



KPMG (Registered)
Building No.10, 8th Floor, Tower-C
DLF Cyber City, Phase - II
Gurugram - 122 002 (India)

Telephone: + 91 124 307 4000
Fax: + 91 124 254 9101
Internet: www.kpmg.com/in

**Independent Limited Assurance Statement to Hindustan Zinc Limited on Water Disclosure for
Financial Year 2016-17**

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

Introduction

KPMG in India ("KPMG" or "We") have been engaged for the purpose of providing limited assurance on water disclosures of Hindustan Zinc Limited ("HZL" or "the Company") for FY 2016-17. The water disclosures have been quantified and reported by HZL according to the requirements of Global Reporting Initiative (GRI) G4 Guidelines and HZL's internal Sustainability Performance Criteria's respectively.

HZL is responsible for evaluating 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 2016 to 31 March 2017. The review of information and data on a sample basis was carried out at the following sites:

Mines	Rampura Agucha Mine, Rajpura Dariba Mine, Sindesar Khurd Mine
Smelters	Chanderiya Smelting Complex, Dariba Smelting Complex
Corporate office	HZL Head Office, Udaipur

- 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 G4 Guidelines.
- Review of HZL's data and information systems and methodology for collection, aggregation, analysis and review of information used to determine water withdrawal, water consumption and water discharge.
- 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 in line with GRI G4 Guidelines.

The reported figure on water disclosures for the period 01 April 2016-31 March 2017:

- Total water withdrawal: 24866.478 mega litres
- Total fresh water consumption: 18085.63 mega litres
- Total waste water consumption (From Udaipur STP): 4617.15 mega litres

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 horizontal line underneath.

Santhosh Jayaram

Partner

KPMG India

03 July 2017