



HINDUSTAN ZINC LIMITED

Annual Report 2016-2017



INNOVATION TAKING US FORWARD



think big
teamwork
new imagination
risk inspiring
creative business
communication solution
performance planning works
key innovate
ideas concept
brand
brainstorm plan
strategy success
global process
excellence
out of the box
reward
leadership
efficiency
workflow
information marketing best
organization network social
research analysis green
advertising positive vision
refresh ads
development
goals

STRENGTHENING THE NATION...



₹ **17,760**

Crore contributed to
Government treasury*

THE ONLY
COMPANY IN
THE COUNTRY
WITH THREE
MINES RATED AS
'FIVE STAR' BY
INDIAN BUREAU
OF MINES

* cash during FY 2016-17, including royalties, taxes and dividends



VISION

To be the world's largest and most admired Zinc, Lead and Silver Company.



MISSION

Enhance stakeholder value through exploration, innovation, operational excellence, safety and sustainability. Be the lowest cost producer. Maintain market leadership and enhance customer delight.



VALUES

Entrepreneurship

Our people are our most important assets. We actively encourage their development and support them in pursuing their goals.

Excellence

Our primary focus is delivering value of the highest standard to our stakeholders. We are constantly motivated on improving our costs and improving our quality of production in each of our businesses through a culture of best practice benchmarking.

Trust

We actively foster a culture of mutual trust in our interactions with our stakeholders and encourage an open dialogue which ensures mutual respect.

Innovation

We embrace a conducive environment for encouraging innovation that leads to a zero harm environment and exemplifying optimal utilisation of natural resources, improved efficiencies and recoveries of by-products.

Integrity

We place utmost importance to engaging ethically and transparently with all our stakeholders, taking accountability of our actions to maintain the highest standards of professionalism and complying with international policies and procedures.

Respect

We lay consistent emphasis on Human Rights, respect the principle of free, prior, informed consent, while our engagements with stakeholders give local communities the opportunity to voice their opinions and concerns.

Care

As we continue to grow, we are committed to the triple bottom line of People, Planet and Prosperity to create a sustainable future in a zero harm environment for our communities.

CONTENTS

Corporate Overview

Innovation	006
Highlights - FY 2017	013
Chairman's Message	022
Board of Directors	024
Executive Committee	026

Business Review

Industry Outlook	030
Operations	034
Human Resources	042
Business Excellence	044
Sustainability	045
Corporate Social Responsibility	052
Risk Management Framework	060

Statutory Reports

Directors' Report	066
Corporate Governance Report	093
Business Responsibility Report	111

Financial Statements

Independent Auditors' Report	124
Balance Sheet	131
Statement of Profit & Loss	132
Cash Flow Statement	133
Statement of Changes in Equity	135
Notes	137
Corporate Information	190

Forward-looking statements

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



CORPORATE OVERVIEW



INNOVATION

Taking Us Forward

As mankind progressed on the path of evolution, it broke barriers, went beyond horizons and set new benchmarks. One philosophy stood by it and evolved with mankind itself - Innovation. In the corporate world, innovation is crucial to the success of any organization and can be defined simply as a "new idea, device or method". Innovation is often also viewed as the application of better solutions to fulfil new requirements and unarticulated or existing needs of the market. The use of scientific knowledge for practical purposes, whether in industry or in everyday lives, defines the modern world as we know it.

Hindustan Zinc, one of the frontrunners amongst Zinc-Lead & Silver businesses across the world, is a focussed and responsible mining & metal Company. It embraces measures that improve its productivity, efficiency, safety and conservation of precious natural resources, through technology & innovation.

From invention of the wheel to latest in digital technology, innovation continues to be the answer to almost everything.

The above fact stands true for mining & metal industry as well. Today, we have gained access to mineral treasures deep beneath the earth's surface only through innovative advancements. That is not all, new and emerging technologies are set to change the way miners would operate over the next decade. The paradigm is shifting from 'profit at all costs' to ensuring that operations become 'efficient and environmentally sustainable'. Hindustan Zinc, one of the frontrunners amongst Zinc-Lead and Silver business across the world, is a focussed and responsible mining & metal Company. It embraces measures that improve productivity, efficiency, safety of the work force and conservation of precious natural resources.

As we present the Annual Report 2016-17, we dedicate this year's theme to innovation that will spearhead our future journey and continue to keep us ahead of the curve.



INNOVATION

Opening Avenues For New Age Mining & Metallurgy

Besides improved productivity, cost savings and safety advancements, technology is being developed to reduce environmental footprint caused by mining & smelting. While some technologies will directly impact our operations, others will play a supportive role.

The internet has opened doors to lightning speed communications and is ensuring that no matter how remotely a mine is located, it stays connected and has access to necessary touch points. With 'Cloud' integration gaining strength, data storage has achieved a new level of accessibility. Computer based collection and analysis is helping in processing large volumes of data to generate meaningful reports that will enable efficient utilisation of resources and pro-active decision making.

Automation enhances efficiency and safety. With automation taking charge of several activities, risk to health is reduced accuracy & standardisation gets strengthened. The modern machines being developed for mining are becoming all the more robust, energy efficient and durable.

Mining and metallurgical industry are energy intensive. Being in remote locations, grid-power is a rare luxury. Diesel generators have their own set of limitations. The objective for industry's investment in captive power plants and renewable energy technologies is not only to improve self-sufficiency, but also to reduce the carbon footprint.

Mining has always been applying metallurgical science to get the best from material technology. Be it for the purpose of increasing yield or to find innovative usage of by-products, research and development in this field continues to offer solutions to the industry.



Exploration

Modern mineral exploration is improving with new technologies. Latest software and 3D modeling have enhanced visualisation and interpretation of the data.



Mining

While open cast mining was fairly easy and had its own set of advantages, underground mining technology has brought about a new era in the industry.



Processing

Various technologies are being developed to generate wealth from waste and higher efficiency & productivity.



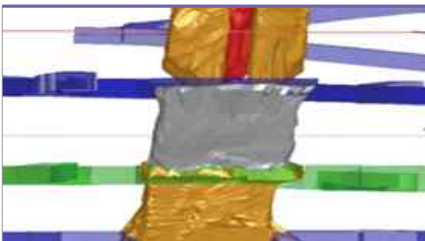
Responsible Operations

Technology has offered solutions to reduce carbon footprint and improve safety of the workforce.

INNOVATION

Leading The Way

TECHNOLOGICAL INITIATIVES INTRODUCED IN INDIA BY HINDUSTAN ZINC



Cavity Monitoring System

Stope Scanning identifies and minimizes deviation.



1500 kW Ventilation Fan

First of its kind in the Country, provides best underground working environment.



Mobile Carrier Rig

Eases mobility of exploration drills.



V30 Slot Machine

Enables long slot raising.



Refuge Chamber

First of its kind in the Country, provides a safe refuge during underground emergency conditions.