



No.20A (1)/2016-Secy./

23 Oct.2017

BSE Ltd.
P.J. Towers, Dalal Street,
MUMBAI - 400 001

National Stock Exchange of (India) Ltd.
"Exchange Plaza" Bandra-Kurla Complex,
Mumbai – 400 051

Kind Attn: - General Manager,
Dept. of Corporate Services

Kind Attn:- Head - Listing & Corporate
Communications

Scrip Code: 500188

Scrip Code: HINDZINC-EQ

Sub:- Unaudited financial results with limited review for the second quarter and half year ended on 30th Sept., 2017.

Dear Sir,

As per the requirement of Clause 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we forward herewith a copy of unaudited financial results after limited review for the 2nd quarter and half year ended on 30th Sept., 2017 duly adopted in the meeting of the Board of Directors held on **23rd Oct. 2017**.

The Board has also declared interim dividend of 100 % i.e Rs.2/- per share for the financial year 2017-18. The record date for the interim dividend is 31st Oct. 2017.

We also forward herewith a copy of limited review report issued by the Statutory Auditors on the unaudited financial result for the 2nd quarter and half year ended on 30th Sept., 2017.

Copy of press release issued is attached for information.

Thanking you,

Yours faithfully,
For Hindustan Zinc Limited,

(R. Pandwal)
Company Secretary
Encl: As above.

Hindustan Zinc Limited

Registered Office: Yashad Bhawan, Udaipur (Rajasthan) – 313 004
Tel.: (91-2946604000 -4001 Fax: (91-294) 2427739; www.hzlindia.com
CIN: L27204RJ1966PLC001208



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A HINDUSTAN ZINC COMPANY

HINDUSTAN ZINC LIMITED

Regd Office: Yashad Bhawan, Udaipur - 313004

PBX No. 0294-6604000, CIN - L27204RJ1966PLC001208, www.hzindia.com

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2017**

PARTICULARS		Quarter ended			Half year ended		Year ended
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations (net of excise duty)	5,309	4,576	3,500	9,885	6,031	17,273
	Add: Excise duty	-	437	352	437	625	1,525
	Revenue from operations (gross of excise duty)	5,309	5,013	3,852	10,322	6,656	18,798
2	Other income	487	530	770	1,017	1,404	2,474
	Total Income	5,796	5,543	4,622	11,339	8,060	21,272
3	Expenses						
	a. Cost of materials consumed	-	-	13	-	26	26
	b. Purchase of traded goods	-	-	-	-	336	336
	c. Changes in inventories of finished goods & WIP	124	125	(66)	249	(242)	(676)
	d. Employee benefits expense	225	174	181	399	354	722
	e. Depreciation and amortisation	394	360	432	754	821	1,811
	f. Power and fuel	395	387	122	782	290	1,060
	g. Mining royalty	567	549	443	1,116	706	2,269
	h. Finance costs	84	137	71	221	142	202
	i. Excise duty	-	437	352	437	625	1,525
	j. Other expenses	974	957	730	1,931	1,353	3,797
	Total expenses	2,763	3,126	2,278	5,889	4,411	11,072
4	Profit before tax and exceptional item	3,033	2,417	2,344	5,450	3,649	10,200
5	Exceptional gain	291	-	-	291	-	-
6	Profit before tax	3,324	2,417	2,344	5,741	3,649	10,200
	Tax Expense						
	Current tax	697	516	495	1,213	770	2,196
	Deferred tax	82	25	(53)	107	(60)	(312)
7	Net Profit for the period	2,545	1,876	1,902	4,421	2,939	8,316
	A. (i) Items that will not be reclassified to profit or loss	(7)	(1)	(1)	(8)	(5)	(4)
	(ii) Income tax relating to above	3	-	1	3	2	1
	B. (i) Items that will be reclassified to profit or loss	(99)	25	18	(74)	77	78
	(ii) Income tax relating to above	36	(3)	(1)	33	-	(20)
8	Other Comprehensive Income	(67)	21	17	(46)	74	55
9	Total Comprehensive Income for the period	2,478	1,897	1,919	4,375	3,013	8,371
10	Paid up Equity Share Capital (face value Rs 2 each)	845	845	845	845	845	845
11	Reserves as shown in the Audited Balance Sheet of the previous year						29,960
12	Earnings per share (of Rs 2 each) (not annualised except for year ended March):						
	a. Basic	6.02	4.44	4.50	10.46	6.96	19.68
	b. Diluted	6.02	4.44	4.50	10.46	6.96	19.68

Statement of Assets and Liabilities		
PARTICULARS	Rs In Crore	
	As at	As at
	30.09.2017	31.03.2017
	Unaudited	Audited
A. ASSETS		
1. Non current assets		
a) Property, plant and equipment	9,814	9,865
b) Capital work in progress	3,332	3,071
c) Other intangible assets	124	128
d) Financial assets- Loans	18	19
e) Deferred tax assets (net)	2,677	2,748
f) Other non current assets	1,547	1,315
Sub-total - Non current assets	17,512	17,146
2. Current assets		
a) Inventories	1,653	1,936
b) Financial assets		
i) Investments	19,978	23,783
ii) Trade receivables	362	136
iii) Cash and cash equivalents	1	189
iv) Bank balances other than (iii) above	5	8,191
v) Loans	1	1
vi) Other financial asset	32	5
c) Other current assets	821	408
Sub-total - Current assets	22,853	34,649
Total - Assets	40,365	51,795
B. EQUITY AND LIABILITIES		
1. Equity		
a) Equity share capital	845	845
b) Other equity	34,334	29,959
Sub-total - Equity	35,179	30,804
2. Non current liabilities		
a) Financial liabilities - Others	106	93
b) Other non current liabilities	568	556
c) Provisions	126	111
Sub-total - Non current liabilities	800	760
3. Current liabilities		
a) Financial liabilities		
i) Short term borrowings	593	7,908
ii) Trade payables	1,293	1,205
iii) Other financial liabilities	500	8,603
b) Other current liabilities	1,523	2,328
c) Provisions	40	17
d) Current tax liabilities	437	170
Sub-total - Current liabilities	4,386	20,231
Total - Equity and Liabilities	40,365	51,795

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

PARTICULARS		Quarter ended			Half year ended		Rs In Crore
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
a)	Zinc, Lead and Silver						
	(i) Zinc, Lead and others	4,618	4,464	3,260	9,082	5,610	16,507
	(ii) Silver Metal	557	435	482	992	842	1,888
	Total	5,175	4,899	3,742	10,074	6,452	18,395
b)	Wind Energy	57	62	68	119	128	176
	Sales/Income from operations	5,232	4,961	3,810	10,193	6,580	18,571
2	Segment Result (Profit before interest, tax and exceptional gain)						
a)	Zinc, Lead and Silver						
	(i) Zinc, Lead and others	2,163	1,683	1,242	3,846	1,652	6,469
	(ii) Silver Metal	485	341	376	826	661	1,486
	Total	2,648	2,024	1,618	4,672	2,313	7,955
b)	Wind Energy	37	46	27	83	74	79
	Total	2,685	2,070	1,645	4,755	2,387	8,034
	Less: Interest	84	137	72	221	143	202
	Add: Exceptional gain	291	-	-	291	-	-
	Add: Other unallocable income net of unallocable expenditure	432	484	770	916	1,404	2,367
	Profit before Tax	3,324	2,417	2,343	5,741	3,648	10,199
	Segment Assets						
a)	Zinc, Lead and Silver	16,327	16,178	15,187	16,327	15,187	15,559
b)	Wind Energy	747	803	816	747	816	773
c)	Unallocated	23,291	27,236	30,053	23,291	30,053	35,464
	Total	40,365	44,217	46,056	40,365	46,056	51,796
	Segment Liabilities						
a)	Zinc, Lead and Silver	4,134	4,105	3,623	4,134	3,623	4,711
b)	Wind Energy	17	14	8	17	8	12
c)	Unallocated	1,034	7,395	2,027	1,034	2,027	16,268
	Total	5,185	11,514	5,658	5,185	5,658	20,991
	Capital Employed	35,180	32,703	40,398	35,180	40,398	30,805

NOTES:

- The above results for the half year ended September 30, 2017 have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on October 23, 2017.
- The financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- In the quarter ended September 30, 2016, the Company had reversed provision towards 'Power and Fuel' of Rs. 106 Crore.
- Exceptional gain of Rs 291 Crore represents reversal of provision for contribution to District Mineral Foundation towards zinc, lead and silver for the period related to Jan 12, 2015 to Sep 16, 2015 pursuant to recent Supreme Court ruling.
- The Board of Directors have declared an interim dividend of 100% i.e. Rs 2 per share. Record date fixed for the dividend is October 31, 2017.

By Order of the Board



Sunil Duggal
CEO & Whole-time Director

Date: October 23, 2017
Place: Mumbai

Limited Review Report

Review Report to
The Board of Directors
Hindustan Zinc Limited

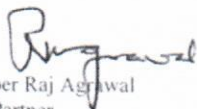
We have reviewed the accompanying statement of unaudited financial results of Hindustan Zinc Limited ('the Company') for the quarter ended September 30, 2017 and year to date from April 1, 2017 to September 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005


per Raj Agrawal
Partner
Membership No.: 82028

Place: Gurgaon
Date: October 23, 2017



Hindustan Zinc Limited

Results for the Second Quarter and Half Year Ended September 30, 2017

"H1 EBITDA up 70% y-o-y while Q2 up 47% y-o-y on the back of higher metal production and strong LME; Silver production at all time high"

Highlights for the quarter

- Hindustan Zinc globally ranked 3rd in 'Environment' and 11th 'Overall' in the Dow Jones Sustainability Index amongst Mining & Metal companies
- Refined zinc-lead metal production at 230kt, up 27% y-o-y
- Record refined silver production at 140 MT, up 31% y-o-y
- Mined metal production at 219kt, up 14% y-o-y
- EBITDA at Rs. 3,052 Crore; up 47% y-o-y
- Net Profit at Rs. 2,545 Crore, up 34% y-o-y
- Interim dividend of Rs. 2 per share (100%)

Highlights for H1

- Refined zinc-lead metal production at 459kt, up 49% y-o-y
- Refined silver production at 255 MT, up 30% y-o-y
- Mined metal production at 452kt, up 42% y-o-y
- EBITDA at Rs. 5,456 Crore; up 70% y-o-y
- Net Profit at Rs. 4,421 Crore, up 50% y-o-y

Udaipur, October 23, 2017: Hindustan Zinc Limited today announced its results for the second quarter and half year ended September 30, 2017.

Mr. Agnivesh Agarwal, Chairman –

"I am delighted to note the smooth transition to underground mining. Against a 5 year CAGR of 39% of our mined metal production, we expect this year's underground growth to be over 60%, demonstrating one of the best transitions globally. As our journey of 1.2 million MT of mined metal is coming closer, we are evaluating the next phase of our capacity expansion. The accelerating LME and record silver volumes are key drivers of our performance this quarter, though the higher commodity cycle is putting some pressure on our cost."

Financial Summary

(In Rs. Crore, except as stated)

Particulars	Q2			Q1		H1		
	2018	2017	Change	2018	Change	2018	2017	Change
Sales								
Zinc	3,903	2,687	45%	3,779	3%	7,682	4,607	67%
Lead	638	495	29%	595	7%	1,233	835	48%
Silver	557	482	16%	435	28%	992	842	18%
Others	134	145	-8%	152	-12%	286	295	-3%
Total	5,232	3,809	37%	4,961	5%	10,193	6,579	55%
EBITDA	3,052	2,077	47%	2,404	27%	5,456	3,207	70%
Profit After Taxes	2,545	1,902	34%	1,876	36%	4,421	2,939	50%
Earnings per Share (Rs., not annualised)	6.02	4.50	34%	4.44	36%	10.46	6.96	50%
Mined Metal Production ('000 MT)	219	192	14%	233	-6%	452	318	42%
Refined Metal Production ('000 MT)								
Integrated Refined Metal								
Zinc	192	149	29%	194	-1%	386	250	54%
Saleable Lead ¹	38	31	24%	35	9%	73	55	32%
Zinc & Lead	230	180	28%	228	1%	459	305	50%
Saleable Silver ^{2,3} (in MT)	140	107	31%	115	22%	255	196	30%
Total Refined Metal								
Zinc	192	150	28%	194	-1%	386	252	53%
Saleable Lead ¹	38	31	24%	35	9%	73	55	32%
Zinc & Lead	230	181	27%	228	1%	459	307	49%
Saleable Silver ^{2,3} (in MT)	140	107	31%	115	22%	255	196	30%
Wind Power (in million units)	143	172	-17%	156	-8%	299	320	-7%
Zinc CoP without Royalty (Rs. / MT) ⁴	63,288	54,186	17%	62,698	1%	63,002	57,022	10%
Zinc CoP without Royalty (\$ / MT) ⁴	984	809	22%	973	1%	979	852	15%
Zinc LME (\$ / MT)	2,963	2,255	31%	2,596	14%	2,784	2,089	33%
Lead LME (\$ / MT)	2,334	1,873	25%	2,161	8%	2,250	1,797	25%
Silver LBMA (\$ / oz.)	16.8	19.6	-14%	17.2	-2%	17.0	18.2	-7%
USD-INR (average)	64.3	67.0	-4%	64.5	0%	64.4	66.9	-4%

- (1) Excluding Captive consumption of 1,634 MT in Q2 FY 2018 as compared with 837 MT in Q2 FY 2017 and 1,956 MT in Q1 FY2018. For H1, it was 3,590 MT as compared with 1,921 MT a year ago.
- (2) Excluding captive consumption of 8.8 MT in Q2 FY2018 as compared with 4.3 MT in Q2 FY 2017 and 10.2 MT in Q1 FY2018. For H1, it was 19.0 MT as compared with 9.8 MT a year ago.
- (3) Silver occurs in Lead & Zinc ore and is recovered in the smelting and silver-refining processes.
- (4) The COP numbers are after adjusting for deferred mining expenses under Ind-AS. Without this adjustment, Zinc CoP per MT without Royalty would have been Rs. 63,288 (\$984) as compared with Rs.62,035 (\$926) in Q2 FY 2017 and Rs. 63,142 (\$980) in Q1 FY 2018. For H1, this would be Rs. 63,224 (\$982) compared to Rs. 67,821 (\$1,013) in corresponding prior period.

Note:

- 1) Historical numbers have been revised as per Ind-AS reporting
- 2) From current quarter, Sales is reported net of Goods and Services Tax, whereas in the previous quarters Sales was inclusive of Excise Duty
- 3) Numbers may not add up due to rounding off; historical numbers may have changed due to regrouping

Operational Performance

Mined metal production was at 219kt, 14% higher y-o-y, on account of higher volumes from underground mines. Q-o-Q production declined by 6% due to lower ore treatment. For H1, mined metal production was at 452kt, up 42% y-o-y driven by higher ore production across all mines.

Integrated zinc metal production was 192kt, 29% higher y-o-y and flat sequentially. Integrated lead metal production was 38kt, 24% higher y-o-y and 9% higher q-o-q. This was in line with availability of mined metal. Integrated silver production was at a record high of 140 MT, up 31% y-o-y and 22% q-o-q in line with higher feed from mines.

For H1, integrated zinc, lead and silver production were higher by 54% y-o-y, 32% y-o-y and 30% y-o-y respectively, in line with availability of mined metal.

Financial Performance

Revenues during the quarter were at Rs. 5,232 Crore, an increase of 37% y-o-y and 5% q-o-q (excluding excise duty of previous quarters, revenues would have been up 51% y-o-y and 16% q-o-q). The increase was on account of higher volumes and strong zinc & lead LME, partly offset by rupee appreciation. For H1, revenues were up by 55% y-o-y driven by the reasons mentioned above.

The zinc metal cost of production per MT before royalty (COP) during the quarter was at Rs. 63,288 (\$984), up 17% y-o-y (22% in dollar terms) and flat compared to previous quarter. The y-o-y increase was primarily on account of 74% increase in dollar price of imported coal, almost doubling of metcoke prices and higher mine development, partially offset by increase in volumes. For H1, COP was higher by 10% y-o-y (15% in dollar terms) primarily on account of increase in coal and input commodity prices.

The above revenue and cost of production resulted in EBITDA at Rs. 3,052 Crore, up 47% y-o-y and 27% q-o-q while in H1 EBITDA increased by 70% y-o-y to Rs. 5,456 Crore.

During the quarter, exceptional gain was recorded related to reversal of royalty due to write back of Rs. 291 Crore of excess District Mineral Foundation liability for the period January 12, 2015 to September 16, 2015. This was pursuant to judicial pronouncement during the quarter.

Net profit during the quarter was at Rs. 2,545 Crore, up 34% y-o-y and 36% q-o-q while for H1 net profit was up by 50% y-o-y to Rs. 4,421 Crore. The substantial y-o-y increase in EBITDA was partly offset by higher tax rate and lower investment income on account of smaller corpus, in line with the guidance.

During the quarter, the Company sold 220kt of zinc and 30kt of lead forward at a price of \$3,084 and \$2,418 respectively. Of this, 165kt is for the period January to March 2018 and remaining is for April to June 2018.

Outlook

Production guidance is reiterated with mined metal to be higher than FY 2017, refined zinc-lead metal to be around 950kt and refined silver metal over 500 MT. Based on the significant increase in the commodity prices compared to last year, COP for FY 2018 is likely to be in the range of \$900 - \$950 per MT. The project capex for the year will be around \$300-\$325 million. The Company is on track to achieve 1.2 million MT per annum (mtpa) mined metal production capacity by FY 2020.

Expansion Projects

Capital mine development increased by 77% y-o-y and 11% q-o-q to 9,765 meters during the quarter across all mines. For H1, capital mine development was 18,593 meters, up 79% as compared to corresponding prior period.

Rampura Agucha

Mine development of 3,755 meter was achieved during the quarter. The main shaft service winder was commissioned during the quarter while the production winder installation has been completed in October 2017. Four ventilation fans of 2 MW each will be commissioned by year end. Shaft commissioning is on track and production is expected to start as per schedule in Q3 FY 2019.

Sindesar Khurd

Sindesar Khurd mine achieved mine development of 4,619 meters during the quarter. Main shaft equipping was commenced and production is expected to start in Q3 FY 2019. Construction, engineering works and procurement ordering is in full pace for the third mill of 1.5 mtpa capacity scheduled for commissioning by Q2 FY 2019. This will take the total milling capacity at Sindesar Khurd to 5.8 mtpa

Zawar

Zawar mine achieved ever highest mine development during the quarter 7,395 meter. During the quarter, the new Mochia decline was connected to production level enhancing its hauling capacity. Zawar mill debottlenecking was completed and the upgraded capacity of 2.7 mtpa was commissioned. Award of order for a second mill of 2 mtpa capacity was done during the quarter with commissioning scheduled by Q3 FY2019.

Fumer

The fumer project at Chanderiya is progressing well as per schedule for completion by mid FY 2019. Structure erection and delivery of equipment material has commenced.

Interim Dividend

The Board of Directors has declared an interim dividend of 100% i.e. Rs. 2 per share on equity share of Rs. 2 each. Record date fixed for the interim dividend is October 31, 2017.

Liquidity and investment

As on September 30, 2017, the Company's cash and cash equivalents was Rs. 19,979 Crore invested in high quality debt instruments. The Company also had Rs. 593 Crore of residual short term commercial paper out of Rs. 7,908 Crore raised in March 2017 to meet the special interim dividend fund requirement.

Earnings Call on Monday, October 23, 2017 at 3:30 pm (IST)

The Company will hold an earnings conference call on Monday, October 23, 2017 at 3:30 pm IST, where senior management will discuss the Company's results and performance. The dial in number for the call is:

Dial In: +91 22 3960 0762

For further information, please contact:

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About Hindustan Zinc

Hindustan Zinc (NSE & BSE: HINDZINC) is the one of the largest integrated producers of zinc-lead with a capacity of 1.0 million MT per annum and a leading producer of silver. The Company is headquartered in Udaipur, Rajasthan in India and has zinc-lead mines at Rampura Agucha, Sindesar Khurd, Rajpura Dariba, Zawar and Kayad; primary smelter operations at Chanderiya, Dariba and Debari, all in the state of Rajasthan; and finished product facilities in the state of Uttarakhand.

Hindustan Zinc has a world-class resource base with total reserve & resource of 404.4 million MT and average zinc-lead reserve grade of 11.0%. The Company has a track record of consistently growing its reserve & resource base since 2003 and currently has a mine life of over 25 years.

The Company is self-sufficient in power with an installed base of 474 MW coal-based captive power plants. Additionally, it has green power capacity of 309 MW including 274 MW of wind power and 35 MW of waste heat power. The Company has an operating workforce of nearly 19,000 including contract workforce.

Hindustan Zinc is a subsidiary of the BSE and NSE listed Vedanta Limited (formerly known as Sesa Sterlite Limited; ADRs listed on the NYSE), a part of London listed Vedanta Resources plc, a global diversified natural resources company.

Disclaimer

This press release contains "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.