal	79.46	199.49	
Others	188.22	126.86	
	314.26	408.70	
Closing Stock			
Finished goods	40.84	26.96	
Work in progress			
Ore	17.50	19.62	
Mined Metal	119.00	79.46	
Others	249.46	188.22	
	426.80	314.26	
NET (INCREASE) / DECREASE	(112.54)	94.44	

NOTE 24 EMPLOYEE BENEFITS EXPENSE		(₹ in Crores)	
Particulars	FY 2012-13	FY 2011-12	
Salaries and wages	531.04	442.61	
Contributions to provident and other funds (refer note 33)	52.56	41.09	
Staff welfare expenses	66.31	50.94	
TOTAL	649.91	534.64	

NOTE 25 FINANCE COST		(₹ in Crores)	
Particulars	FY 2012-13	FY 2011-12	
Interest on Borrowings	5.29	-	
Bill discounting charges	17.06	10.69	
Bank charges	1.75	1.85	
Interest on delayed/deferred payment of advance tax	0.72	0.40	
Others (Rollover loss/(gain) on forward cover,etc.)	4.28	1.01	
TOTAL	29.10	13.95	

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 26 OTHER EXPENSES

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
Consumption of stores and spare parts	1,175.07	1,046.66
Power, fuel & water	1,070.46	1,227.84
Machinery repairs	666.32	543.02
Building repairs	27.55	23.76
Other repairs	1.66	0.90
Carriage inward	139.47	113.39
Mine expenses	199.49	142.04
Excise duty*	8.04	(7.08)
Royalty (net)	919.94	837.88
Other manufacturing and operating expenses	161.68	140.11
Rent	1.58	1.49
Rates and taxes	12.56	6.35
Insurance	25.38	23.81
Conveyance and travelling expenses	23.00	19.20
Directors' sitting fees	0.41	0.11
Miscellaneous expenses	141.38	110.56
Payment to statutory auditors		
For audit	0.78	0.71
For taxation matters	0.15	0.14
For other services	0.76	0.56
Reimbursement of expenses	0.07	0.07
Watch and ward	20.72	19.02
Grass root exploration expense	55.11	45.72
Research and development expenses	3.12	4.80
Donations	4.99	8.03
Carriage outward	206.91	176.89
Other selling expenses	1.91	3.10
Loss on sale of fixed assets (net)	19.26	-
TOTAL	4,887.77	4,489.08

* Represents excise duty on difference between closing and opening stock



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 27 CONTINGENT LIABILITY

(₹ in Crores)

Particulars	As at March 31, 2013	As at March 31, 2012
Claims against the company not acknowledged as debts (Matters pending in court / arbitration. No cash out flow is expected in future)		
- Suppliers and contractors	68.92	61.20
- Employees, ex-employees and others	108.15	60.24
- Mining cases	333.90	333.90
Guarantees issued by the banks (Bank guarantees are provided under legal / contractual obligation. No cash out flow is expected in future)	65.90	62.24
Sales tax demands (This pertains to disputes in respect of tax rate difference / classification, stock transfer matters. No cash out flow is expected in future)	68.79	65.14
Entry tax demands (This pertains to disputes in respect of entry tax on goods. No cash out flow is expected in future)	27.42	27.42
Income tax demands (This pertains to deduction and allowances claimed under Chapter VIA, etc. No cash out flow is expected in future)	1,090.35	749.92
Excise Duty demands (This pertains to modvat / Cenvat credit availed on inputs, capital goods, alleged duty demands on captive use of the goods. No cash out flow is expected in future)	102.34	70.52
Claim for compensation (Chanderiya land)	Not ascertainable	Not ascertainable

NOTE 28 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 2777.67 Crores (2012: ₹ 796.93 Crores)
- b) The Company had export obligations of ₹ 1,676.21 Crores (2012: ₹ 1,664.75 Crores) on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight years. If the Company is unable to meet these obligations, its liabilities currently un-provided would be

₹ 247.24 Crores (2012: ₹ 239.31 Crores) reduced in proportion to actual export. This liability is backed by the bonds executed in favour of customs department amounting to ₹ 1133.96 Crores (2012: ₹ 1345.72 Crores).

NOTE 29 The title deeds are still to be executed in respect of 10.63 acres of freehold land at Vishakhapatnam.

NOTE 30 JOINT VENTURE

- a. The Company has access upto 31.5 million tonnes of coal as a partner in the joint venture "Madanpur South Coal Company Limited" where it holds 18.05% of ownership interest (2012: 18.05%).

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

b. Interest in joint venture :

Name	Country of incorporation	Percentage of ownership Interests as at March 31, 2013	Percentage of ownership Interests as at March 31, 2012
Madanpur South Coal Company Limited	India	18.05 %	18.05 %

The Company's interest in the joint venture is reported as non-current investments (Note 11) and stated at cost. The Company's share of each of the assets, liabilities, income and expenses etc. (each without elimination of the effect of transactions between the Company and the joint venture) related to its interests in these joint ventures are:

(₹ in Crores)

	As at March 31, 2013	As at March 31, 2012
I. Assets		
1. Fixed assets	1.26	1.26
2. Current investments	0.63	0.83
Other current assets	0.03	0.02
Cash and Bank Balances	0.23	0.05
3. Loss being excess of expenses over income	0.66	0.55
II. Liabilities		
1. Shareholders' funds	2.69	2.59
2. Share application monies	0.11	0.10
3. Unsecured Loan	0.01	0.02

(₹ in Crores)

	FY 2012-13	FY 2011-12
III. Income	-	-
IV. Expenses	0.11	0.15

NOTE 31 Matured fixed deposits of ₹ 0.08 Crores (2012: ₹ 0.08 Crores) due for transfer to Investor Education and Protection Fund have not been transferred in view of pending legal litigation between the beneficiaries.

NOTE 32 VEDANTA RESOURCES LONG TERM INCENTIVE PLAN (LTIP)

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

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to

outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant.

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



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

Under the scheme, Vedanta is obligated to issue the shares and the grant date fair value of the awards is recovered by Vedanta from the Company.

Amount recovered by Vedanta and recognised by the Company in the Statement of Profit and Loss for the financial year ended March 31, 2013 was ₹ 37.36 Crores (2012: ₹ 23.78 Crores). The Company considers these amounts as not material and accordingly has not provided further disclosures.

NOTE 33 EMPLOYEE BENEFITS

Long term

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

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

A sum of ₹ 26.94 Crores (2012: ₹ 24.80 Crores) has been charged to the Statement of Profit and Loss in this respect, the components of which are tabulated below:

	(₹ in Crores)	
Defined contribution plan	FY 2012-13	FY 2011-12
Provident fund	22.70	20.84
Family Pension Scheme	4.24	3.96

The Company's provident fund is exempted under section 17 of Employees Provident Fund Act, 1952. The conditions for grant of exemption stipulate that the employer shall make good the deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on a Guidance Note from The Institute of Actuaries – Valuation of Interest Guarantees on Exempt Provident Funds under AS 15 (Revised 2005) - for actuarially ascertaining such interest liability, there is no interest shortfall that is required to be met by the Company as of March 31, 2012 and March 31, 2013. Having regard to the assets of the Fund and the return in the investments, the Company also does not expect any deficiency in the foreseeable future and hence operates the Provident Fund Scheme as a defined contribution plan.

(b) Defined benefit plans : Gratuity

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

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

	(₹ in Crores)	
	FY 2012-13	FY 2011-12
Obligation at the beginning of the year	182.30	172.10
Current service cost	8.22	7.84
Past service cost	-	-
Interest cost	14.58	13.77
Actuarial losses and (gains)	18.35	9.55
Benefits paid	(31.63)	(20.96)
Obligation at the end of the year	191.82	182.30

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

(ii) Movement in the fair value of plan assets

(₹ in Crores)

	FY 2012-13	FY 2011-12
Fair value at the beginning of the year	165.58	115.29
Expected return on the plan assets	15.73	10.95
Actuarial gains / (losses)	0.26	3.49
Employers' contribution	16.72	56.81
Benefits paid	(31.63)	(20.96)
Fair value at the end of the year	166.66	165.58

(iii) Amount recognised in the Balance Sheet

(₹ in Crores)

	As at March 31, 2013	As at March 31, 2012
Present value of the obligation at the end of the year	191.82	182.30
Fair value of the plan assets at the end of the year	166.66	165.58
(Unfunded status) / Excess of funding over obligation	(25.16)	(16.72)
Excess of actual over estimated	0.26	3.49
Net (liability) / asset recognised in the Balance Sheet	(25.16)	(16.72)

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

(₹ in Crores)

	FY 2012-13	FY 2011-12
Current service cost	8.22	7.84
Past service cost	-	-
Interest cost	14.58	13.77
Expected return on plan assets	(15.73)	(10.95)
Actuarial losses and (gains)	18.09	6.06
Total expense / income recognised in the Statement of Profit and Loss.	25.16	16.72

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

(vi) Actual return on plan assets

(₹ in Crores)

	FY 2012-13	FY 2011-12
Expected return on plan assets	9.50 %	9.50 %
Actuarial losses and (gains)	0.26	3.49



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

(vii) Actuarial assumptions

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

	(₹ in Crores)	
	FY 2012-13	FY 2011-12
Discount rates	8.00 %	8.00%
Expected return on plan assets	9.50 %	9.50 %
Salary escalations	5.50 %	5.50 %
Mortality	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

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

(viii) Experience adjustment

	(₹ in Crores)				
	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
Present value of the obligation	191.82	182.30	172.10	123.93	98.33
Fair value of plan assets	166.66	165.58	115.29	103.42	91.79
Surplus / deficit in the plan	(25.16)	(16.72)	(56.81)	(20.51)	(6.54)
Experience adjustment on plan liabilities	(18.35)	(9.55)	(3.65)	(16.12)	(2.98)
Experience adjustment on plan assets	0.26	3.49	1.28	-	0.54

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

(ix) The contributions expected to be made by the Company during the financial year 2013-14 are ₹ 13.43 Crores (FY2013: ₹ 5.19 Crores)

(c) Other long term benefit plan -Compensated absences

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

NOTE 34 EARNINGS PER SHARE (EPS)

Particulars	FY 2012-13	FY 2011-12
Net profit after taxation for the year (₹ in Crores)	6,899.48	5,526.04
Weighted average number of ordinary shares for Basic / Diluted EPS	4,225,319,000	4,225,319,000
Nominal value of ordinary shares (in ₹)	2	2
Basic / Diluted earnings per ordinary shares (in ₹)	16.33	13.08

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 35 SEGMENT REPORTING

(i) Segment Information for the year ended March 31, 2013

(₹ in Crores)

Particulars	March 31, 2013				March 31, 2012			
	Zinc, Lead and Silver	Wind energy	Unallocated	Total	Zinc, Lead and Silver	Wind energy	Unallocated	Total
REVENUE								
External Sales								
Zinc and Lead	10,231.46				9,999.89			
Silver Metal	2,092.66				1,131.99			
Total external sales	12,324.12	201.57		12,525.69	11,131.88	123.26		11,255.14
Inter Segment Sales								
Total Segment Revenue	12,324.12	201.57		12,525.69	11,131.88	123.26		11,255.14
RESULTS								
Segment result								
Zinc and Lead	4,370.01				4,498.37			
Silver Metal	1,472.58				986.70			
Total	5,842.59	57.31		5,899.90	5,485.07	20.23		5,505.30
Unallocated Corporate Income net of unallocated Expenses				1,966.85				1,496.32
Finance Costs				(29.10)				(13.95)
Profit before exceptional items				7,837.65				6,987.67
Exceptional items [Note 39 (a)]				(17.53)				(43.13)
Profit before tax				7,820.12				6,944.54
Tax expenses				(920.64)				(1,418.50)
Profit for the year				6,899.48				5,526.04
OTHER INFORMATION								
Segment Assets	10893.66	1,004.43	23,567.32	35,465.41	9,486.04	1,135.45	18,801.53	29,423.02
Segment Liabilities	1,076.43	6.39	2,106.85	3,189.67	941.42	47.82	1,110.55	2,099.79
Capital Expenditure	1,564.37	-	-	1,564.37	1,100.59	504.21	-	1,604.80
Depreciation	496.78	149.92	0.34	647.04	491.21	119.12	0.34	610.67



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

(ii) Information about Secondary Business Segments

(₹ in Crores)

Particulars	March 31, 2013			March 31, 2012		
	India	Outside India	Total	India	Outside India	Total
Revenue by geographical market	9,741.16	2,784.53	12,525.69	7,507.45	3,747.69	11,255.14
Inter-Segment	-	-	-	-	-	-
TOTAL	9,741.16	2,784.53	12,525.69	7,507.45	3,747.69	11,255.14
Carrying amount of segment assets	11,898.09	-	11,898.09	10,621.49	-	10,621.49
Additions to Fixed Assets	1,564.37	-	1,564.37	1,604.80	-	1,604.80

Reconciliation between segment revenue and enterprise revenue

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
Segment Revenue		
Zinc and Lead	10,231.46	9,999.89
Silver Metal	2,092.66	1,131.99
Wind Energy	201.57	123.26
Total Segment revenue	12,525.69	11,255.14
Enterprise revenue		
Sale of products	13,483.99	11,910.92
Less: - Excise duty	(958.30)	(655.78)
Total enterprise revenue	12,525.69	11,255.14

(iii) Note :

a) Business Segment

The Company has identified the following business segments:

- Mining and smelting of Zinc, Lead and Silver.
- Wind energy.

Additional intra segment information of revenues and results for the silver metal have been provided to enhance understanding of segment business. Silver occurs in Zinc & Lead and is recovered in the smelting and silver refining process.

b) Geographical Segment

The Geographical segments considered for disclosure are as follows:

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

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 36 RELATED PARTY DISCLOSURES

a. Names of related parties and description of relation:

(i)	Holding companies:	Immediate & Ultimate in India:	Sterlite Industries (India) Limited
		Ultimate in U. K:	Vedanta Resources Plc. U. K.
(ii)	Fellow subsidiaries		Bharat Aluminium Company Limited
			Monte Cello BV*
			Copper Mines of Tasmania Pty Limited
			Thalanga Copper Mines Pty Limited*
			Konkola Copper Mines Plc
			Sterlite Energy Limited*
			Sterlite (USA) Inc.*
			Fujairah Gold*
			Talwandi Sabo Power Limited
			Sesa Goa Limited
			The Madras Aluminium Company Limited
			Vedanta Aluminium Limited
			THL Zinc Ventures Limited*
			THL Zinc Limited*
			THL Zinc Holding BV*
			THL Zinc Namibia Holdings (pty) Limited*
			Skorpion Zinc (Pty) Limited*
			Skorpion Mining Company (Pty) Limited*
			Namzinc (Pty) Limited
			Amica Guesthouse (Pty) Limited*
	Rosh Pinah Health Care (Pty) Limited*		
	Black Mountain Mining (Pty) Limited		
	Vedanta Lisheen Holdings Limited*		
	Vedanta Lisheen Mining Limited*		
	Killoran Lisheen Mining Limited*		
	Killoran Lisheen Finance Limited*		
	Sterlite Ports Limited*		
	Konkola Resources Plc*		
	Sesa Mining Corporation Private Limited		
	Sesa Resources Limited		
	Sterlite Infraventures Limited*		
	Paradip Multi Cargo Berth Private Limited*		



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 36 (CONTD.)

		Pecvest 17 Proprietary Limited*
		Lisheen Mine Partnership*
		Vizag General Cargo Berth Private Limited.*
		Lakomasko BV.*
		Sterlite Infra Limited.*
		Lisheen Milling Limited*
		Sterlite Technologies Limited
		Bloom Fountain Limited*
		Western Clusters Limited*
		Goa Energy Private Limited*
(iii)	Joint Venture -Jointly controlled entity	Madanpur South Coal Company Limited
(iv)	Key Managerial Personnel	Mr. Akhilesh Joshi**
(v)	Others	Vedanta Foundation
* No transactions during the year.		
** Appointed as CEO and Whole Time Director effective February 1, 2012.		

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

(₹ in Crores)

b. Transactions with related parties:

Nature of transactions	Holding company		Fellow subsidiaries		Associate companies		Key Managerial Personnel		Joint Venture		Others		Total amount	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Purchase of goods	0.58 ¹	0.05 ¹	12.32 ⁴	16096 ⁶	-	-	-	-	-	-	-	-	12.90	161.01
Sale of goods and others	1.15 ¹	24.71 ¹	-	0.01 ²	-	-	-	-	-	-	-	-	1.15	24.72
Dividend	685.79 ⁹	685.79 ⁹	-	-	-	-	-	-	-	-	-	-	685.79	685.79
Personnel Services (net)	57.49 ¹	53.16 ¹	0.60 ⁵	0.59 ⁵	-	-	-	-	-	-	-	-	58.09	53.75
Apportionment of common group expenses	64.07 ¹	53.04 ¹	-	-	-	-	-	-	-	-	-	-	64.07	53.04
Remuneration - Key managerial personnel	-	-	-	-	-	-	2.77	2.98	-	-	-	-	2.77	2.98
Donation	-	-	-	-	-	-	-	-	-	-	4.28 ³	6.74 ³	4.28	6.74
Investment in Joint Venture	-	-	-	-	-	-	-	-	0.11	0.52	-	-	0.11	0.52
Madanpur South Coal Company Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES OUTSTANDING AT YEAR END:														
(i) Loans and Advances :														
Konkola Copper Mines Plc	-	-	0.03	-	-	-	-	-	-	-	-	-	0.03	-
Sesa Goa Limited	-	-	-	0.26	-	-	-	-	-	-	-	-	-	0.26
Madanpur South Coal Company Limited	-	-	-	-	-	-	-	-	0.11	0.13	-	-	0.11	0.13
Vedanta Lisheen Mining Limited	-	-	-	0.02	-	-	-	-	-	-	-	-	-	0.02
Black Mountain (Pty) Limited	-	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01
Taiwandi Sabo Power Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-
Sterlite Technologies Limited	-	-	0.04	-	-	-	-	-	-	-	-	-	0.04	-
(ii) Other Current Liabilities :														
Sesa Resources limited	-	-	0.14	-	-	-	-	-	-	-	-	-	0.14	-
Sesa Goa Limited	-	-	0.21	-	-	-	-	-	-	-	-	-	0.21	-
Sesa Mining Corporation Private Limited	-	-	0.06	-	-	-	-	-	-	-	-	-	0.06	-
Bharat Aluminium Company Limited	-	-	2.40	0.02	-	-	-	-	-	-	-	-	2.40	0.02
Madras Aluminium Company Limited	-	-	0.01	-	-	-	-	-	-	-	-	-	0.01	-
Vedanta Aluminium Limited	-	-	0.05	0.21	-	-	-	-	-	-	-	-	0.05	0.21
Sterlite Industries (India) Limited	7.23	10.22	-	-	-	-	-	-	-	-	-	-	7.23	10.22

Note:

1. Represent transactions with Sterlite Industries (India) Limited. 2. Represent transactions with Vedanta Aluminium Limited. 3. Represent transactions with Vedanta Foundation.
4. Represent transactions with Bharat Aluminium Company Limited (₹ 1090 Crores, 2012 ₹2.98 Crores), Sesa Goa Ltd (₹ 1.42 Cr, 2012 ₹ 2.47 Crores), Vedanta Lisheen Mining Limited (₹ Nil Crores, 2012 ₹ 95.39 Cr), Black Mountain Mining Pty Limited (₹ Nil Crores, 2012 ₹ 60.12 Cr) 5. Represent transactions with Bharat Aluminium Company Limited (₹0.02 Crores, 2012 ₹ 0.03 Crores), Talwandi Sabo Power Limited (₹ Nil Crores, 2012 ₹ 0.01 Crores), Sesa Mining Corporation Pvt. Limited (₹ -0.18 Crores, 2012 ₹ Nil Crores), Vedanta Aluminium Limited (₹ -0.01 Crores, 2012 ₹ 0.57 Crores), Sesa Goa Limited (₹ -0.15 Crores, 2012 ₹ Nil Crores), Sesa Resources Ltd. (₹ -0.28 Crores, 2012 ₹ -0.02 Crores)



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 37 FINANCIAL AND DERIVATIVE INSTRUMENTS DISCLOSURE

a) The following are the outstanding Forward Exchange Contracts entered into by the Company as at March 31, 2013.

As at March 31, 2013					As at March 31, 2012				
Currency	Foreign currency in Crores	INR in Crores	Buy / Sell	Cross Currency	Currency	Foreign currency in Crores	INR in Crores	Buy / Sell	Cross Currency
Euro	1.72	121.57	Buy	USD	Euro	3.24	221.59	Buy	USD
USD	4.05	221.59	Sell	INR	USD	0.21	10.55	Sell	INR
AUD	0.30	17.04	Buy	USD	AUD	0.17	8.93	Buy	USD
JPY	18.65	11.09	Buy	USD	JPY	32.57	20.33	Buy	USD
GBP	0.02	1.57	Buy	USD	GBP	0.01	0.77	Buy	USD
SEK	0.27	2.26	Buy	USD	SEK	1.62	12.54	Buy	USD
NOK	0.02	0.23	Buy	USD					

b) For hedging commodity related risks :-

Zinc forwards/futures sale for 10,350 MT (2012: 12,150 MT)

Lead forwards/futures sale for 9,300 MT (2012: 1,550 MT)

Silver forwards / futures sale for 5,71,407 OZ (2012: 42,740 OZ)

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

d) Un-hedged foreign currency exposure

(₹ in Crores)

	As at March 31, 2013	As at March 31, 2012
Debtors	103.69	119.77
Creditors	43.36	53.43

NOTE 38 Arising from the announcement of ICAI on March 29, 2008, the Company has, since 2008, chosen to early adopt Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Coterminous with this, in the spirit of complete adoption, the Company has also implemented the consequential limited revisions as have been announced by the ICAI in view of AS 30 to certain Accounting Standards. Accordingly, current investments which under AS-13 Accounting for Investments would have been carried at lower of cost and fair value, have been accounted for at fair value in accordance with AS-30, resulting in investments being valued as at March 31, 2013 at ₹ 550.66 Crores (As at March 31, 2012

- ₹ 268.44 Crores) above their cost and, consequently, the profit after tax for the year is higher by ₹ 178.65 Crores (2012: higher by ₹ 13.22 Crores).

NOTE 39

- (a) Exceptional item represents the amount incurred on Voluntary Retirement Scheme in respect of Zinc, Lead and Silver segment.
- (b) No borrowings costs are required to be capitalised during the year.

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 40 PARTICULARS OF CONSUMPTION OF MINED METAL, STORES, ETC.

(₹ in Crores)

Particulars	FY 2012-13		FY 2011-12	
	VALUE	%	VALUE	%
Bought out Mined Metal				
i) Indigenous	13.57	1.71	21.40	9.83
ii) Imported	779.49	98.29	196.29	90.17
TOTAL	793.06	100.00	217.69	100.00
Stores, spares and components consumed				
Direct consumables				
i) Indigenous	1,045.05	88.94	933.35	89.17
ii) Imported	130.02	11.06	113.31	10.83
TOTAL	1,175.07	100.00	1046.66	100.00
Other consumables				
i) Indigenous	814.83	53.74	600.55	39.24
ii) Imported	701.37	46.26	929.88	60.76
TOTAL	1,516.20	100.00	1,530.43	100.00
i) Indigenous	1,859.88	69.11	1,533.90	59.52
ii Imported	831.39	30.89	1,043.19	40.48
TOTAL	2,691.27	100.00	2,577.09	100.00

NOTE 41 CIF VALUE OF IMPORTS

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
Raw Material	913.24	195.36
Components, stores and spare parts	737.07	936.77
Capital goods	325.19	173.15
TOTAL	1,975.50	1,305.28

NOTE 42 EXPENDITURE IN FOREIGN CURRENCY

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
Consultancy	54.94	63.05
Travelling expenses	0.52	0.56



NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2013

NOTE 43 EARNING IN FOREIGN EXCHANGE

(₹ in Crores)

Particulars	FY 2012-13	FY 2011-12
Export of goods on F.O.B. basis	2,711.90	3,570.31

NOTE 44 The disclosures relating to Micro ,Small and Medium Enterprises has been furnished to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Development Act, 2006 (the Act). There is no interest paid/payable as at March 31,2013

(₹ in Crores)

S No.	Particulars	As at March 31, 2013	As at March 31, 2012
1	Amount Outstanding	2.39	2.19
2	Interest Outstanding	-	-

NOTE 45 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

For and on behalf of the Board of Directors

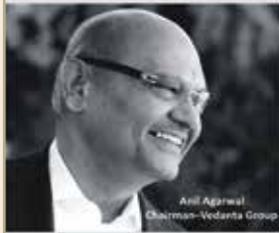
Akhilesh Joshi
CEO & Whole-time Director

A. R. Narayanaswamy
Director

Date: April 25, 2013
Place: Mumbai

Amitabh Gupta
Chief Financial Officer

R. Pandwal
Company Secretary



"Time has come to unite our resources to build a secure future for the deprived children..."

A Vedanta Group Initiative



India houses the largest number of children in the world. It is also true that our country is facing malnourishment in about 50% in child population. There is a growing need to sensitize and educate people towards care for the deprived children - their nutrition, education and primary health.

'Khushi', a social media campaign, has been launched by Vedanta Group to create such awareness in different sections across the society.



The campaign uploads success stories to motivate people on 'Khushi' blog, www.khushi-creatinghappiness.blogspot.in, and promotes the cause through Facebook, www.facebook.com/groups/vedantakhushi, by way of organizing on-line discussions & debates.

The message is simple - 'Let us make India a child malnourished free nation'.



LET US MAKE INDIA A CHILD MALNOURISHED FREE NATION



Planted over 100,000 saplings across our locations on World Environment Day in 2012

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HINDUSTAN ZINC