



**KPMG (Registered)**  
Building No.10, 4th Floor, Tower-C  
DLF Cyber City, Phase - II  
Gurugram - 122 002 (India)

Telephone: + 91 124 336 9000  
Fax: + 91 124 336 9001  
Internet: www.kpmg.com/in

## **Independent Limited Assurance Statement to Hindustan Zinc Limited on Water Disclosure for Financial Year 2017-18**

To the Management of Hindustan Zinc Limited,  
Yashad Bhawan, Udaipur,  
Rajasthan, India – 313 004

### **Introduction**

KPMG in India ("KPMG" or "We") has been engaged for the purpose of providing limited assurance on water disclosures of Hindustan Zinc Limited ("HZL" or "the Company") for FY 2017-18. The water disclosures have been quantified and reported by HZL according to the requirements of Global Reporting Initiative (GRI) Standards and HZL's internal Sustainability Performance Criteria respectively.

HZL is responsible for accounting water disclosures. Our responsibility was to provide limited assurance on water disclosures reported as described in the scope of assurance.

### **Scope, Boundary and Limitations for Assurance**

The scope of assurance covers water disclosures (water withdrawal, water consumption and water discharged) of HZL for the period 01 April 2017 to 31 March 2018. The boundary of reporting covered all the sites within India, and the review was done at the following sites on a sample basis:

- Chanderiya Lead and Zinc Smelters, Rajasthan
- Debari Zinc Smelter, Rajasthan
- Pantnagar Metal Plant, Uttarakhand
- Rampura Agucha Mines, Rajasthan
- Zawar Mines, Rajasthan
- Dariba Smelting Complex, Rajasthan
- Kayad Mines, Rajasthan
- Rajpura Dariba Mines, Rajasthan
- Sindesar Khurd Mines, Rajasthan
- Udaipur Corporate Office, Rajasthan

Scope limitations for assurance:

- The assurance scope excludes data and information outside the defined reporting period and boundary
- The assurance on water discharge is based on the review of submissions made by HZL to respective State Pollution Control Boards.

### **Assurance Procedures**

We have conducted our work in accordance with requirements of 'Limited Assurance' procedures as per International Federation of Accountants' (IFAC) International Standard for Assurance Engagements. The assurance on Water disclosures has been conducted in accordance with the International Standard on



## Assurance Engagements 3000 (ISAE 3000) (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

A limited assurance engagement in accordance with ISAE 3000 (Revised) involves assessing the risks of material misstatement of the elements of the Information that are within scope, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement and evaluating the overall presentation of those elements. The nature, timing and extent of procedures selected depend on our understanding of the Information and other engagement circumstances, and our consideration of areas where material misstatements of the elements of the Information that are in scope are likely to arise. In developing our understanding of the Information, we have developed an understanding of internal control over the preparation and presentation of the Information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of HZL's internal control over the preparation and presentation of the Information.

The assurance procedures also included a range of evidence-gathering procedures including:

- Discussions with individuals responsible for evaluation of Water disclosures.
- Assessment of HZL's reporting procedures for water disclosures with regard to their consistency with the GRI Standards.
- Review of HZL's data and information systems and methodology for collection, aggregation, analysis and review of information used to determine water withdrawal and water consumption.
- Review of submissions made by HZL to respective State Pollution Control Boards.
- Testing on a sample basis, the evidence supporting the data and information.
- Assessment of data reliability and accuracy.

### Conclusions

Based on our review and procedures performed and in line with the scope, boundary and limitations as described above, nothing has come to our attention that causes us not to believe that the water disclosure data is fairly represented and is in line with GRI Standards.

Also, based on review of submissions made by HZL to respective State Pollution Control Boards, nothing has come to our attention that causes us not to believe that all the sites are maintaining zero water discharge. The reported figures are:

<b>Water aspect</b>	<b>(Mega Liters)</b>
Total Water withdrawals	29,220.500
Total Fresh Water consumption	22,128.612
Total Waste Water Consumption (From Udaipur STP)	4,925.052

### Independence

Assurance procedures were conducted with a multidisciplinary team including specialists in ISAE 3000 (Revised) and water disclosures. Our work was performed in compliance with the requirements of IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this engagement. The Code also includes detailed



requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC 1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

### **Responsibilities**

HZL is responsible for evaluating the water disclosures, establishing and maintaining appropriate internal control systems and derivation of performance data reported. This report is made solely to the Management of HZL in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to HZL those matters for which we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HZL for our work, for this report, or for the conclusions expressed in this independent assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

A handwritten signature in black ink, appearing to read 'Santhosh Jayaram', with a long horizontal line extending to the right.

**Santhosh Jayaram**

Partner

KPMG India

23<sup>rd</sup> August 2018