

# Corporate Governance

FY 2022-23

## CODE OF GOVERNANCE

Your Company is committed towards achieving the highest standards of Corporate Governance and its adherence in the true spirit, at all times by staying true to its core values of transparency and accountability in all its engagements which are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way the Company does its business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We consider it our inherent responsibility to protect the rights of all our stakeholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices, so that the Company's reliability and reputation are not put at stake. This approach to value creation emanates in our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We believe that any business can be conducted ethically only when it rests on the six core values viz. Customer Value, Ownership mindset, Respect, Fairness, Integrity, One Team One Goal. The Company's Business Ethics & Code of Conduct provides the overarching philosophy of its Corporate Governance practices. Our Business Ethics & Code of Conduct inspires us to set standards which not only meets applicable legislation but goes beyond in many areas of our functioning. Sustainable governance requires highest standards of corporate behaviour towards everyone we work with the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for all our stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. All Directors and employees are bound by the Code of Conduct that sets out the fundamental standards to be followed in all activities carried out on behalf of the Company. We believe, Corporate Governance is not just a destination, but a continuous journey to constantly improve its long-term sustainable value for all the stakeholders, comprising of regulators, employees, business partners, investors, and the society at large through ethically driven business practices. It is an upward moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of ethics and governance are detailed in this Report.

The Company is compliant with the requirements under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, and amendment thereto hereinafter referred to the "Listing Regulations" or "SEBI (LODR)" except as stated in the Report. This chapter, along with those in the Operational Review Section and Additional Shareholder Information, reports the Company's compliance with SEBI (LODR).

## BOARD OF DIRECTORS

The Board is at the core of our Corporate Governance Practice. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best global practices across industries.

As trustees, the Board has a fiduciary responsibility towards all the stakeholders and ensures that the Company has clear goals aligned to shareholder value and its growth. The Company has defined guidelines and an established framework for the meetings of the Board and its committees. These guidelines seek to systematise the decision-making process at the meetings of the Board and its various committees in an informed and efficient manner. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils all stakeholders' aspirations, enhance value and meet societal expectations.

### (i) Composition of the Board

The composition of the Board is an optimum combination of Executive Director, Non-executive and Independent Directors. As on March 31, 2023, the Company's Board comprised of 9 (nine) Directors, out of which 4 (four) are women Directors. Further, amongst them 3 (three) are nominated by Government of India, 2 (two) are nominated by promoters, 3 (three) are Independent Directors and 1 (one) Executive Director. As the Chairperson is related to the promoter's, in compliance to clause 17(1)(b) of SEBI (LODR), targeted Independent Directors is to have at least one half of the total Board members; however, at the year end, the Company is short by 2 (two) Independent Directors including at least one woman Independent Director as per clause 17(1)(a). To that extent the certificate on Corporate Governance issued by the auditors is qualified. The matter is pending with the Ministry of Mines – Government of India for appointment of more Independent Directors including atleast one woman Independent Director. The Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee, which considers their overall experience, expertise and industry knowledge. One third of the Non-executive Directors of the Company other than Independent Directors and Executive Director (whose tenure are fixed), are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders at the Annual General Meeting (AGM). As per Section 149(6) of the Companies Act, 2013 read along with Reg 16(1)(b) of Listing Regulations, an Independent Director means:



An Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship, other than remuneration as such Director or having transaction not exceeding ten percent of his total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives—
- (i) is holding any security of or interest in the Company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
- Provided that the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
- (ii) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
- (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or Directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
- (iv) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to two percent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

- (e) who, neither himself nor any of his relatives -
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years;
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
- (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two percent or more of the total voting power of the Company;
- (iv) is a Chief Executive or Director, by whatever name called, of any nonprofit organisation that receives twenty five percent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company;
- (f) who possesses such other qualifications as may be prescribed

Accordingly, Mr. Anjani K Agrawal, Mr. Akhilesh Joshi and Mr. Kannan Ramamirtham, Independent Directors have confirmed their independence, and they do not have any business relationship with the Company/Promoters. All the Board members have confirmed that they are not disqualified to act as Director of the Company. Average tenure of Board Members is about 4.3 years.

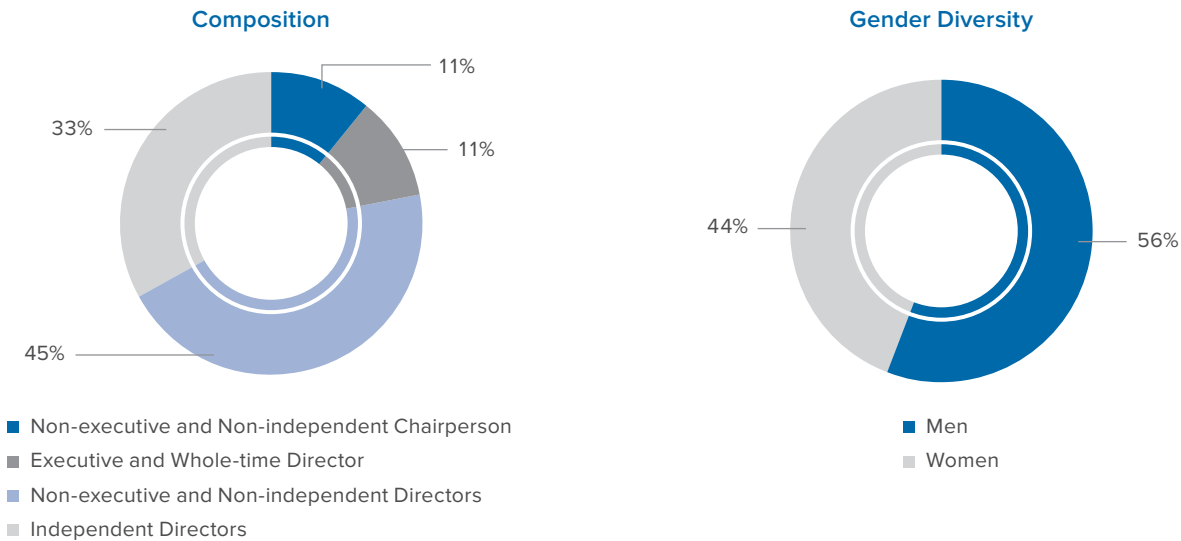
The Company had appointed Independent Directors as per the provisions of Companies Act, 2013 and SEBI (LODR) and the Independent Directors had confirmed their independence of the management and accordingly they had given the required declaration of independence.



Company has separate position for Chairperson, and CEO & Whole-time Director. Chairperson of the Company is a Non-executive Non-independent Director while CEO & Whole-time Director is an Executive Director looking after day-to-day operations of the Company. Role of Chairperson and CEO & Whole-time Director are different as per the requirement of the Companies Act, 2013 and SEBI (LODR).

The profile of Directors is available at <https://www.hzindia.com/about-hzl/leadership/board-of-directors/>

Hindustan Zinc Board is highly diverse with 44% women Directors including the Chairperson at the helm of affairs.



#### Board Members Representation

Criteria	Specifications	Number
By age group	upto 45 years	1
	Between 46 and 55 years	2
	Over 55 years	6
By gender	Men	5
	Women	4
By tenure	Upto 2 years	4
	Between 2 and 4 years	3
	Over 4 years	2

#### (ii) Number of Board Meetings

The Board of Directors met six times during the financial year, on April 22, July 21, August 24, October 21 in 2022 and on January 19 and March 21 in 2023. The maximum time gap between any two meetings was less than 120 days and at least one meeting was held in each calendar quarter. The required quorum was present for all the meetings. The agenda for each meeting is prepared well in advance, along with explanatory notes and required documents were timely provided to all Directors.

#### (iii) Directorships and Attendance

As mandated by the SEBI (LODR) and Companies Act, 2013, none of the Directors serve as Director in more than 20 (twenty) Companies; out of which the directorship in public companies does not exceed 10 (ten) and are not member of more than 10 (ten) Board-level committees nor are they Chairperson of more than 5 (five) committees in which they are members and not serving as a Director in more than 7 (seven) listed Companies and as an Independent Director in more than (7/3) seven/three listed Company, as explained further. Independent Directors have confirmed that they do not serve as an Independent Director in more than 7 (seven) listed companies or where they are Whole-time Director in any listed company, they do not serve as Independent Director in more than 3 (three) listed companies. Further Independent Directors fulfil all the conditions specified in the SEBI (LODR) and are independent of the management.

For continuing directorship, Directors are required to attend atleast one Board meeting in the financial year. The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last AGM, and also the number of directorships and committee memberships held by them in other Companies are shown in Table 1.



**Table 1: Composition of the Board of Directors**

Name of Director	Relationship with Other Directors	Category	No. of Meetings held during their tenure	No. of Meetings attended	Whether attended last AGM	No. of Outside Directorships of Public Companies	No. of Outside Committee Members <sup>#</sup>	No. of Outside Committee Chairmanships <sup>#</sup>	Tenure in years	Average Board attendance in%	Shareholding as on March 31, 2023
Ms. Priya Agarwal <sup>***</sup>	Relative of Mrs. Kiran Agarwal	NED & Chairperson	2	2	NA	1	-	-	0.19	100	Nil
Mrs. Kiran Agarwal <sup>**</sup>	Relative of Mr. Navin Agarwal	NED & Chairperson	4	4	Yes	-	-	-	3.88	100	Nil
Mr. Navin Agarwal	Relative of Mrs. Kiran Agarwal	NED	6	6	No	1	-	-	21	100	Nil
Ms. Farida M. Naik <sup>\$</sup>	None	NED	6	5	No	-	-	-	6.05	83	Nil
Mr. Arun Misra	None	ED	6	6	Yes	2	-	-	2.66	100	Nil
Mr. Anjani K Agrawal	None	ID & NED	6	6	Yes	5	1	2	2.66	100	Nil
Mr. Akhilesh Joshi	None	ID & NED	6	6	Yes	5	4	-	2.66	100	Nil
Mr. Kannan Ramamirtham <sup>*</sup>	None	ID & NED	3	3	NA	4	3	2	0.58	100	3500
Dr. Veena Kumari Dermal <sup>\$</sup>	None	NED	6	5	No	2	-	-	1.67	83	Nil
Ms. Nirupama Kotru <sup>\$</sup>	None	NED	6	4	No	2	-	-	1.68	67	Nil

Notes:

\* Mr. Kannan Ramamirtham appointed as Independent Director on Board w.e.f. September 01, 2022

\*\* Mrs. Kiran Agarwal ceased to be Director and Chairperson w.e.f. January 18, 2023 from the close of business hours

\*\*\* Ms. Priya Agarwal appointed as Additional Director and Chairperson on Board w.e.f. January 19, 2023

\$ Nominee Director of Government of India

# Only Audit &amp; Risk Management Committee and Stakeholder Relationship Committee considered as per SEBI (LODR), 2015

The directorships, held by the Directors as mentioned above, do not include directorship(s) in private companies, foreign companies and Section 8 companies under the Companies Act, 2013.

ID: Independent Director as defined in the Companies Act, 2013 and SEBI (LODR) 2015

NED: Non-executive Director

ED: Executive Director

**Average Board Meeting Attendance**

The average Board meeting attendance of the Directors in the Board meetings held during FY 2022-23 is more than 92%.

**Directorship held by the Directors in other listed companies in India as on March 31, 2023**

Name of Director	DIN	Name of the listed entity including debt listed entities	
		Name of Entity	Category
Ms. Priya Agarwal	05162177	Vedanta Limited	NED
Mr. Navin Agarwal	00006303	Vedanta Limited	Executive Vice Chairman
Ms. Farida M. Naik	07612050	-	-
Mr. Arun Misra	01835605	-	-
Mr. Anjani K Agrawal	08579812	Firstsource Solutions Limited Vodafone Idea Limited Emami Limited	ID
Mr. Akhilesh Joshi	01920024	Vedanta Limited	ID
Mr. Kannan Ramamirtham	00227980	Orient Press Limited Ram Ratna Wires Limited Jyoti Structures Limited	ID
Dr. Veena Kumari Dermal	08890469	National Aluminium Company Limited	NED
Ms. Nirupama Kotru	09204338	Coal India Limited	NED



## Diversity and Inclusion

Your Company continues to recognise that an appropriate mix of diversity and skills is key for introducing different perspectives into Board discussion and for better anticipating the risks and opportunities in building a long-term sustainable business. As set out in the charts below, each member of the Board offers a range of core skills and experience that is relevant to the successful operation of your Company.

The below table summarises the key qualifications, skills and attributes which are taken into consideration while nominating any person to serve on the Board.

<b>Business Leadership</b>	Sustainable success in business at a senior executive level
<b>Financial Expertise</b>	Proficiency in financial accounting and reporting, corporate finance and internal controls, corporate funding, and associated risks
<b>Natural Resources</b>	Senior executive experience in a large global mining organisation involved in the discovery, acquisition, development and marketing of natural resources
<b>Capital Projects</b>	Experience working in an industry with projects involving large scale long cycle capital outlays
<b>Global Experience</b>	Experience of working/handling multiple Indian/global locations, exposed to a range of political, cultural, regulatory and business environments
<b>Sustainability &amp; ESG</b>	Familiarity with issues associated with workplace health and safety, asset integrity, sustainability, environment and social responsibility and communities
<b>Corporate Governance</b>	Experience with a major organisation that demonstrates rigorous governance standards
<b>Government &amp; Industry Associations/Chambers</b>	Interaction with government and regulators and involvement in public policy advocacy
<b>Technology/Digital/ Cybersecurity</b>	A strong understanding of technology and innovation, and the development and implementation of initiatives to enhance production
<b>Merger &amp; Acquisition</b>	Experience in corporate transactions and actions and joint ventures

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark (✓) against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills :

Name of Director	Areas of Expertise									
	Business Leadership	Financial Expertise	Natural Resources	Capital Projects	Global Experience	Sustainability & ESG	Corporate Governance	Merger & Acquisition	Government & Industry Associations/ Chambers	Technology/ Digital/ Cybersecurity
Priya Agarwal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Navin Agarwal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Farida M. Naik	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Arun Misra	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Anjani K Agrawal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Akhilesh Joshi	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Kannan Ramamirtham	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nirupama Kotru	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Veena Kumari Dermal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

### (iv) Information supplied to the Board

The Board has complete access to all information of the Company and has been regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CEO and CFO is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and quarterly Financial Statements for the Company and the accounting policy
- Minutes of the meetings of all the Board committees
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring
- Materially important notices of show cause, demand, prosecution and penalty, if any
- Fatal accidents or any material environmental problems, if any



- Any material default in financial obligations to and by the Company, or substantial non-payment for goods purchased by the Company, if any
- Any issue involving possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or significant collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any
- Significant labour issues and their proposed solutions, whenever necessary
- Any significant development in human resources or industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Sale and purchase of material equity investments and fixed assets, which is not in the normal course of business, if any
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Corporate Social Responsibility activities
- Substantial non-receipt of payments for goods sold by Company
- Related Party Transactions, if they are not at arm's length or not in the ordinary course of business
- Near term outlook
- Operation of Subsidiary Companies
- Sustainability and ESG
- All other matters required to be placed before the Board for its review or information or approval under the statutes

#### (v) Remuneration to Directors

Non-executive Directors except Government Nominee Directors in the employment of the Government are paid a remuneration in the form of commission and sitting fees for each meeting, as recommended by the Nomination and Remuneration Committee and approved by the Board and within statutory limits. The remuneration paid to Mr. Arun Misra, CEO & Whole-time Director is as per the approval granted by the Board and the shareholders. For FY 2022-23, the detailed remuneration for Non-executive Directors is shown in Table 2. Payment of commission to Non-executive Directors and Independent Directors have been approved by the shareholders up to the limit specified under the Companies Act, subject to the annual amount approved by the Board.

**Table 2: Sitting fee and commission of Non-executive Directors for FY 2022-23 (in ₹)**

Name of Director	Category	Sitting fees	Commission
Mrs. Kiran Agarwal	Non-executive	275,000	2,488,000
Ms. Priya Agarwal	Non-executive	100,000	612,000
Mr. Navin Agarwal	Non-executive	425,000	2,888,000
Mr. Anjani K Agrawal	Independent	600,000	2,888,000
Mr. Akhilesh Joshi	Independent	725,000	2,940,000
Mr. Kannan Ramamirtham	Independent	175,000	1,677,000

The details of shares held by the Directors in the Company as on March 31, 2023, is given in Table 1. The Directors do not have any pecuniary relationships or transactions vis-à-vis the Company, except as mentioned above. The Company has not granted any stock options to any of its Directors.

Company does not give any Employee Stock Option Plan (ESOP) to its employees/Directors. However, senior management/certain executives of the Company are given ESOP by its Holding Company.

During FY 2022-23, the Company did not advance any loan or advance in nature of loan or guarantee to any of its Directors or firms/companies in which the Directors are interested.

#### Approach towards remuneration of Mr. Arun Misra, CEO & Whole-time Director is detailed below:

The remuneration structure is in line with the relevant industry peers and it is benchmarked periodically to ensure it provides enough excitement and motivation to the individuals to stretch and aim to deliver beyond the set KPIs and business plan targets.

- **Fixed Pay:** This is fixed component of compensation includes the basic salary, house rent allowance, personal allowance, statutory benefits such as provident fund, leave travel allowance etc. as per employment contract and aims to ensure to remunerate the individual for their KPIs



- **Grade Linked Benefits:** Grade wise benefits given to employees. These include VMA, furniture allowance and car benefit, club membership, cell phone and sim card benefit reimbursable to employees in accordance with the Group Policy
- **Annual Bonus:** The bonus scheme as part of the total rewards philosophy is a testament to the high performance and results driven culture and is linked to Company/business and individual performance for the financial year in accordance with the business plan targets approved by the Board. CEO's Annual Bonus is having a weightage of 60% (Hindustan Zinc Scorecard) and 40% (Group Scorecard)

Bucket	Performance Parameters	Weightage FY 2022-23	Multiplier	
			APA Rating	Fatality
Organisational Parameters	Volume, COP & Reserves Creation EBITDA, FCF Strategic/Regulatory Objectives	60%		
HSE Parameters	Safety (5%)	15%	A - 125%	Nil - 100%
	Sustainability/VSAP (10%)		B - 100%	1 - 90%
People Metrics	1) MIP	5%	C - 75%	2 - 80%
	2) Talent Retention/Development		D - 0%	>2 - 75%
	3) Employee Engagement			
Individual Performance	APA Rating	20%		
	<b>Total</b>	<b>100%</b>		

**Strategic Objectives:** 1/3<sup>rd</sup> of the Organisational Performance metric weightage shall be attributed to Strategic Objectives as indicated below for FY 2022-23:

1. 125 licence automatically approved
2. Preparedness for 1.35 Mt MIC in FY 2022-23

- **Long-Term Incentive Plan:** Employee Stock Option Scheme (of Holding Company) is a conditional share plan for rewarding performance on pre-determined performance criteria and continued employment with the Company during the vesting period of 36 months from the date of grant. The pre-determined performance criteria shall focus on rewarding him for Company performance and superior individual performance.

He is eligible for an annual grant of upto a maximum of 100% of his fixed pay, subject to necessary approvals.

- **Performance Parameters:**

Business Category	Business Performance (40%)				Individual Performance	Mgmt. Discretion	Multiplier	
	Vol	COP	NSR	ESG/Carbon Footprint			APA Rating	Nil Fatality
Hindustan Zinc	60%	15%	10%	15%	40%	20%	Sustained 3 years rating	110%

The Target, Threshold and corresponding Actual performance values of business wise metrics shall be the same as will be used for computing the Annual Bonus for the respective financial years under the approved Annual Bonus Scheme for the year.

The overall vesting basis performance will be on completion of the vesting period. Furthermore, for an employee to be eligible for performance-based vesting, he/she is required to be in continued employment as on the date of vesting.

#### Performance Period:

**Business Performance:** The performance period for the business/SBU performance based option will be a period of 3 financial years (April 1 – March 31) i.e. FY 2022-23, FY 2023-24 and FY 2024-25.

**Sustained Individual Performance:** The performance period for the individual performance-based option will be a period of 3 financial years (April 1 – March 31) i.e., FY 2022-23, FY 2023-24 and FY 2024-25.

**Management Discretion:** Vesting period from date of grant to date of vesting.

Other incentive programmes such as monthly incentive, production incentive, etc. will continue to be paid with 100% linkage to key business outcomes.

#### (vi) Meetings of Independent Directors

The Company's Independent Directors met once during the financial year 2022-23 on March 27, 2023. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views and also to have separate discussion(s) with the statutory auditors.



### Declarations from Independent Directors

- a. The Company has received declarations from the Independent Directors that they meet the criteria of independence stipulated under Section 149 of the Act read with Rule 5 of the Companies Appointment and Qualification of Directors) Rules, 2014 and Regulations 16(1)(b), 25(1) and 25(8) of the Listing Regulations. The Independent Directors have also confirmed that they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs
- b. The Independent Directors under Regulation 25(8) of the Listing Regulations have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent judgement and without any external influence

Based on the declaration(s) received from the Independent Directors, supported by a certificate from Company Secretary in practice, the Board has confirmed the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management of the Company.

### (vii) Familiarisation programme for Directors

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarise themselves with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board committee meetings, on business and performance updates of the Company, global business environment, business strategy and business risks and sustainability. Details of the familiarisation programme are available on website of the Company, <https://www.hzindia.com/wp-content/uploads/FAMILIARIZATION-PROGRAMME-CONDUCTED-for-ID-2022-23.pdf>

### (viii) Succession Planning

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Human Resources team of the Company works in close coordination with Management/Nomination and Remuneration Committee for a structured leadership succession plan.

### (ix) Performance evaluation criteria for Directors

The Nomination and Remuneration Committee has devised criteria for yearly evaluation of the performance of the Directors including the Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communication inter se between Board members, effective participation, domain knowledge, compliance with code of conduct,

vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

Board evaluation is done on an annual basis by a third party.

For the last 2 years, Company engaged Deloitte Haskins & Sells LLP (DHS) for carrying out the performance evaluation of all the Board members, Board as a whole and various committees. DHS used the digital platform for carrying out Board performance evaluation.

The criteria used by them basis which the individual Director performance evaluation has been done included:

- preparation and participation in Board meetings
- personality and conduct
- quality of value added
- understanding of the Company's mission, vision, philosophy and strategy
- understanding of the industry and the business in which the Company operates
- independence of judgement
- independent thinking
- ability to bring a divergent view, etc.

CEO & Whole-time Director evaluation was more focussed towards:

- Company performance and leadership
- team building and management succession
- edge in execution of strategy formulated by the Board

The evaluation of the various Board committees was more focussed towards:

- It's charter/terms of reference
- Number of meetings held and it's appropriateness
- Timely availability of information
- Committee composition
- Committee decisions are adequately conveyed and implemented
- Meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues
- Independency of committee to contribute effectively

Apart from third party assessment there is self-assessment of each Director on the Board done by the other Directors including that of various committees. The consolidated outcome from all the Directors is prepared by Chairperson of Nomination and Remuneration Committee and presented to the Board of Directors.





All the Directors had been rated very good to excellent and overall finding shows that the Board and its various committees are working well. All Board members come with a very strong background and add a lot of value to the meetings by making them participative and engaging.

**(x) Director retiring by rotation**

As per law, two-third of Non-executive and Non-independent Directors should retire by rotation. One-third of these Directors are required to retire every year and if eligible, offer themselves for re-appointment. Ms. Farida M. Naik would retire by rotation in the upcoming AGM and being eligible, has offered herself for re-appointment. A brief profile of Ms. Farida M. Naik is as follows:

**Ms. Farida M. Naik**

Non-executive Nominee Director

Ms. Farida M. Naik, DIN (07612050) was appointed on the Board on March 14, 2017. She is an alumnus of Sophia College, Mumbai from where she graduated in Psychology. She is currently Joint Secretary in Ministry

of Mines, Government of India. She has held various positions in different ministries and departments of Central Government, which includes her last stint as Joint Director of National Book Trust and Director in Ministry of Mines. She is also on the Board of the Bharat Aluminium Company Limited.

**(xi) Committees of the Board**

The Company has five Board level committees – Audit & Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Sustainability and ESG Committee.

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

Name of Director	Audit and Risk Management Committee	Stakeholder Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Sustainability and ESG Committee
Ms. Priya Agarwal*	--	--	--	Chairperson	--
Mr. Navin Agarwal	--	--	Member	--	--
Ms. Farida M. Naik	--	Member	--	--	--
Mr. Arun Misra	--	Member	--	--	Member
Mr. Anjani K Agrawal	Chairperson	Chairperson	Member	--	--
Mr. Akhilesh Joshi	Member	--	Chairperson	Member	Chairperson
Dr. Veena Kumari Dermal	--	Member	--	--	Member
Ms. Nirupama Kotru	Member	--	--	Member	Member
<b>Total no. of members</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>

\*Pursuant to cessation of Mrs. Kiran Agarwal as Chairperson of the CSR Committee, Ms. Priya Agarwal appointed as Chairperson of the CSR Committee w.e.f. January 19, 2023

**a) Audit & Risk Management Committee**

The Audit & Risk Management Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations
- safeguarding of assets and adequacy of provisions for all liabilities
- reliability of financial and other management information and adequacy of disclosures
- compliance with all relevant statutes

- approval of related party transactions

Mr. Anjani K Agrawal is the Chairperson of the Audit & Risk Management Committee.

The Audit & Risk Management Committee met seven times during the year and the gap between two consecutive meetings was not more than 120 days. The Committee met on April 22, July 21, September 29, October 21, 2022, and on January 19, March 21 and March 27 in 2023. The details of the Audit & Risk Management Committee are given in Table 3.

**Table 3: Attendance record of Audit & Risk Management Committee Meetings**

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mr. Anjani K Agrawal	Chairperson	ID & NED	7	7	100	175,000
Mr. Akhilesh Joshi	Member	ID & NED	7	7	100	175,000
Ms. Nirupama Kotru	Member	NED	7	5	71	-



The Chief Financial Officer, the representative of the Statutory Auditors (S.R. Batliboi & Co. LLP), Internal Auditors (KPMG) and Head of Management Assurance Cell are invitees to the Audit & Risk Management Committee meetings. The Company Secretary is the Secretary to the Committee.

Mr. Anjani K Agrawal is a Chartered Accountant and Chairperson of the Audit & Risk Management Committee, and all the members of the Audit & Risk Management Committee are well versed with financial management. The quorum for the Audit & Risk Management Committee meeting shall either be two members or one third of the members of the Committee, whichever is greater, with at least two Independent Directors. The quorum for the meeting of the Audit & Risk Management Committee is two members. The Audit & Risk Management Committee functions in accordance with its constitution and charter framed in compliance with SEBI (LODR), 2015.

The role and functions of the Audit & Risk Management Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory and other auditor and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by them
- Reviewing with the management, the annual Financial Statements before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act, 2013
  - changes, if any, in accounting policies and practices and reasons for the same
  - major accounting entries involving estimates based on the exercise of judgement by management
  - significant adjustments made in the Financial Statements arising out of audit findings, if any
  - compliance with listing and other legal requirements relating to Financial Statements
  - approval of related party transactions and their subsequent modifications, if any
  - scrutiny of inter corporate loans and advances qualifications if any in the draft statutory auditor report
- Reviewing with the management, the quarterly Financial Statements before submission to the Board for approval
- Reviewing with the management, performance of statutory and internal auditors, their independence, effectiveness of audit process and adequacy of the internal financial control systems
- Reviewing the adequacy of internal audit plan
- Reviewing all related party transactions on yearly basis
- Discussion with internal auditors on any significant findings and follow up thereof
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the vigil and whistle blower mechanism
- Appointment of the Chief Financial Officer of the Company, as and when required
- Carrying out any other function, as is mentioned in the terms of reference of the Audit & Risk Management Committee
- Valuation of undertaking of the assets of the Company, wherever necessary

The Audit & Risk Management Committee is empowered pursuant to its terms of reference to:

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

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

- Business overview including results of its operations and financial condition
- All related party transactions
- Management letters and letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses and review of processes
- The appointment, removal and terms of remuneration of the Auditors
- Periodic review of key risk and its mitigation plans



During the year, all related party transactions were approved by the Audit & Risk Management Committee and were at arm's length and in the ordinary course of business. There was no material transaction with any of the related parties of the Company for the year.

#### b) Stakeholders Relationship Committee

Mr. Anjani K Agrawal is the Chairperson of the Stakeholders Relationship Committee. The Committee met once during the financial year under review on January 19, 2023.

The terms of reference for the Stakeholders' Relationship Committee of the Company inter-alia include:

- Review the timely resolution of the grievances of the security holders of the listed entity including complaints related to transfer/transmission of

shares, non-receipt of Annual Report, issue of new/duplicate certificates, etc.

- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the listed entity for timely receipt of dividend warrants/Annual Reports/statutory notices by the shareholders of the Company

The minutes of the Committee meeting are reviewed by the Board. The attendance details are mentioned in Table 4.

**Table 4: Attendance record of Stakeholder Relationship Committee meetings**

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mr. Anjani K Agrawal	Chairperson	ID & NED	1	1	100	25,000
Mr. Arun Misra	Member	ED	1	1	100	-
Ms. Farida M. Naik	Member	NED	1	1	100	-
Ms. Veena Kumari Dermal	Member	NED	1	1	100	-

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

Details of investor grievances received and addressed by the Company during FY 2022-23 is given in Table 5.

**Table 5: Nature of complaints received and attended to during FY 2022-23**

1.	Number of complaints received from the investors comprising non-receipt of dividend warrants, non-receipt of securities sent for transfer and transmission, complaints received from SEBI/Registrar of Companies/Bombay Stock Exchange/National Stock Exchange/SCORE and so on	105
2.	Number of complaints resolved	105
3.	Number of complaints not resolved to the satisfaction of the investors as on March 31, 2023	0
4.	Complaints pending as on March 31, 2023	0
5.	Number of Share transfers pending for approval, as on March 31, 2023	0

#### c) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee as on March 31, 2023, consisted of three members. The Committee met thrice during the financial year under review on April 18, 2022, July 18, 2022, and January 16, 2023.

The primary function of the Committee is to monitor the CSR function of the Company in furtherance to Company's CSR vision & mission. The Committee is responsible for framing the CSR policy of Company and tracks implementation of key CSR projects approved by it during the financial year. In this financial year, the Company has spent ₹ 265.15 crore on CSR activities (including ₹ 4.24 crore brought forward). As per 2% criteria, amount required to be spent on CSR activities for FY 2022-23 is ₹ 214.38 crore. The excess amount spent of ₹ 50.77 crore is being carried forward and would be adjusted in coming years.



**Table 6: Attendance record of CSR Committee meetings**

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mrs. Kiran Agarwal*	Chairperson	NED	3	3	100	75,000
Mr. Akhilesh Joshi	Member	ID & NED	3	3	100	75,000
Ms. Nirupama Kotru	Member	NED	3	3	100	-

\*Pursuant to cessation of Mrs. Kiran Agarwal as Chairperson of the CSR Committee, Ms. Priya Agarwal appointed as Chairperson of the CSR Committee w.e.f. January 19, 2023. During her tenure, no CSR Committee meeting was held

#### d) Nomination & Remuneration Committee

The Nomination & Remuneration Committee as on March 31, 2023, consisted of three members. The Committee met three times during the financial year under review on August 24, 2022, and January 18 and March 29 in 2023. The primary function of the Committee is to recommend to the Board the appointment or reappointment of Directors, remuneration of Directors, Key Managerial Personnel (KMPs) and senior management personnels, formulate criteria for evaluation of Independent Directors, Board diversity, identification and selection of persons who could be appointed as Independent Directors etc.

#### Criteria for selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee inter alia considers qualification, positive attributes, area of expertise by such persons in accordance with the Company's Policy for selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

**Table 7: Attendance record of Nomination and Remuneration Committee meetings**

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mr Akhilesh Joshi	Chairperson	ID & NED	3	3	100	75,000
Mr. Navin Agarwal	Member	NED	3	3	100	75,000
Mr. Anjani K Agrawal	Member	ID & NED	3	3	100	75,000

As per the requirement of Companies Act, 2013 and SEBI (LODR), 2015, the Nomination & Remuneration Committee has carried out a performance review of the individual Directors on the following parameters:

- The size and composition (executive, non-executive, independent members and their background in terms of knowledge, skills and experience) of the Board is appropriate
- The Board conducts itself in such a manner that it is seen to be sensitive to the interests of all stakeholders (including minority shareholders) and it has adequate mechanism to communicate with them
- The Board is active in addressing matters of strategic concerns in its review of the Board agenda with the executive management
- The Board makes well-informed high-quality decisions on the basis of full information and clear insight into Company's business
- The Board is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
- The Board meets frequently enough and for sufficient duration to enhance its effectiveness
- The Board meeting time is appropriately allocated between management presentation and Board discussion
- The Board has a good understanding of the Company's key drivers of performance and associated risks, threats and opportunities
- The Board devotes considerable amount of time in developing the business strategy and annual business plan
- The Board has clearly defined the mandates of its various committees and effectively oversees their functioning
- The Board is effective in formulating and monitoring various financial and non-financial policies and plans
- The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfil its responsibilities
- The Board pays considerable attention to the quality of financial reporting process and internal financial controls and effectively oversees them



- The Board regularly follows up on its decisions to ensure that action is taken on all its decisions
- The Board gives effective advice and assistance for achieving the Company's mission and vision
- Board Members performance is assessed through internal assessment

The Committee expressed its overall satisfaction on the performance of the individual Board members and the overall Board.

#### (e) Committee of Director (CoD)

The Committee of Director ("CoD") as on March 31, 2023, consisted of three members. Mr. Navin Agarwal (Chairperson of the Committee), Mr. Akhilesh Joshi and Mr. Arun Misra are the members. The CoD meeting for the year 2022-23 was held on November 15, 2022 and March 14, 2023. The objective of the CoD is to consider, review and approve the proposals relating to policies on financial matters, investments, securities, general authorisations and treasury related proposals including all borrowing proposals, including borrowing for the purpose of refinancing of existing debt, including that for working capital facilities, within the overall limits as may be approved by the Board from time to time.

#### (f) Sustainability and ESG Committee

As on March 31, 2023, the Committee consisted of four members. Mr. Akhilesh Joshi is the Chairperson of the Committee, Mr. Arun Misra, Ms. Nirupama Kotru and Dr. Veena Kumari Dermal are the members. Sustainability and ESG Committee meeting for the year 2022-23 was held on October 03, 2022.

The role of the Sustainability and ESG Committee has been established to assist the Board in meeting its responsibilities in relation to the Environmental, Social and Governance (ESG) matters and ensuring strong governance for sustainability and is responsible for providing guidance to ensure continual improvement in sustainability performance and the implementation of appropriate processes and policies across the Company.

Committee will be responsible for structuring sustainability strategy and long-term goals & targets, also will play a key strategic role in all business decisions to ensure workplace safety, eliminating any potential damage to the environment, enhancing a commitment towards stakeholders, and maintaining Company's reputation as one of leading sustainable Metal & Mining Company.

Mr. Rajendra Pandwal is the secretary for all the Board level committees of the Company.

**Table 8: Attendance record of Sustainability and ESG Committee meetings**

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mr Akhilesh Joshi	Chairperson	ID & NED	1	1	100	25,000
Mr. Arun Misra	Member	ED	1	1	100	-
Ms. Nirupama Kotru	Member	NED	1	1	100	-
Dr. Veena Kumari Dermal	Member	NED	1	1	100	-

## SHAREHOLDERS MATTERS

### (i) Dividend

During the year 2022-23, Company declared four interim dividends details of which are as under:

Dividend	₹ per share	% of Dividend	Date of declaration
1st Interim dividend	21.00	1,050	July 13, 2022
2nd Interim dividend	15.50	775	November 16, 2022
3rd Interim dividend	13.00	650	January 19, 2023
4th Interim dividend	26.00	1,300	March 21, 2023
<b>Total</b>	<b>75.50</b>	<b>3,775</b>	

Total amount of dividend declared for the financial year ended March 31, 2023, is ₹ 31,901 crore (approx)

### (ii) Transfer of unclaimed/unpaid dividend amounts to the Investor Education and Protection Fund (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority restraining any transfer of the shares.



In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven years. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

**The details of unclaimed dividends transferred to IEPF during FY 2022-23 are as follows:**

Financial Year	Amount of Unclaimed Dividend transferred (in ₹)
2014-15 (Final Dividend)	4,602,631
2015-16 (Interim Dividend)	3,466,412
2015-16 (Special Interim Dividend)	3,424,131

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed, to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred to IEPF authority.

**(iii) Listing**

At present, the equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Unsecured Non-Convertible Debentures (NCD's) of the Company are listed only on BSE. The annual listing fees for FY 2022-23 to BSE and NSE have been paid. The addresses of stock exchanges are as under:

BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	National Stock Exchange of India Limited “Exchange Plaza”, Bandra-Kurla Complex Bandra (East) Mumbai – 400 051
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**Table 9: Stock Exchange Codes**

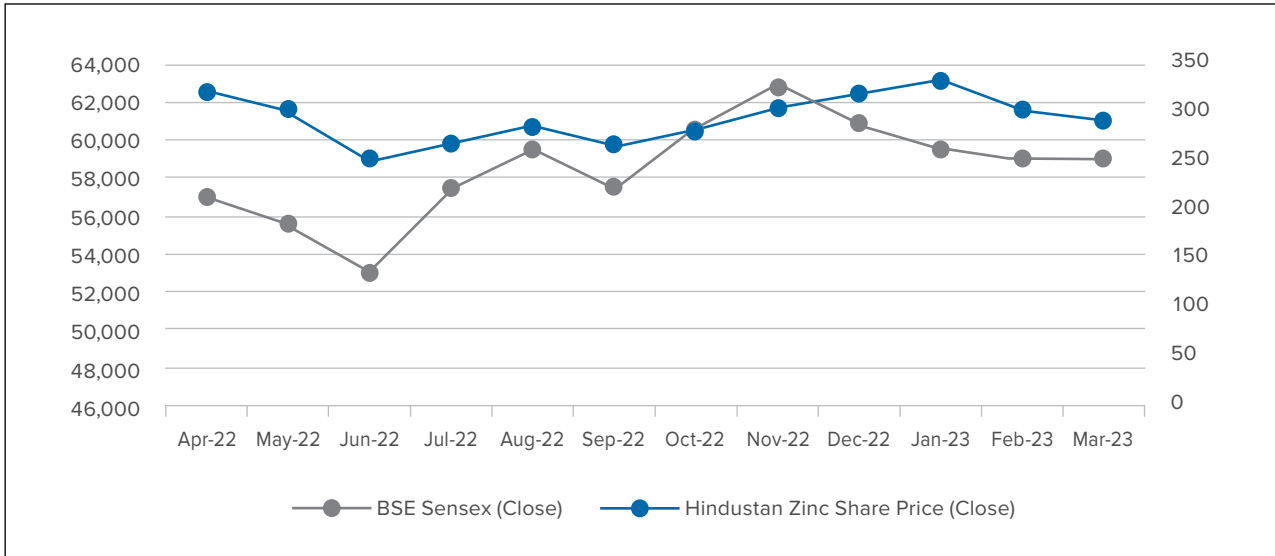
Name of the Stock Exchange	Type	Stock Code	ISIN Code
National Stock Exchange of India Limited	Equity	HINDZINC	INE267A01025
BSE Limited (Equity)	Equity	500188	
BSE Limited (NCD's)	NCD	960099	INE267A08012

**(iv) Stock Market Data**

**Table 10: High, lows and volumes of the Company's equity shares for FY 2022-23**

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
Apr-22	356.70	310.35	1,428,317	356.75	309.95	23,582,363
May-22	326.05	279.00	1,367,124	328.80	278.95	18,079,935
Jun-22	311.50	245.25	900,820	311.65	245.10	11,977,039
Jul-22	299.50	242.40	2,518,152	299.75	242.05	28,406,061
Aug-22	301.50	266.85	1,956,720	302.00	266.85	19,884,945
Sep-22	295.00	262.95	1,177,869	295.00	262.65	11,164,498
Oct-22	292.00	264.50	570,322	292.75	264.00	8,376,394
Nov-22	326.80	282.20	1,593,271	326.80	282.60	21,143,865
Dec-22	333.00	304.25	1,017,632	333.00	304.20	13,930,516
Jan-23	383.00	316.10	2,010,142	383.00	323.25	26,656,920
Feb-23	349.45	296.10	596,407	349.60	295.95	8,480,081
Mar-23	331.90	292.30	3,269,086	331.55	292.30	49,987,914



**Chart: Share Performance versus BSE Sensex**

**Market Capitalisation Performance from March 31, 2014 to March 31, 2023**

(₹ In crore)


**(v) Distribution of Shareholding**

Table 11 and 12 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class, as on March 31, 2023.

**Table 11: Shareholding pattern by size on March 31, 2023**

Distribution schedule as on March 31, 2023					
S. No.	No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1	1 - 5,000	319,084	99.40	48,694,587	1.15
2	5,001 - 10,000	1,007	0.31	7,572,277	0.18
3	10,001 - 20,000	511	0.16	7,361,654	0.17
4	20,001 - 30,000	158	0.05	3,903,565	0.09
5	30,001 - 40,000	56	0.02	2,000,595	0.05
6	40,001 - 50,000	42	0.01	1,916,366	0.05
7	50,001 - 100,000	73	0.02	5,195,158	0.12
8	100,001 and above	85	0.03	4,148,674,798	98.19
<b>TOTAL:</b>		<b>321,016</b>	<b>100.00</b>	<b>4,225,319,000</b>	<b>100.00</b>



**Table 12: Shareholding pattern by ownership as on March 31, 2023**

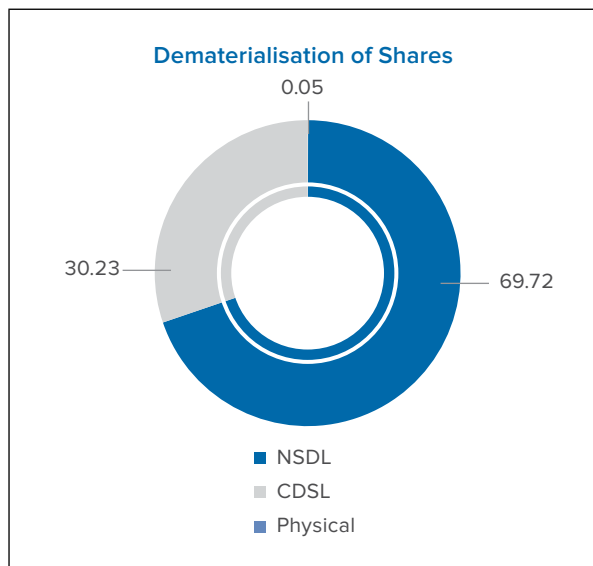
Category & Name of the Shareholder	Total no. of shares held	Shareholding as a % of total no. of shares
<b>(A) Promoter's Holding</b>		
Promoters		
Indian Promoters		
Vedanta Limited	2,743,154,310	64.92
Foreign Promoters	0	0.00
<b>Sub Total (a) (1)</b>	<b>2,743,154,310</b>	<b>64.92</b>
<b>(B) Public Shareholding</b>		
<b>(1) Institutions (Domestic)</b>		
(a) Mutual Funds	2,533,718	0.06
(b) Venture Capital Funds	0	0.00
(c) Alternate Investment Funds	59,018	0.00
(d) Banks	79,900	0.00
(e) Insurance Companies	121,758,749	2.88
(f) Provident Funds/Pension Funds	0	0.00
(g) Asset Reconstruction Companies	0	0.00
(h) Sovereign Wealth Funds	0	0.00
(i) NBFC Registered with RBI	10,928	0.00
(j) Other Financial Institutions	0	0.00
(k) Any Other		
<b>Sub Total (B)(1)</b>	<b>124,442,313</b>	<b>2.95</b>
<b>(2) Institutions (Foreign)</b>		
(a) Foreign Direct Investment	0	0.00
(b) Foreign Venture Capital	0	0.00
(c) Sovereign Wealth Funds	0	0.00
(d) Foreign Portfolio Investors Category I	32,511,943	0.77
(e) Foreign Portfolio Investors Category II	1,313,336	0.03
(f) Overseas Depositories (holding DRs) (balancing figure)	0	0.00
(g) Any Other		
Foreign Institutional Investors	111,000	0.00
Foreign Portfolio Investors	1,672	0.00
BANKS	10,000	0.00
<b>Sub Total (B)(2)</b>	<b>33,947,951</b>	<b>0.80</b>
(3) Central Government/State Government(s)/President of India		
(a) Central Government/President of India	1,247,950,590	29.54
(b) State Government/Governor	0	0.00
(c) Shareholding by Companies or Bodies Corporate where Central/State Government is a promoter	310	0.00
<b>Sub Total (B)(3)</b>	<b>1,247,950,900</b>	<b>29.54</b>
(4) Non-Institutions		
(a) Associate Companies/Subsidiaries	0	0.00
(b) Directors and their relatives (excluding Independent Directors and Nominee Directors)	0	0.00
(c) Key Managerial Personnel	25,000	0.00
(d) Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0.00
(e) Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0.00
(f) Investor Education and Protection Fund (IEPF)	285,710	0.01
(g) Resident Individuals holding nominal share capital up to ₹ 2 lakhs	63,943,445	1.51
(h) Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	1,706,162	0.04
(i) Non-Resident Indians (NRIs)	2,948,287	0.07
(j) Foreign Nationals	7,100	0.00
(k) Foreign Companies	0	0.00
(l) Bodies Corporate	4,164,034	0.10
(m) Any Other		
Clearing Members	191,811	0.00
H U F	2,413,872	0.06
Trusts	138,105	0.00
<b>Sub Total (B)(4)</b>	<b>75,823,526</b>	<b>1.79</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)</b>	<b>1,482,164,690</b>	<b>35.08</b>
<b>Grand Total</b>	<b>4,225,319,000</b>	<b>100.00</b>





#### (vi) Dematerialisation of shares and NCD's

The shares and NCD's of the Company are compulsory traded in dematerialised form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. As at the financial year end 4,223,161,065 equity shares forming 99.95% of the share capital of the Company, stand dematerialised.



The Company's shares are actively traded on both the stock exchanges, namely BSE and NSE. Any shareholder desiring to transfer his shares either in physical form or to get the physical shares converted into electronic form, may contact the Company Secretary or the RTA for necessary advice and the procedure.

All the NCDs issued are in demat form only.

#### (vii) Outstanding GDRs/ADRs/Warrants/Options

The Company has not issued any Global Depository Receipts/American Depository Receipts/Warrants/Options.

#### (viii) Details of Public Funding obtained in the last three years

Company has not obtained any public funding during the last three years.

#### (ix) Political contribution

Company has not granted any political contribution during the financial year ended March 31, 2023.

#### (x) Communication with Shareholders and others

The Company published its quarterly, half yearly and yearly results in the form as prescribed under SEBI (LODR) within the prescribed time. The results were sent to stock exchanges where shares and NCDs are listed and the same were duly published in select newspapers.

The financial results and official news releases are also displayed on the website of the Company ([www.hzindia.com](http://www.hzindia.com)). Annual Report containing inter-alia Audited Annual Financial Statements (Standalone & Consolidated), Board's Report, Auditors Report and other important and statutory information are circulated to all members and to others entitled thereto. The operational review alongwith CEO certificate forms a part of the Annual Report.

Presentations made to the institutional investors or to the analysts from time to time are available on the Company's web site under investor relations section.

**Table 13: Details of the announcement of the Financial Results for FY 2022-23**

Description	Date
Unaudited Financial Results for the quarter ended on June 30, 2022	July 21, 2022
Unaudited Financial Results for the quarter and half year ended on September 30, 2022	October 21, 2022
Unaudited Financial Results for the quarter and nine months ended on December 31, 2022	January 19, 2023
Audited Financial Results for the quarter and year ended on March 31, 2023	April 21, 2023

In addition to this, if there is any other announcement concerning the shareholders or public, it is duly informed to the stock exchanges and published in newspapers for the benefit of shareholders and public at large. The same are also placed on the website of the Company for information of all.

#### (xi) General Body Meetings

**Table 14: Details of the last three General Body Meetings**

Date	AGM	Location	Time
September 03, 2020	54 <sup>th</sup> AGM	Convened through video conferencing ("VC")/other audio-visual mode ("OAVM")	12.00 Noon
August 09, 2021	55 <sup>th</sup> AGM	Convened through video conferencing ("VC")/other audio-visual mode ("OAVM")	12.00 Noon
August 08, 2022	56 <sup>th</sup> AGM	Convened through video conferencing ("VC")/other audio-visual mode ("OAVM")	12.00 Noon

In the last three Annual General Meetings, special resolution was passed in 54<sup>th</sup> AGM to approve the appointment of Mr. Arun Misra as CEO & Whole-time Director.



## (xii) Policies and other disclosures

**Table 15 : Details of the Policies and other disclosures available on the website of Company**

S. No.	Particulars	Statutes	Detail	Website link of the policy
1	Related party transactions	Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2022-23 were in the ordinary course of business and at arms' length basis and were approved by the Audit & Risk Management Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company	<a href="https://www.hzlindia.com/wp-content/uploads/HZL_RPT-Policy_Revised_21.04.2023.pdf">https://www.hzlindia.com/wp-content/uploads/HZL_RPT-Policy_Revised_21.04.2023.pdf</a>
2	Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has this Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairperson of the Audit & Risk Management Committee. The said policy has been uploaded on the website of the Company	<a href="https://www.hzlindia.com/wp-content/uploads/HZL-WHISTLE-BLOWER-POLICY-19.10.2015.pdf">https://www.hzlindia.com/wp-content/uploads/HZL-WHISTLE-BLOWER-POLICY-19.10.2015.pdf</a>
3	Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	<ul style="list-style-type: none"> <li>A message from the CEO &amp; Whole-time Director is published as a part of press release issued at the time of declaration of quarterly/half-yearly financial performance of the Company</li> <li>The Auditors' Report on Financial Statements of the Company are unmodified</li> <li>Internal auditors of the Company make quarterly presentations to the Audit &amp; Risk Management Committee on their reports</li> </ul>	
4	Material Subsidiary Company	Regulation 24 of SEBI Listing Regulations	The Company does not have any material subsidiary company.  The Company has a policy for determining 'material subsidiaries' which is disclosed on its website	<a href="https://www.hzlindia.com/wp-content/uploads/Material-Subsidiary.pdf">https://www.hzlindia.com/wp-content/uploads/Material-Subsidiary.pdf</a>
5	Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted this policy	<a href="https://www.hzlindia.com/wp-content/uploads/Policy-for-determination-of-materiality-of-eventsUPSI-and-archival-policy.pdf">https://www.hzlindia.com/wp-content/uploads/Policy-for-determination-of-materiality-of-eventsUPSI-and-archival-policy.pdf</a>
6	Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted this policy	<a href="https://www.hzlindia.com/wp-content/uploads/HZL-Policy-for-preservation-of-Documents-21-01-16.pdf">https://www.hzlindia.com/wp-content/uploads/HZL-Policy-for-preservation-of-Documents-21-01-16.pdf</a>
7	Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC/FITTC/Cir-16/2002 dated December 31, 2002	Practising Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL	<a href="https://www.hzlindia.com/investors/share-information/reconciliation-of-share-capital-audit-report/">https://www.hzlindia.com/investors/share-information/reconciliation-of-share-capital-audit-report/</a>



S. No.	Particulars	Statutes	Detail	Website link of the policy
8	Business Ethics & Code of Conduct	Regulation 17 of the SEBI Listing Regulations	All the employees and Board of Directors have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2023. The Integrated Annual Report of the Company contains a certificate by the CEO & Whole-time Director on the above compliance	<a href="https://www.hzlindia.com/wp-content/uploads/HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf">https://www.hzlindia.com/wp-content/uploads/HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf</a>
9	Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	Company has adopted a dividend distribution policy. The same has been uploaded on the website of Company	<a href="https://www.hzlindia.com/wp-content/uploads/Dividend-Policy-2016.pdf">https://www.hzlindia.com/wp-content/uploads/Dividend-Policy-2016.pdf</a>
10	Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors being a part of nomination and remuneration policy of the Company is available on the Company's website	<a href="https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf">https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf</a>
11	Familiarization programme conducted for Independent Directors 2022-23	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization programme imparted to Independent Directors are available on the Company's website	<a href="https://www.hzlindia.com/wp-content/uploads/FAMILIARIZATION-PROGRAMME-CONDUCTED-for-ID-2022-23.pdf">https://www.hzlindia.com/wp-content/uploads/FAMILIARIZATION-PROGRAMME-CONDUCTED-for-ID-2022-23.pdf</a>
12	Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014	Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.  Policy on prevention of sexual harassment at the workplace is also available on the Company's website	<a href="https://www.hzlindia.com/wp-content/uploads/SHPolicy.pdf">https://www.hzlindia.com/wp-content/uploads/SHPolicy.pdf</a>
13	Insider trading prohibition code	Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015	To Regulate, Monitor and Report Trading in Securities of the Company. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information & Policy for determination of "Legitimate Purpose"	<a href="https://www.hzlindia.com/wp-content/uploads/Final-Insider-Trading-Prohibition-Policy-R6-20-10-2020-final.pdf">https://www.hzlindia.com/wp-content/uploads/Final-Insider-Trading-Prohibition-Policy-R6-20-10-2020-final.pdf</a>
14	Nomination & Remuneration Policy	As per provisions of Companies Act, 2013 and SEBI Listing Regulations	The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, gender, age etc.  Terms and conditions of appointment/re-appointment of the Directors	<a href="https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf">https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf</a>
15	Anti Bribery & Anti-Corruption Policy	UKBA/FCPA	Compliance of UKBA & FCPA on AB & AC clauses	<a href="https://www.hzlindia.com/wp-content/uploads/Anti-Bribery-and-Anti-Corruption-Policy-21.01.2022.pdf">https://www.hzlindia.com/wp-content/uploads/Anti-Bribery-and-Anti-Corruption-Policy-21.01.2022.pdf</a>
16	Board Diversity Policy	As per provisions of Companies Act, 2013 and SEBI Listing Regulations	To ensure an inclusive and diverse membership of the Board of Directors of Hindustan Zinc as per Good Governance practice	<a href="https://www.hzlindia.com/wp-content/uploads/HZL-Board-Diversity-Policy-22-04-2022.pdf">https://www.hzlindia.com/wp-content/uploads/HZL-Board-Diversity-Policy-22-04-2022.pdf</a>



**(xiii) Means of communication**

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers in India which include Financial Express, Business Standard, Rajasthan Patrika, Dainik Navjyoti, Dainik Bhaskar etc. The results are also displayed on the Company's website <https://www.hzindia.com/>. The Company also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website. A Management Discussion and Analysis Report is a part of this Integrated Annual Report.

**Green Initiative**

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to Shareholders at their e-mail address previously registered with the depositories or the Company's Registrar and Share Transfer Agent (RTA).

In line with the SEBI Listing Regulations, the Company has emailed soft copies of its Annual Report to all those Shareholders who have registered their email address for the said purpose. With reference to MCA General Circular No. 20/2020 dated May 5, 2020 and MCA Circular dated May 05, 2022 and MCA General Circular No. 11/2022 dated December 28, 2022, read with the Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Companies have been dispensed with the printing and dispatch of Annual Reports to Shareholders. Hence, the Annual Report of the Company for the financial year ended March 31, 2023, would be sent through email to the Shareholders. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the RTA/Company, to receive soft copies of the Annual Report and other information disseminated by the Company.

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA/Company, by sending KYC updation forms as uploaded on website, duly signed by the shareholder(s) with required details.

Please note that all documents relating to Annual General Meeting shall be available on the Company's website <https://www.hzindia.com/>.

**Annual General Meeting**

Date: August 24, 2023  
Day: Thursday  
Time: 12.00 noon  
Venue: VC/OAVM

**Financial Calendar**

The Company follows the financial year i.e., April to March for accounting purposes.

For the year ending March 31, 2023, financial results will be announced within the statutory time period provided under the Act.

**Book Closure**

The dates of book closure are from August 19, 2023 to August 23, 2023 (both days inclusive).

**(xiv) Postal Ballot**

During the current year, approval of shareholders was taken through Postal Ballot on the following resolutions:

**1) Appointment of Mr. Kannan Ramamirtham (DIN: 00227980) as an Independent Director on the Board of the Company as special business through Special Resolution**

**Procedure adopted for postal ballot**

In accordance with various General Circular General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular Nos. 10/2021 dated June 23, 2021 and 20/2021 dated December 8, 2021 and 3/2022 dated May 5, 2022, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), the special resolution was proposed by means of Postal Ballot only by way of remote e-voting process ("e-voting"). The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide remote e-voting facility to its members.

Notice was sent only through electronic mode to those members whose e-mail addresses were registered with the Company/Depositories/RTA and whose names were recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, September 23, 2022 ('Cut-off date').

Mr. Manoj Maheshwari of M/s. V.M. & Associates, Practicing Company Secretary (Membership No. FCS 3355) acted as Scrutiniser for conducting the Postal Ballot in a fair and transparent manner.

The remote e-voting period commenced on Saturday, October 01, 2022, at 10:00 a.m. (IST) and ended on Sunday, October 30, 2022 at 5:00 p.m.



(IST). The e-voting module was disabled by NSDL thereafter. Voting rights of the Members were in proportion to the number of shares held by them in the paid-up equity share capital of the Company as on Cut-off date.

The Scrutiniser submitted his report on October 31, 2022, after the completion of scrutiny and result of the e-voting was announced on the next day. The summary of voting result is given below:

Particulars	% of total votes	Result
Votes in favour of the Resolution	99.9345	Passed with requisite majority
Votes against the Resolution	0.0655	

The said resolution was passed with requisite majority. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Company.

## 2) Appointment of Ms. Priya Agarwal (DIN 05162177), as a Non-executive Director on the Board of the Company as special business through Ordinary Resolution

### Procedure adopted for postal ballot

In accordance with various General Circular General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular Nos. 10/2021 dated June 23, 2021 and 20/2021 dated December 8, 2021 and 3/2022 dated May 5, 2022, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), the special resolution was proposed by means of Postal Ballot only by way of remote e-voting process ("e-voting"). The Company has engaged the services of National Securities Depository Limited ('NSDL') to provide remote e-voting facility to its members.

Notice was sent only through electronic mode to those members whose e-mail addresses were registered with the Company/Depositories/RTA and whose names were recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, March 03, 2023 ('Cut-off date').

Mr. Manoj Maheshwari of M/s. V.M. & Associates, Practicing Company Secretary (Membership No. FCS 3355) acted as Scrutiniser for conducting the Postal Ballot in a fair and transparent manner.

The remote e-voting period commences on Friday, March 10, 2023 at 10:00 a.m. (IST) and ended on Saturday, April 08, 2023 at 5:00 p.m. (IST). The e-voting module was disabled by NSDL thereafter. Voting rights of the Members were in proportion

to the number of shares held by them in the paid-up equity share capital of the Company as on Cut-off date.

The Scrutiniser submitted his report on April 10, 2023, after the completion of scrutiny and result of the e-voting was announced on the same day. The summary of voting result is given below:

Particulars	% of total votes	Result
Votes in favour of the Resolution	98.8567	Passed with requisite majority
Votes against the Resolution	1.1433	

The said resolution was passed with requisite majority. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Company.

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

## (xv) Scheme of Arrangement between Company and its Shareholders

Pursuant to the directions of the Hon'ble National Company Law Tribunal (NCLT), Jaipur Bench vide order dated February 06, 2023, on Scheme of Arrangement pursuant to Section 230(3) of the Companies Act, 2013 and rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for transfer of general reserve to retained earnings, meeting of equity shareholders of the Hindustan Zinc Limited was held on March 29, 2023. The scheme was approved by the shareholders by the requisite majority (by value 99.997%, by number 94.58%). The scheme would be implemented post receipt of further regulatory and statutory approvals.

## (xvi) Registrar and Transfer Agent

Kfin Technologies Limited  
 (formerly known as Kfin Technologies Private Limited)  
 Selenium Tower B, Plot Nos. 31 & 32 | Financial District  
 Nanakramguda | Serilingampally Mandal | Hyderabad  
 – 500032 | India  
 Ph. No. : +91 40 67161591  
 Fax no. : 040-23311968  
 E-mail : [anandan.k@kfintech.com](mailto:anandan.k@kfintech.com)

## GOVERNANCE & COMPLIANCE

### 1. Code of Conduct

Our values and principles are enshrined in the Business Ethics & Code of Conduct ('Code') applies to all executives of the Company. All Board members and all executives annually affirm compliance with the Code. This Code also ensures compliance with the provisions of the SEBI



(LODR). All existing executives were imparted training during the year in addition to 100% of new joiners.

During the year, the Business ethics and COC was revised laying more emphasis on the below:

- Better indication of the complete applicability of the Code
- Clearer guidance on facilitation payments, gifts, and business partner relations
- Introduction of contemporary concepts for sanctions & trade controls and social media conduct
- Expansion of confidentiality with data privacy & GDPR and information security
- Addition of diversity & inclusion with equal opportunity and making the POSH policy gender neutral
- Inclusion of charity & sponsorships along with acknowledgement to the Code
- Separate annexure for Anti-bribery & Anti-corruption Policy

These covers:

- Securities Dealing Code (Insider Trading Regulations)
- Whistle Blower Policy
- The UK Bribery Act
- Foreign Corrupt Practices Act (USA)
- Prevention of Fraud
- Environment Health and Safety Political Activities & Personal Political Contribution
- Prevention of Sexual Harassment
- CSR, Charity & Sponsorship
- Anti-Corruption & Bribery
- Business Partner Relations
- Gifts, Entertainment & Hospitality
- Accuracy of Company Records
- Conflict of Interest
- Protection & Use of Company Assets
- Confidentiality Fair Dealing
- Quality of Products & Services
- Media & Communication
- Reporting Violations of the Code of Conduct
- POSH policy
- Diversity & Inclusion with Equal Opportunity
- Sanctions & Trade Controls and Social Media Conduct
- Data Privacy & GDPR and Information Security

The Code also covers Whistle Blower policy and Vigil Mechanism, which is available on the website of the Company, <https://www.hzindia.com/about-hzl/code-of-conduct/>. The annual declaration of its compliance is given by the CEO & Whole-time Director, the same is annexed. During the year, no personnel who intended to lodge complaint as per the aforesaid policy was denied access to the Audit & Risk Management Committee.

We adhere to section 184 of the Companies Act, 2013 which requires that every Director of a Company who is in any way concerned or interested in a contract or arrangement, is required to disclose the nature of his concern or interest at a meeting in which such agenda is being taken up.

## 2. Internal Control System

On the recommendation of the Audit & Risk Management Committee, the Company appointed M/s KPMG as the internal auditors of the Company for the financial year 2022-23. Documents, policies and authorisation guidelines comply with the level of responsibility and standard operating procedures specific to the respective businesses. Observations made in internal audit reports on business processes, systems, procedures and internal controls and implementation status of recommended remedial measures by the Internal Auditors, are presented quarterly to the Audit & Risk Management Committee of the Board. The Company has a well established internal control system and procedures and the same has been working effectively throughout the year.

## 3. Risk Management

The Company operates in conditions where economic, environment and social risk are inherent to its businesses. To overcome this and as per requirement of SEBI (LODR), the Board has formed an Audit & Risk Management Committee to oversee the mitigation plan for the key risks faced by the Company.

The Company has developed a very comprehensive risk management policy under which all key risks and mitigation plans are compiled into a "Risk Matrix". The same is reviewed quarterly by senior management and periodically by the Audit & Risk Management Committee of the Board. The Risk Matrix comprises of the Company's assessment of impact and probability of each significant risk and mitigation steps taken or planned. The Company has a unit-wise Risk Matrix which is reviewed quarterly by unit and location management. During the year, Company has launched an Enterprise Risk Management (ERM) Project called "Pragya". In this project, Hindustan Zinc has transformed its risk management to have a fresh perspective on risk globally faced by metal and mining industries and risk reporting mechanism.

During this project, multiple innovative initiatives were taken to assess and build a risk intelligent culture across



the organisation including current state assessment, risk culture assessment, review and refreshing risk registers, data driven and scientific assessment of the identified risks and finally developing mitigation strategies and contingency plans.

Moreover, as part of this project, Hindustan Zinc developed a crisis management framework to respond to any disaster in an efficient way to ensure minimum damage and continuous improvement in efforts to reduce the probability and impact of the event.

Hindustan Zinc has introduced a third dimension to its risk matrix by adding the “Velocity” aspect. Velocity is the speed of onset of the risk event, or the time taken for the risk event to manifest.

Along with this, the concept of risk aggregation is adopted. In automatic risk aggregation, the system calculates an aggregated risk from multiple input risks. Any change in one of the input risks automatically updates this calculation. In this way, it allows us to set up a hierarchy of risks, where the higher risks are automatically synchronised with the changes happening on the lower levels.

Introduction of scenario analysis application sets up the Monte Carlo/what if scenario, to assign risk and apply assumptions to perform analysis and measure the effectiveness of risk mitigation vis a vis the targeted key risk indicator.

Also, developed automated Key Risk Indicators (KRIs) with related timelines/targets to monitor changes in level of risk exposure and contribute as early warning signals.

For monitoring emerging and global risk, Hindustan Zinc has installed a global sensing tool which enables it to analyse the nascent movements in its business environment, customer needs and actionable insights on its competitors. To get an outside – in approach to identify risks for our organisation to have better informed decision making related to risks.

As part of this project, Hindustan Zinc has worked on capability development of its internal and external stakeholders including employees, risk management team, top management, and Board of Directors. Hindustan Zinc has developed an efficient team to take decisions for managing risks and crises.

Hindustan Zinc Limited has implemented SAP’s GRC Risk Management module. Since Hindustan Zinc financial data and primary ERP is hosted on SAP, there is complete compatibility between the Risk Management solution and the ERP. As part of the implementation, all users with GRC access can utilise the tool to report, assess and monitor risks. Additionally, the tool has been configured to automatically pull data from SAP and other

linked systems to monitor KRIs and report any breach to owners based on defined functionality. This will allow for more informed decision making based on real time data available on dashboards and provide management with reports already available through audited systems.

For a detailed discussion, please refer to the section on “Risk Management Framework”.

#### 4. Compliance

Our compliance systems, which is ISO 37301, certified covers a multitude of statutory obligations and ensures adherence to all applicable laws and regulations. During FY 2022-23, no material and uncontested financial or non-monetary sanctions were imposed upon the Company (except as disclosed in the Financial Statements). Some of the key compliance aspects are dealt with below:

##### (a) Disclosure of Related Party Transactions

All the related party transactions that were entered into during the financial year were at arm’s length basis and predominantly in the ordinary course of business and with the prior approval of the Audit and Risk Management Committee/Board. Members may refer to disclosures made in Note No. 37 to Financial Statements in compliance of Regulation 23 of SEBI (LODR) and Ind AS 24. As per section 177 and 188 of the Companies Act 2013, Related Party Transaction policy is also available on the Company website, <https://www.hzindia.com/wp-content/uploads/Final-HZL-RPT-Policy-21.01.2022.pdf>.

##### (b) Disclosure of accounting treatment in preparation of Financial Statements

The Company follows the guidelines of Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 together with Ind AS issued by the Institute of Chartered Accountants of India.

##### (c) Compliance with Capital Market Regulations

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

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



Since the Company is short of Independent Directors, during the year NSE and BSE had imposed a total penalty of ₹ 18.25 lakh each (excluding GST) on the Company and the same had been paid.

**(d) Vigil Mechanism**

The Company has formatted a Vigil Mechanism for all the employees of the Company, its subsidiaries and all external stakeholders to report genuine concerns. The Vigil Mechanism provides adequate safeguards against victimisation of any person who avails the mechanism and also provides for direct access to the Chairperson of the Audit & Risk Management Committee. The designated email id for lodging the complaints under Vigil Mechanism or Whistle Blower is [hzi.whistleblower@vedanta.co.in](mailto:hzi.whistleblower@vedanta.co.in) and has also provided a dedicated phone number. The same is also available on the website of the Company.

**(e) Loans and Advances**

The Company has not given any loans and advances to firms/company in which Directors are interested.

**(f) Code of Conduct to regulate, monitor and report trading by Designated Persons**

In accordance with the SEBI Insider Trading Regulations, the Company has a Code of Conduct to regulate, monitor and report trading by Designated Person ("Code for Prevention of Insider Trading") and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure").

Further, the Company has established systems and procedures to prohibit insider trading activity. All compliances relating to the Code of Conduct for Prevention of Insider Trading are being managed through a web-based portal developed by the Company. The Company periodically circulates the informative emails on Prevention of Insider Trading, Do's and Don'ts, etc. to the employees to familiarise them with the provisions of the Code for Prevention

of Insider Trading and educate and sensitise them on various aspects of Code for Prevention of Insider Trading. These activities have created substantial awareness amongst the Designated Persons.

During the year under review, the Audit & Risk Management Committee has reviewed the compliance with the provisions of the SEBI Insider Trading Regulations and has verified that the systems for internal controls are adequate and operating effectively. Any violation under the provisions of this Code is liable for penal/disciplinary/remedial action as may be considered appropriate by the 'Insider Trading Monitoring Committee (ITMC)' as per the sanction framework decided and approved by the ITMC. All breaches of this Code with actions taken are reported to the Audit & Risk Management Committee & Board of Directors of the Company on a quarterly basis.

The said non-compliances are promptly intimated to the Stock Exchanges in the prescribed format and penalty, if any, is being directly deposited by the Designated Person with SEBI's Investor Protection and Education Fund. The Board has also formulated a policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure as per the requirements of the SEBI Insider Trading Regulations. The Code for Prevention of Insider Trading and Code of Fair Disclosure have been uploaded on the Company's website at <https://www.hzindia.com/wp-content/uploads/Final-Insider-Trading-Prohibition-Policy-R6-20-10-2020-final.pdf>

**(g) Credit Rating**

Company is rated by 2 agencies – namely CRISIL Long Term – AAA, Short Term – A1+; and by India Ratings Short Term – A1+

**(h)** During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of SEBI (LODR)

**(i) Fee disclosure as required by clause 10(K), part C, schedule V of SEBI (LODR) Regulation 2015**

Total fees for all services paid by the Company on a consolidated basis to S R Batliboi & Co. LLP (statutory auditors of the Company) and to entities of the network of which the statutory auditor is a part for the year ended March 31, 2023 is as follows:

Particulars	Amount (₹)
Statutory Audit for March 2023 FS	9,403,000
Limited Review Report for Q1 to Q3	6,108,000
Audit of UK Reporting Package March 2023	1,628,000
Audit of UK Reporting Package September 2022	1,018,000
Consolidation Audit Fees	400,000
Other Fee - Certificate	1,000,000
Out of Pocket	1,000,000
Total	20,557,000





## (j) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

### Fluctuation in commodity prices

**Impact:** Prices of the Company's finished goods are linked to international benchmark i.e. LME (for zinc and lead) and LBMA (for silver) and are strongly influenced by global economic conditions and global demand supply for the products. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.

**Mitigation:** We consider exposure to commodity price fluctuations to be an integral part of Company's business and its usual policy is to sell its products at prevailing market prices, and not to enter into long-term price hedging arrangements. However, to minimise price risk for finished goods and to achieve monthly average, hedging is done. In the current year, while considering the market conditions, we entered into strategic hedging with prior approval of the Company's Management in respect of zinc metal. The Company monitors the commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditure and cash flows.

S. No.	Commodity Name	Exposure in ₹ towards the particular commodity (in absolute)	Units	Exposure in quantity towards the particular commodity	% of such exposure hedged through commodity derivatives				
					Domestic market		Total		
					OTC	Exchange		International market	
1	Zinc	241,799,709,721	MT	821,327.86	0%	0%	51%	0%	51%
2	Silver	43,591,425,372	MT	714.31	0%	0%	51%	0%	51%
3	Lead	39,130,708,547	MT	210,673.62	0%	0%	85%	0%	85%

Notes:

- The term 'exposure' shall mean gross exposure of the listed entity including exposure both on the asset and liability side.
- If the listed entity has exposure in non-rupee terms, the Indian rupee equivalent after conversion shall be used for the aforesaid disclosures.

### Currency exchange rate fluctuations

**Impact:** Our assets, earnings and cash flows are influenced by a variety of currencies. Fluctuations in exchange rates of those currencies may have an impact on our financials. Although the majority of the Company's revenue is tied to commodity prices that are typically priced by reference to the US dollar, a significant part of its expenses is incurred and paid in local currency.

**Mitigation:** We do not speculate in forex. We have developed robust controls in forex management to monitor, measure and hedge currency risk liabilities. The treasury team reviews our forex related matters periodically and suggests necessary courses of action as may be needed by businesses from time to time, and within the overall framework of our forex policy.

The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. The Company uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions denominated in foreign currencies. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

## (k) CEO and CFO certification

The CEO and CFO certification of the Financial Statements for FY 2022-23 is enclosed at the end of this report.

- (l) During the Year, out of unsecured Non-Convertible Debentures (NCDs) of ₹ 3,520 crore issued on September 29, 2020, Company made repayment of principal amount of ₹ 704 crore and ₹ 150.65 crore of interest on the due date which was September 29, 2022.

The total amount of NCD due and repaid on due dates, is ₹ 1,408 crore. The outstanding amount of NCDs as on March 31, 2023, is ₹ 2,112 crore.

## (m) Certificate of Non-disqualification of Directors

Certificate from Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.

- (n) The Company has complied with all mandatory requirements of SEBI (LODR) Regulations, 2015 including discretionary requirements. The ones not yet adopted are as follows:

- Maintenance of Chairperson's office: Currently, the Chairperson is a Non-executive Chairperson
- Communication of half yearly results to each household of members: Results are placed on the Company's website and published in leading newspapers



**(o) Additional Shareholder Information****Registered Office**

Hindustan Zinc Limited  
Yashad Bhawan  
Udaipur – 313004  
Rajasthan

**Plant Locations****Mining Units (all in Rajasthan):**

Rampura Agucha Mine	:	Bhilwara District
Sindesar Khurd Mine	:	Rajsamand District
Zawar Mines	:	Udaipur District
Rajpura Dariba Mine	:	Rajsamand District
Kayad Mine	:	Ajmer District

**Smelting Units (all in Rajasthan):**

Chanderiya Lead-Zinc Smelter	:	Chittorgarh District
Dariba Smelting Complex	:	Rajsamand District
Debari Zinc Smelter	:	Udaipur District

**Captive Power Plants (all in Rajasthan):**

Chanderiya Lead-Zinc Smelter	:	Chittorgarh District
Dariba Smelting Complex	:	Rajsamand District
Zawar	:	Udaipur District

**Processing & Refining Units:**

Pantnagar Metal Plant	:	Rudrapur District (Uttarakhand)
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**Discontinued Units:**

Vizag Zinc Smelter	:	Visakhapatnam District (Andhra Pradesh)
Tundoo Lead Smelter	:	Dhanbad District (Jharkhand)
Maton Mine	:	Udaipur District
Haridwar Zinc Plant	:	Haridwar District, (Uttarakhand)

**Wind Power Farms:**

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

**Details of Wholly Owned Subsidiary Companies**

- Hindustan Zinc Alloys Private Limited
- Vedanta Zinc Football & Sports Foundation
- Zinc India Foundation
- Hindustan Zinc Fertilisers Private Limited

**Address for Correspondence:**

Mr. Rajendra Pandwal  
Company Secretary & Compliance officer  
Hindustan Zinc Limited  
Yashad Bhawan,  
Udaipur – 313004,  
Rajasthan



## **Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015**

- A. We, Arun Misra, CEO & Whole-time Director and Sandeep Modi, Chief Financial Officer of Hindustan Zinc Limited, have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit & Risk Management Committee:
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

### **Sandeep Modi**

Chief Financial Officer  
PAN: AJKPM0857A  
Place: Udaipur

### **Arun Misra**

CEO & Whole-time Director  
DIN: 01835605

Date: April 21, 2023



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Hindustan Zinc Limited**  
Yashad Bhavan, Yashadgarh  
Udaipur- 313004 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Zinc Limited having CIN: L27204RJ1966PLC001208 and having registered office at Yashad Bhavan, Yashadgarh Udaipur-313004 (Rajasthan) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN
1.	Mr. Navin Agarwal	00006303
2.	Mr. Arun Misra	01835605
3.	Mr. Akhilesh Joshi	01920024
4.	Ms. Priya Agarwal	05162177
5.	Ms. Farida Mahmood Naik	07612050
6.	Mr. Anjani Agrawal	08579812
7.	Ms. Veena Kumari Dermal	08890469
8.	Ms. Nirupama Kotru	09204338
9.	Mr. Kannan Ramamirtham	00227980

Ensuring the eligibility of, for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. M. & Associates**

Company Secretaries  
UDIN: F003355E000154825  
(ICSI Unique Code P1984RJ039200)  
PR 581/2019

**CS Manoj Maheshwari**

Partner  
Membership No.: FCS3355  
C P No.: 1971

Place: Jaipur  
Date: April 20, 2023



## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under clause 17 (5) (a) of the SEBI (LODR) Regulation 2015, all Board Members and the Senior Management personnel have confirmed compliance with the Business Ethics and Code of Conduct for the year ended on March 31, 2023.

For **Hindustan Zinc Limited**

### Arun Misra

CEO & Whole-time Director  
DIN: 01835605

Place: Udaipur

Date- April 21, 2023

## FORM NO. MR-3

### Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Hindustan Zinc Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Zinc Limited (hereinafter called 'Company' or 'Hindustan Zinc') for the financial year ended March 31, 2023 ('Audit Period') in terms of the engagement letter dated May 05, 2022. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, subject to our comments herein, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

- a) The Companies Act, 2013 and the rules made thereunder including any re-enactment thereof;
- b) Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI');
- c) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- g) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);
- h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
- i) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- k) Specific laws, as identified and compliance whereof confirmed by the Company:
  1. The Mines Act, 1952 and Rules made thereunder; and
  2. The Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has confirmed compliance with the provisions of the act, rules, regulations, guidelines, standards etc.



It may, however, be noted that during the Audit Period, four interim dividends were declared and paid by the Company, aggregating to ₹ 75.50 per equity share, resulting in a pay-out of ₹ 31,900 crore. This dividend was paid out of the entire amount of profits for the year, as also almost the entire retained earnings. Given the dividend history of the Company for the last three years, the significant increase in dividends, the utilisation of almost the entire profits and retained earnings and for an interim distribution, we are of the view that the reasons for taking such a decision should have been documented in detail in the Board minutes. Further, two out of the four resolutions for the interim dividend were passed by circulation. In our view, given the specific scenario as above, the item should have been ideally approved at a meeting of the Board in place of resolution by circulation.

**We further report that:**

As the chairperson of the Company is promoter/relative of promoter, the Board ought to have at least five (5) out its current strength of nine (9) Directors as Independent Directors. However, the Board currently has only three (3) Independent Directors. We have been informed that in accordance with the shareholders agreement, dated April 4, 2002, with the Government of India, Ministry of Coal and Mines, two (2) Directors are to be nominated by the Government of India, which remains pending. Save as above, the Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all Directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance with due compliance of the Act and SS-1. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There have been dissents on certain matters, which are appropriately recorded in the minutes of the respective Board or Committee Meetings.

**We further report** that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the Audit Period, the Company has undertaken the below mentioned specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above-referred laws, rules, standards, etc:

**(a) Declaration of interim dividend**

Declaration of four interim dividends, at ₹ 75.5 per share resulting in pay-out of ₹ 31,900 crore, as referred to above.

**(b) Equity investment of 26% in SPV for procurement of renewable power**

During the Audit Period, the Board has, at its meeting held on January 19, 2023 accorded approval for procurement of renewable power under the group captive scheme and to infuse ₹ 438 crore in the form of equity investment (without any equity returns) of 26% in SPV by the Company in partnership with Serentica Renewables India Private Limited ("SRIPL") & its affiliates and to enter into a Power Delivery Agreement ("PDA") for a period of 25 (twenty-five) years.

**For M/s Vinod Kothari & Company**

Practicing Company Secretaries  
Unique Code: P1996WB042300

**Nitu Poddar**

Partner  
Membership No.: A37398  
CP No.:15113  
UDIN: A037398E000152876 Peer Review  
Certificate No.: 781/2020

Place: New Delhi  
Date: 20.04.2023

The report is to be read with our letter of even date which is annexed as Annexure 'I' and forms an integral part of this report.



## **ANNEXURE I**

### **AUDITOR AND MANAGEMENT RESPONSIBILITY**

#### **ANNEXURE TO SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Hindustan Zinc Ltd.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts were reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only up to legal compliances with the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as the correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc;
7. Compliance with the provisions of corporate and other applicable laws, rules, regulations, and standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



## ANNEXURE II

### LIST OF DOCUMENTS

1. Signed minutes for the meetings of the following held during the Audit Period:
  - a. Board of Directors;
  - b. Audit and Risk Management Committee;
  - c. Stakeholders Relationship Committee;
  - d. Nomination and Remuneration Committee;
  - e. Corporate Social Responsibility Committee;
  - f. Sustainability and ESG Committee;
  - g. Committee of Directors
  - h. Annual General Meeting;however, the Company has shared the unsigned minutes of the meetings, held in March 2023.
2. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
3. Resolutions passed by circulation;
4. Agendas of various committees and Board meetings;
5. Annual Report for financial year 2021-22;
6. Financial Statements and Auditor's Report for financial year 2021-22
7. Directors disclosures under the Act and rules made thereunder;
8. Statutory Registers maintained under the Act;
9. Forms filed with the Registrar of Companies;
10. Policies framed under Act, 2013 viz. CSR Policy, Nomination and Remuneration Policy and Whistle Blower Policy;
11. Memorandum of Association and Articles of Association of the Company.





## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members  
**Hindustan Zinc Limited**

We have examined the compliance of Corporate Governance by Hindustan Zinc Limited (“Company”) for the financial year ending on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), on the basis of the examination of documents provided in **Annexure 1**.

Compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, except that:

The chairperson of the Company is promoter/relative of promoter, the Board ought to have at least five (5) out its current strength of nine (9) Directors as Independent Directors. However, the Board currently has only three (3) Independent Directors. We have been informed that in accordance with the shareholders agreement, dated April 4, 2002, with the Government of India, Ministry of Coal and Mines, two (2) Directors are to be nominated by the Government of India, which remains pending.

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

For **Vinod Kothari & Company**  
Practising Company Secretaries

**Nitu Poddar**  
Partner  
Membership No.: A37398  
CP No.: 15113  
UDIN: A037398E000159234  
Peer Review Certificate No.: 781/2020

Date: April 21, 2023  
Place: New Delhi

