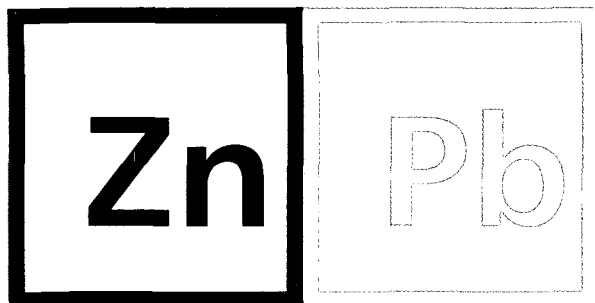


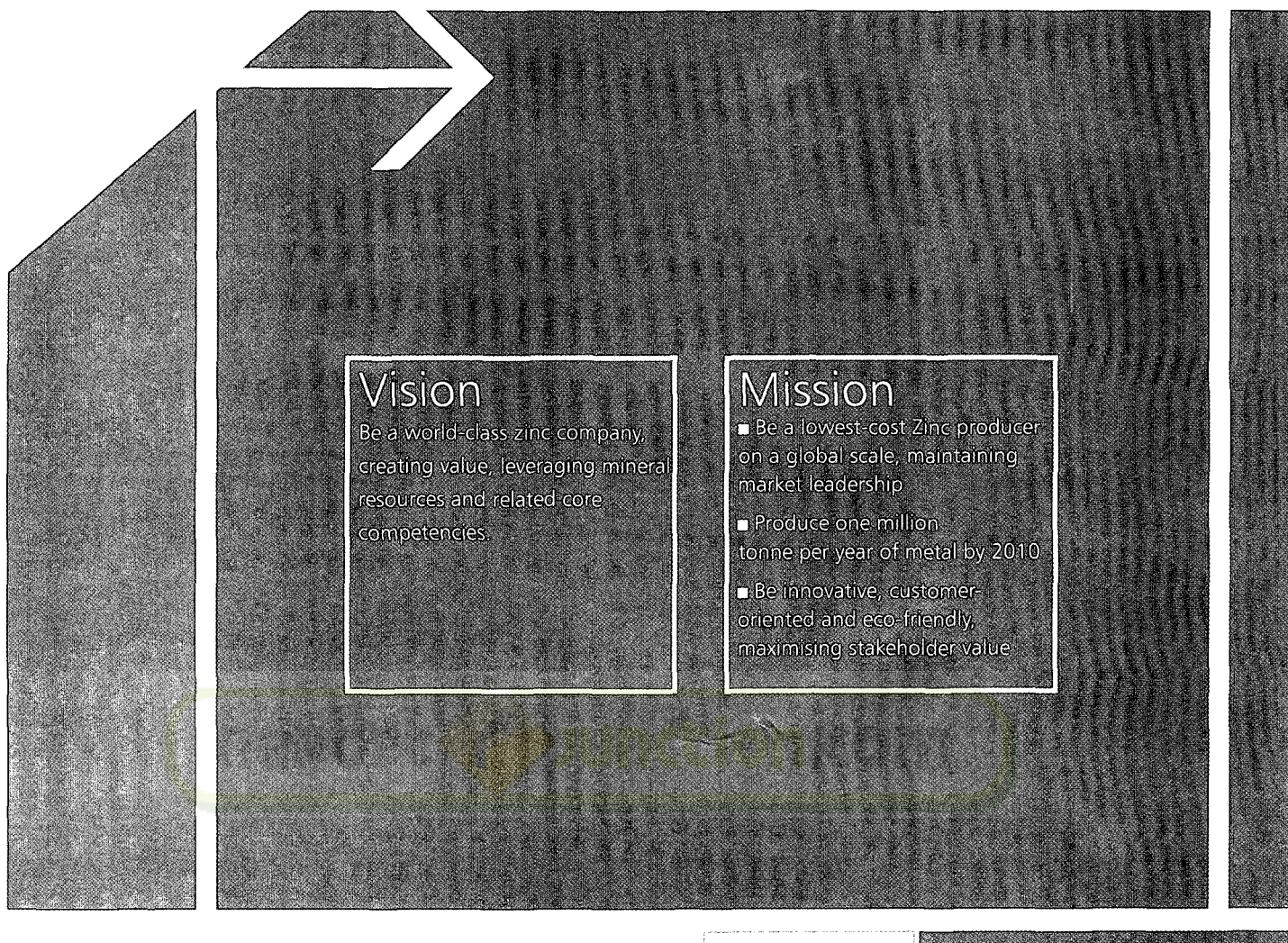
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Delivering value
through growth



Hindustan Zinc Limited
41st Annual Report 2006-07



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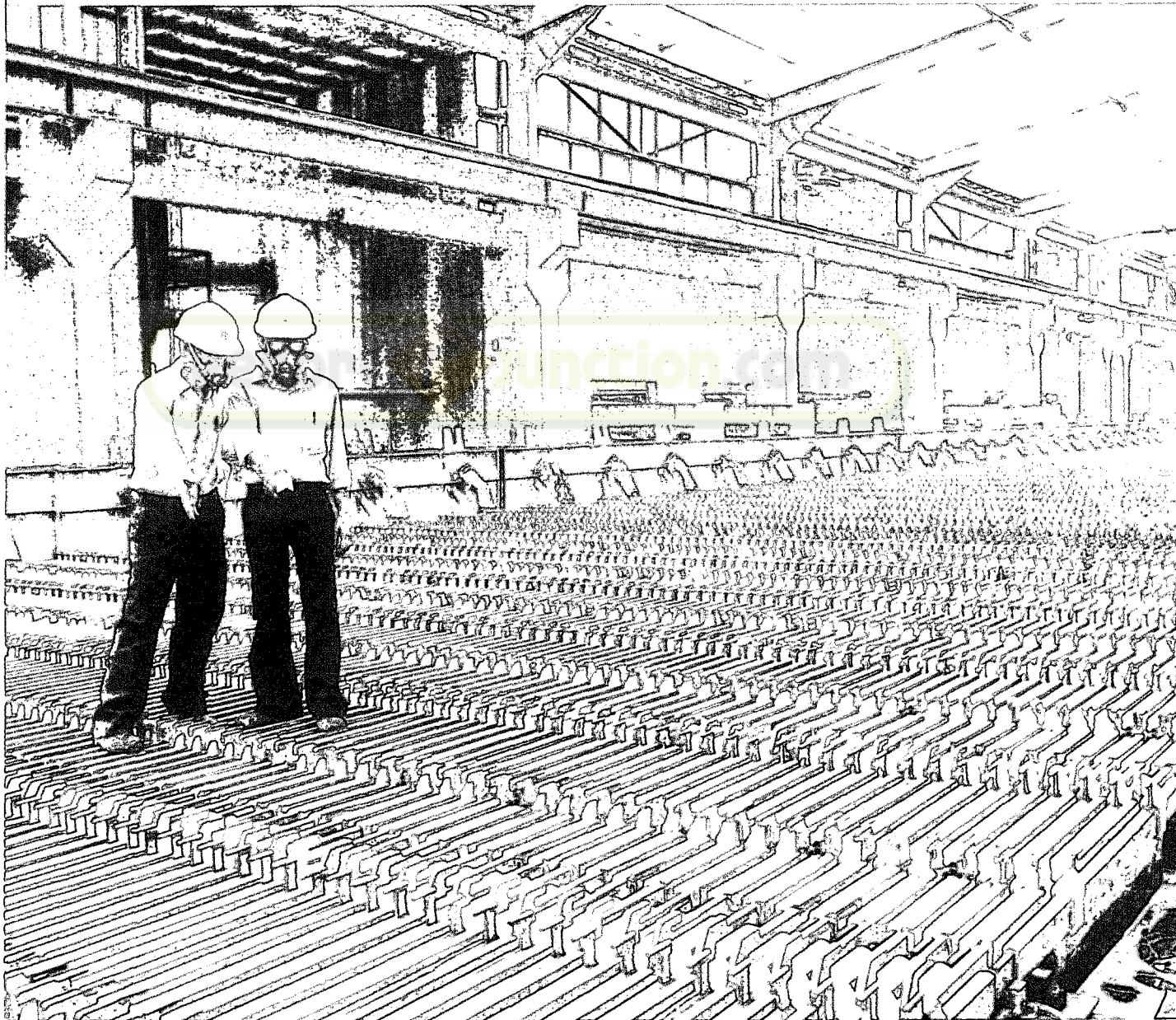
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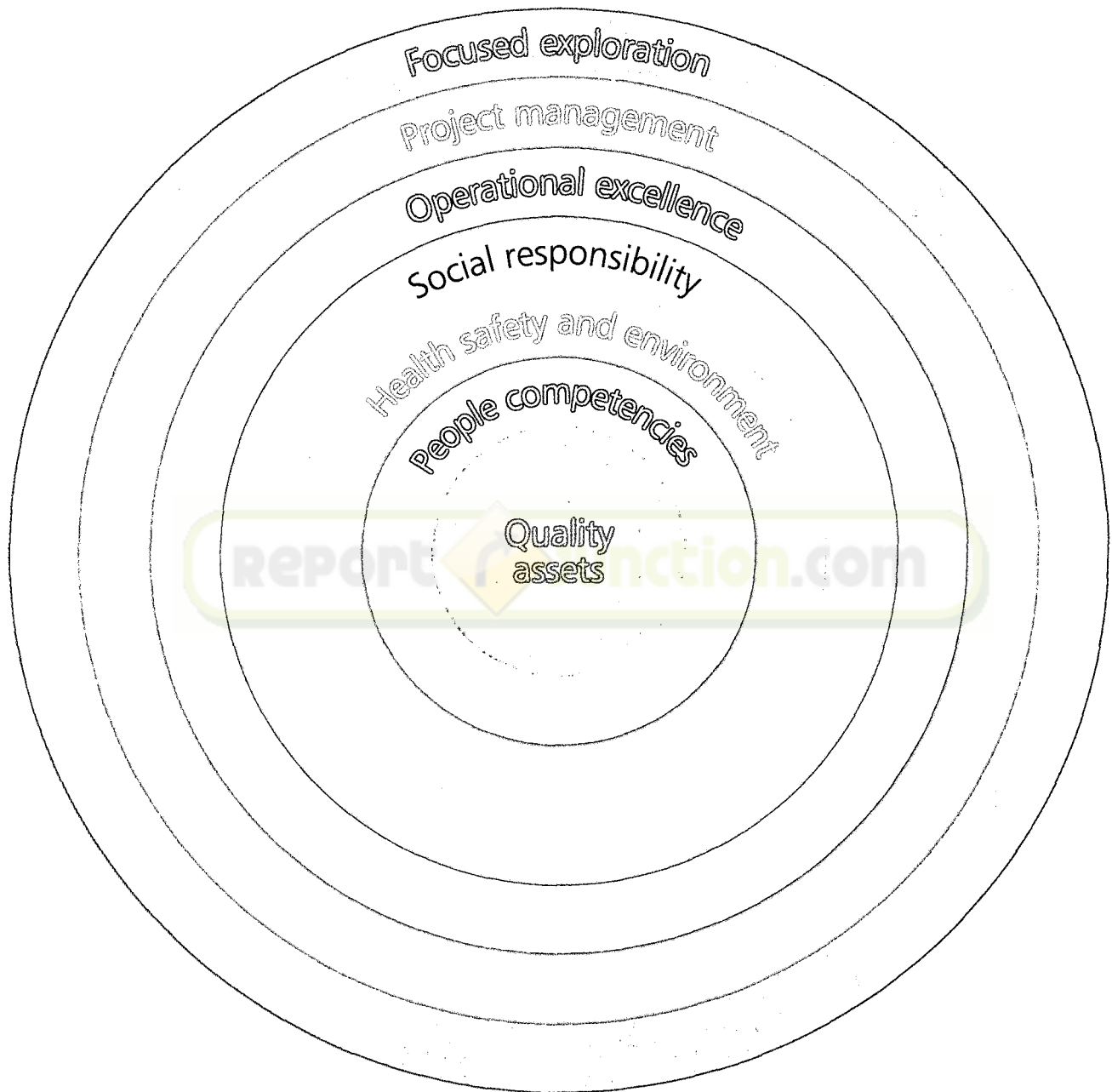
In 2006-07, Hindustan Zinc reported record revenues and profit on account of higher production, improved efficiency and robust LME prices.

Revenues grew by 120% to Rs. 8,560 crore and profit after tax by 202% to Rs. 4,442 crore.

We want to assure our shareholders that we are leveraging the financial performance of 2006-07 to reinforce our competitive position.

Growth =





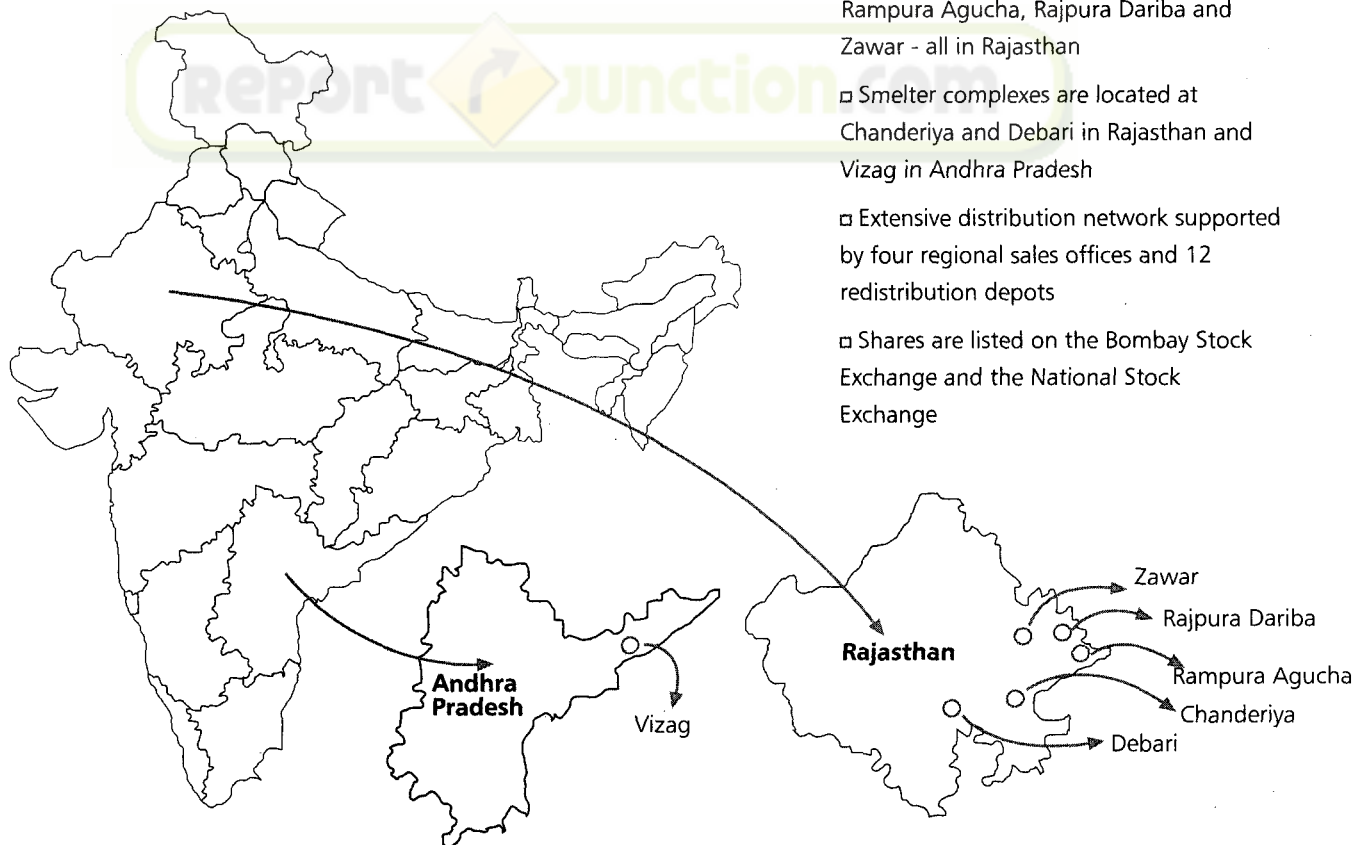
Hindustan Zinc Limited is not just the third largest integrated zinc and lead producer in the world; it is also among the fastest growing.

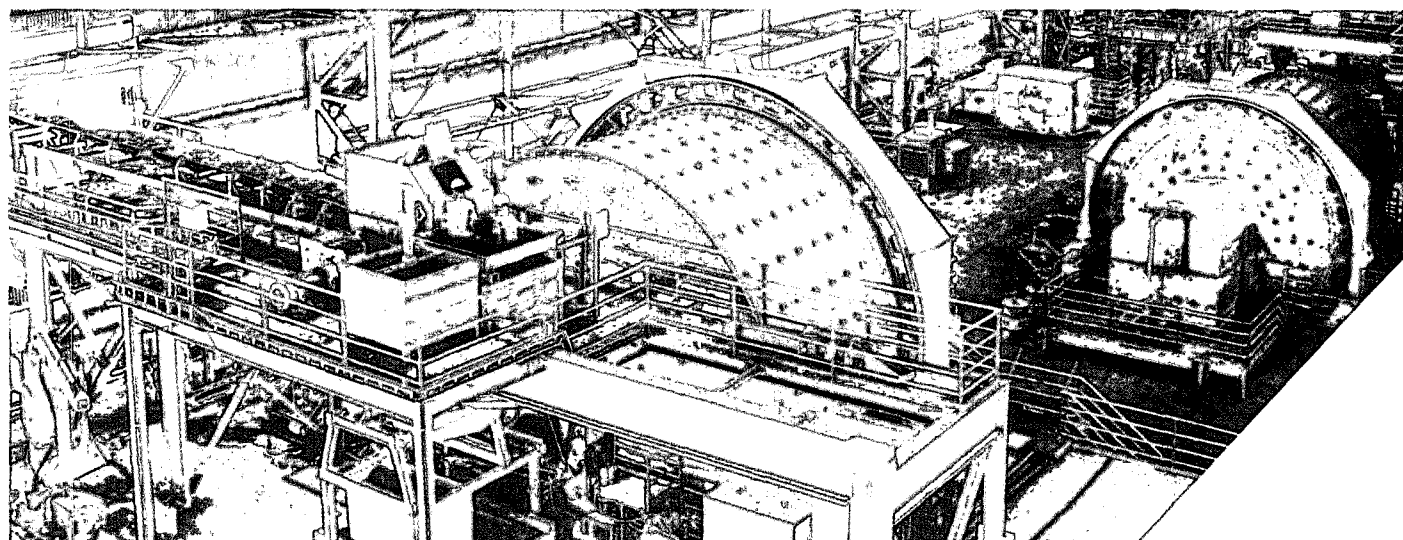
Business

- Engaged in the business of zinc and lead mining and smelting
- Operates three mining and three smelter complexes
- Zinc smelting capacity: 4,11,000 tpa; lead smelting capacity: 85,000 tpa
- Captive power plants, with recent foray into wind energy
- By-products include cadmium, silver and sulphuric acid

Location

- Headquartered in Udaipur, Rajasthan
- Mining complexes are located in Rampura Agucha, Rajpura Dariba and Zawar - all in Rajasthan
- Smelter complexes are located at Chanderiya and Debari in Rajasthan and Vizag in Andhra Pradesh
- Extensive distribution network supported by four regional sales offices and 12 redistribution depots
- Shares are listed on the Bombay Stock Exchange and the National Stock Exchange





Markets

- Domestic market contributed 48% of turnover
- Global destinations include Europe, the US, South East Asia, the Middle East, China, Japan and neighbouring countries

Projects commissioned

38.4 MW WPP in Gujarat
Roaster and acid plant of
Phase II at Chanderiya

Key strengths

- Rampura Agucha mine is one of the lowest-cost zinc mines in the world
- Chanderiya smelter complex features among the largest zinc/lead smelting facilities in the world
- All operating units are ISO 9001:2000, ISO 14001 and OHSAS 18000-certified
- Strong team of 1,715 professionals from diverse educational backgrounds

Number of employees

6,360

100%

rated capacity, production at
Rampura Agucha mines

Quality assets



The rich potential of the mining resources owned by the Company has prompted aggressive and timely expansions, whose results have already started unfolding.

Rampura Agucha Mine

- The Rampura Agucha lead-zinc mine is the third largest in the world
- It counts among the lowest-cost zinc mines in the world
- It contains high-grade reserves – about 13% zinc and 2% lead – with a resource base of 96.7 million tonnes as on March 31, 2007
- It comprises an open-cast mine with a low strip ratio and mineralogy, resulting in high recovery and lower overall production cost
- It has reported continuous improvements in operational efficiency and productivity; an independent audit by a leading mining consultancy firm confirms its standing among the world's most efficiently run mines
- Efficient use of technology and innovation has resulted in continuous improvements in recovery and grade, reduction in water and energy consumption and enhanced throughput.

Chanderiya Smelter Complex

- Presently operating pyro zinc-lead smelter using Imperial Smelting Furnace technology, a state-of-the-art hydrometallurgical zinc smelter and Ausmelt lead smelter
- 154-MW captive thermal power plant ensuring reliable low-cost power
- Environment-friendly DCDA and Cansolv technology in the acid plants control SO₂ emission to a level lower than regulatory stipulations
- Use of the latest Jarofix technology to convert hazardous solid waste into non-hazardous waste

Continuous improvement and expansion-lead growth:

- Expansion of the Rampura Agucha capacity from 1.35 million tpa in 2002 to 3.75 million tpa in 2005
- Expansion of zinc smelting capacity through a combination of de-bottlenecking and brownfield plant.
- Improvement in mining recoveries: in zinc from 89.80% in 2002-03 to 91.66% in 2006-07; and in lead from 54.69% in 2002-03 to 60.39% in 2006-07
- Reduction in energy and water consumption
- Concern for environment endorsed by several environment awards

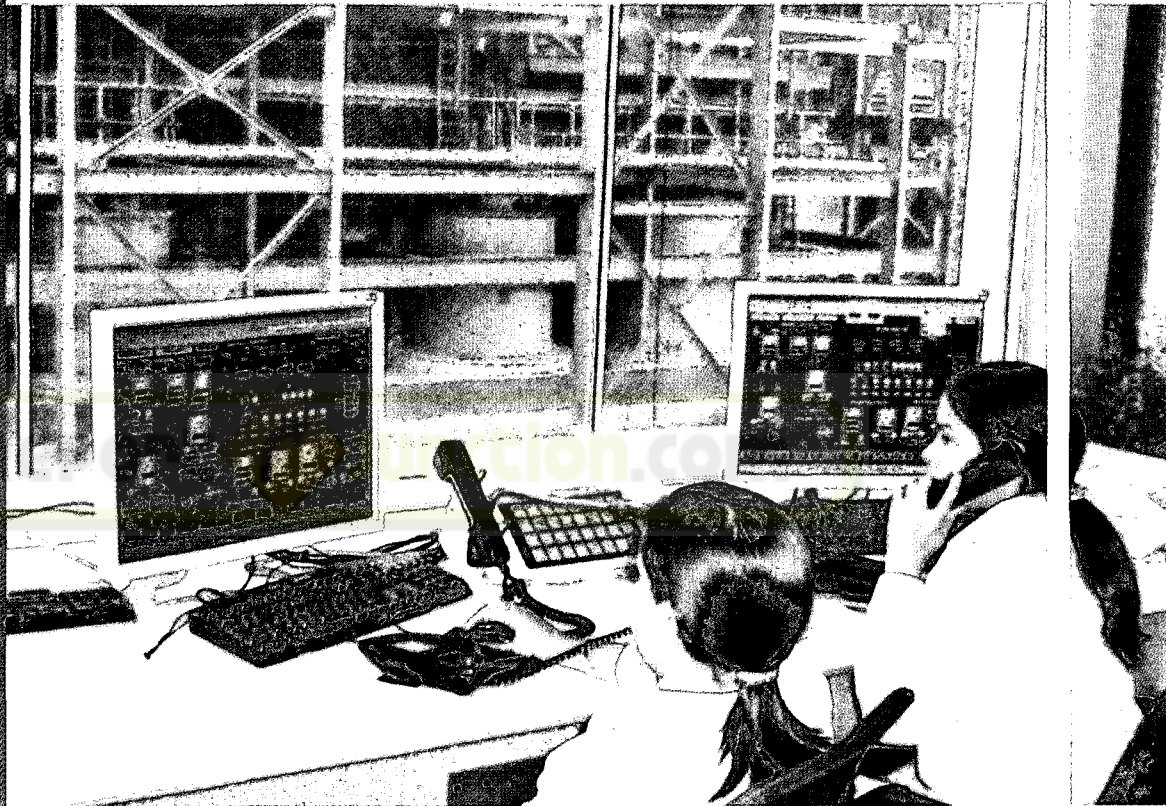
Global mindset in action on Indian ground

At Hindustan Zinc, we are pleased to report clean and healthy operations. One of the manifestations of our commitment to the environment is the waste heat recovery-based 9.4-MW power plant at the Chanderiya smelter, which received the approval of the UNFCCC with the award of 51,609 CERs

The Rampura Agucha lead-zinc mine ranks as the third largest in the world and counts among the lowest cost zinc mines in the world.



People competencies



People represent the cornerstone of our success. The Company has consistently invested in its intellectual capital to face challenges and achieve milestones.