



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

2nd May 2019

BSE Ltd.
P. J. Towers
Dalal Street
Mumbai 400 001

National Stock Exchange of India Limited
Exchange Plaza
Bandra – Kurla Complex
Mumbai 400 051

Scrip Code: 500188

Scrip Code: HINDZINC-EQ

Sub :- Audited Quarterly Financial Results for the 4th quarter and full year ended 31st March 2019.

Dear All,

As per the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we forward herewith a copy of audited financial results for the year ended 31st March, 2019 and 4th quarter ended 31st March 2019, duly adopted in the meeting of Board of Directors held on 2nd May 2019. No final dividend was recommended by Board.

The meeting of the board of Directors of the Company dated 2nd May 2019 commenced at 11.30 AM and concluded at 14:40 PM .

Copy of press release issued is also attached herewith.

Yours faithfully,
For Hindustan Zinc Ltd

(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.hzindia.com

IN: L27204RJ1966PLC001208

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2019
(Rs in Crore, except as stated)

PARTICULARS	Quarter ended			Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.3.2019	31.03.2018
	Audited (Refer note 5)	Unaudited	Audited	Audited	Audited
1 Revenue from operations (net of excise duty)	5,384	5,485	6,174	20,834	21,776
Add: Excise duty	-	-	-	-	437
Revenue from operations (gross of excise duty)	5,384	5,485	6,174	20,834	22,213
2 Other Operating Income	107	55	103	284	306
3 Other Income	539	550	449	1,782	1,716
Total Income	6,030	6,090	6,726	22,900	24,235
4 Expenses					
a. Changes in inventories of finished goods & WIP	25	(25)	18	(64)	498
b. Employee benefits expense	213	215	182	905	776
c. Depreciation and amortisation	553	489	459	1,883	1,483
d. Power and fuel	387	493	442	1,758	1,653
e. Mining royalty	699	670	829	2,628	2,647
f. Finance costs	51	51	8	113	246
g. Excise duty	-	-	-	-	437
h. Other expenses	1,378	1,349	1,186	5,221	4,238
Total expenses	3,306	3,242	3,124	12,444	11,978
5 Profit before tax and exceptional item	2,724	2,848	3,602	10,456	12,257
6 Exceptional item	-	-	(51)	-	240
7 Profit before tax	2,724	2,848	3,551	10,456	12,497
Tax Expense					
Current tax	583	608	758	2,220	2,647
Deferred tax	129	29	288	280	574
8 Net Profit for the period	2,012	2,211	2,505	7,956	9,276
A. (i) Items that will not be reclassified to profit or loss	(4)	(3)	12	(36)	3
(ii) Income tax relating to above	2	1	(4)	13	(1)
B. (i) Items that will be reclassified to profit or loss	-	-	234	(55)	(118)
(ii) Income tax relating to above	-	-	(86)	(16)	36
9 Other Comprehensive Income	(2)	(2)	156	(94)	(80)
10 Total Comprehensive Income for the period	2,010	2,209	2,661	7,862	9,196
11 Paid up Equity Share Capital (face value Rs 2 each)	845	845	845	845	845
12 Reserves as shown in the Audited Balance Sheet				32,760	35,087
13 Earnings per share (of Rs 2 each) (not annualised except for year ended March):					
a. Basic	4.76	5.23	5.93	18.83	21.95
b. Diluted	4.76	5.23	5.93	18.83	21.95

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Statement of Assets and Liabilities

PARTICULARS	Rs in Crore	
	As at	As at
	31.03.2019	31.03.2018
	Audited	Audited
A. ASSETS		
1. Non current assets		
a) Property, plant and equipment	14,668	11,181
b) Capital work in progress	2,254	3,220
c) Other intangible assets	110	121
d) Investments in joint venture	-	-
e) Financial assets - Loans		
i) Other financial asset	13	15
ii) Other financial asset	38	35
f) Deferred tax assets (net)	1,925	2,208
g) Other non current assets	638	1,102
h) Income tax assets	1,240	907
Sub-total - Non current assets	20,886	18,789
2. Current assets		
a) Inventories	1,544	1,379
b) Financial assets		
i) Investments	19,488	20,222
ii) Trade receivables	196	184
iii) Cash and cash equivalents	2	173
iv) Bank balances other than (iii) above	21	1,791
v) Loans	3	1
vi) Other financial asset	4	11
c) Current tax assets	-	-
c) Other current assets	314	182
Sub-total - Current assets	21,572	24,143
Total - Assets	42,458	42,932
B. EQUITY AND LIABILITIES		
1. Equity		
a) Equity share capital	845	845
b) Other equity	32,760	35,087
Sub-total - Equity	33,605	35,932
2. Non current liabilities		
a) Financial liabilities - Others	19	69
b) Other non current liabilities	945	792
c) Provisions	145	134
Sub-total - Non current liabilities	1,109	995
3. Current liabilities		
a) Financial liabilities		
i) Short term borrowings	2,538	-
ii) Trade payables		
A) Total outstanding dues of micro enterprises and small enterprises	52	18
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,122	929
Total Trade Payables	1,174	947
iii) Other financial liabilities	1,401	3,094
b) Other current liabilities	2,397	1,713
c) Provisions	74	85
d) Current tax liabilities	160	165
Sub-total - Current liabilities	7,744	6,005
Total - Equity and Liabilities	42,458	42,932

S. Saneeth

S. Saneeth



REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs in Crore

PARTICULARS	Quarter ended			Year ended	
	31.03.2019	31.12.2018	31.03.2018	31.3.2019	31.03.2018
	Audited (Refer note 3)	Unaudited	Audited	Audited	Audited
1 Segment Revenue*					
a) Zinc, Lead and Silver					
(i) Zinc, Lead and others	4,611	4,789	5,515	18,089	19,903
(ii) Silver Metal	744	678	637	2,568	2,148
Total	5,355	5,467	6,152	20,657	22,051
b) Wind Energy	29	18	22	177	162
Sales/Income from operations	5,384	5,485	6,174	20,834	22,213
Other Operating Income	107	55	103	284	306
Revenue from operations (Gross of excise duty)	5,491	5,540	6,277	21,118	22,519
2 Segment Result					
a) Zinc, Lead and Silver					
(i) Zinc, Lead and others	1,607	1,792	2,660	6,606	8,995
(ii) Silver Metal	639	588	547	2,208	1,822
Total	2,246	2,380	3,207	8,814	10,817
b) Wind Energy	13	2	10	119	120
Profit before interest, tax and exceptional item	2,259	2,382	3,217	8,933	10,937
Less: Interest	51	51	8	113	246
Add: Exceptional item	-	-	(51)	-	240
Add: Other unallocable income net of unallocable expenditure	516	517	393	1,636	1,566
Profit before Tax	2,724	2,848	3,551	10,456	12,497
Segment Assets					
a) Zinc, Lead and Silver	19,106	19,293	16,911	19,106	16,311
b) Wind Energy	659	681	698	659	698
c) Unallocated	22,693	20,715	25,323	22,693	25,323
	42,458	40,689	42,932	42,458	42,332
Segment Liabilities					
a) Zinc, Lead and Silver	6,110	4,102	5,034	6,110	5,034
b) Wind Energy	14	8	11	14	11
c) Unallocated	2,729	4,982	1,955	2,729	1,955
	8,853	9,092	7,000	8,853	7,000
Capital Employed	33,605	31,597	35,932	33,605	35,932

NOTES:

- The above results for the quarter and year ended March 31, 2019 have been reviewed by Audit Committee and approved by the Board of Directors in its meeting held on May 2, 2019.
- Exceptional item in FY 2017-18 includes gain of Rs 291 Crore representing reversal of royalty provision related to District Mineral Foundation pursuant to Supreme Court ruling as reduced by past service cost of Rs 51 Crore pursuant to change in Gratuity limit.
- Ind AS 115 'Revenue from Contracts with Customers' has been recently introduced effective April 1, 2018 and its application did not have any significant impact on recognition & measurement of revenue and related items in the financial results for the quarter and year ended March 31, 2019 including the retained earnings as at April 1, 2019.
- Figures for previous year and quarter have been revised or reclassified, wherever necessary, for consistency.
- The figures of the last quarter are the balancing figures between audited figures for the financial year ended March 31, 2019 and nine months unaudited published figures up to December 31, 2018.

By Order of the Board

Sunil Duggal
CEO & Whole-time Director
Camp - London

Date: May 2, 2019
Place: Mumbai

S. Samal



INDEPENDENT AUDITOR'S REPORT**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To
Board of Directors of
Hindustan Zinc Limited

1. We have audited the accompanying statement of quarterly standalone Ind AS financial results of Hindustan Zinc Limited ('the Company') for the quarter ended March 31, 2019 and for the year ended March 31, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone Ind AS financial results for the quarter ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the standalone Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone Ind AS financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone Ind AS financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - ii. give a true and fair view of the net profit including other comprehensive income and other financial information for the quarter ended March 31, 2019 and for the year ended March 31, 2019.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, as required under the Regulation and the Circular.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



Per Raj Agrawal
Partner

Membership No.: 82028



Place: Gurugram

Date May 02, 2019

Hindustan Zinc Limited

Results for the Fourth Quarter and Full Year Ended March 31, 2019

*“Record underground mine production;
Highest ever silver & lead production”*

FY Highlights

- Underground mined metal production at 936kt, up 29%; total mined metal production down only 1% despite closure of open-cast operations
- Record refined lead metal production at 198kt, up 18%
- Record silver production at 679 MT, up 22%

Q4 Highlights

- Underground mined metal production at 245kt, up 24% y-o-y; total mined metal production down 4% y-o-y
- Refined lead metal production at 52kt, up 6% y-o-y
- Record silver production at 191 MT, up 13% y-o-y

Mumbai, May 2, 2019: Hindustan Zinc Limited today announced its results for the fourth quarter and full year ended March 31, 2019.

Mrs. Kiran Agarwal, Chairman –

“I am delighted to join the Board of Hindustan Zinc and take forward the Company’s vision to become the largest and most admired zinc-lead and silver producer globally. The financial year 2019 was a landmark year as we achieved an exit run-rate of over a million MT per annum entirely from underground operations, even after planned closure of open-cast operation. As we complete our mine expansion programme to deliver 1.2 million MT per annum capacity this year, we will further strengthen our market position and cost leadership.”

Financial Summary

Particulars	Q4			Q3		FY		
	2019	2018	Change	2018	Change	2019	2018	Change
Sales¹								
Zinc	3,689	4,561	-19%	3,841	-4%	14,475	16,347	-11%
Lead	809	867	-7%	826	-2%	3,159	2,824	12%
Silver	745	637	17%	677	10%	2,568	2,113	22%
Others	248	212	17%	196	27%	916	798	15%
Total	5,491	6,277	-13%	5,540	-1%	21,118	22,082	-4%
EBITDA	2,797	3,653	-23%	2,851	-2%	10,747	12,373	-13%
Profit After Taxes	2,012	2,505	-20%	2,211	-9%	7,956	9,276	-14%
Earnings per Share	4.76	5.93	-20%	5.23	-9%	18.83	21.95	-14%
(Rs., not annualised)								
Mined Metal Production ('000 MT)	245	255	-4%	247	-1%	936	947	-1%
Refined Metal Production ('000 MT)								
Total Refined Metal								
Zinc	175	206	-15%	188	-7%	696	791	-12%
Saleable Lead ²	53	50	6%	54	-3%	198	168	18%
Zinc & Lead	227	256	-11%	242	-6%	894	960	-7%
Saleable Silver ^{3,4} (in MT)	191	170	13%	178	8%	679	558	22%
Wind Power (in million units)	77	58	33%	48	60%	449	414	8%
Zinc CoP without Royalty (Rs. / MT)	69,545	59,569	17%	71,855	-3%	71,003	63,234	12%
Zinc CoP without Royalty (\$ / MT)	987	925	7%	997	-1%	1016	976	4%
Zinc LME (\$ / MT)	2,702	3,421	-21%	2,631	3%	2,743	3,057	-10%
Lead LME (\$ / MT)	2,036	2,523	-19%	1,964	4%	2,121	2,379	-11%
Silver LBMA (\$ / oz.)	15.6	16.8	-7%	14.5	7%	15.4	16.9	-9%
USD-INR (average)	70.49	64.31	10%	72.11	-2%	69.89	64.45	8%

(1) Including other operating income

(2) Excluding captive consumption of 1,403 MT in Q4 FY2019 vs 1,570 MT in Q4 FY2018 and 1,554 MT in Q3 FY2019, and 6,534 MT in FY2019 vs. 6,946 MT in FY2018

(3) Excluding captive consumption of 7.5 MT in Q4 FY2019 vs. 8.2 MT in Q4 FY2018 and 8.1 MT in Q3 FY2019, and 34.2 MT in FY2019 vs. 36.4 MT in FY2018

(4) Silver occurs in Lead & Zinc ore and is recovered in the smelting and silver-refining processes

(5) Numbers may not add up due to rounding off.

Operational Performance

Mined metal production from underground mines in Q4 was 245kt, up 24% y-o-y on account of higher ore production driven by strong growth at Rampura Agucha, Sindesar Khurd & Rajpura Dariba mines; production was flat sequentially. Total mined metal production was down 4% y-o-y on account of closure of open-cast operations in March 2018.

For the full year, mined metal production from underground mines was 936kt, 29% higher from a year ago on account of 27% higher ore production and better grades, even as the closure of open-cast operations caused total mined metal production to decline by 1% y-o-y.

Integrated metal production in Q4 was 227kt, down 6% sequentially and 11% from a year ago, on account of lower mined metal output in first half of the quarter. Integrated zinc production was 175kt, down 7% sequentially and 15% y-o-y on account of lower mine output. Integrated lead production was down by 3% sequentially and up 6% y-o-y to 53kt in line with mined metal availability and a higher lead ratio in the ore. Integrated silver production was a record 191 MT, up 8% sequentially and 13% y-o-y in line with lead production and conversion of WIP.

For the full year, integrated metal production was 894kt, down 7% y-o-y. Zinc production at 696kt was lower by 12% y-o-y due to lower zinc mined metal availability during the year as underground mines ramped up to make up for the closure of open-cast operation and a higher lead ratio in the ore. Integrated lead and silver production were at record 198kt and 679 MT, higher by 18% y-o-y and 22% y-o-y respectively driven by higher lead mined metal production, retrofitting of pyro metallurgical smelter in Q2 to produce more lead in line with higher lead mined metal availability and better silver grades.

Financial Performance

Revenue from operations including other operating income during the quarter was Rs. 5,491 Crore, flat sequentially primarily due to higher metal prices and scrap sales, offset by lower metal volume and rupee appreciation. Revenues were lower by 13% from a year ago on account of lower metal prices and zinc volume, partly offset by higher lead & silver volume and rupee depreciation.

For the full year, revenue from operations including other operating income was Rs 21,118 Crore, down 4% y-o-y driven by higher lead & silver volumes and rupee depreciation, offset by lower metal prices and zinc volume.

Zinc cost of production before royalty (COP) during the quarter was \$987 (Rs. 69,545) per MT, improving by 1% (3% in Rs) from the previous quarter and higher by 7% y-o-y (17% in Rs). The sequential improvement was primarily on account of lower imported coal & diesel prices and higher linkage coal volume, offset by higher mine development expense and lower volume. The y-o-y increase was mainly on account of higher mine development & employee cost, lower volume and rupee depreciation (in case of rupee COP), offset by higher acid & other credits.

For the year, COP was higher by 4% (12% in Rs) at \$1016 (Rs. 71,003) per MT and was impacted by higher mine development, lower metal volume, higher coal & commodity prices, higher employee cost and rupee depreciation (in case of rupee COP), partly offset by higher acid credits.

The resultant EBITDA for the quarter was Rs. 2,797 Crore, down 2% sequentially and down 23% y-o-y while full year EBITDA decreased by 13% y-o-y to Rs. 10,747 Crore.

Net Profit for the quarter was Rs. 2,012 Crore, down 9% sequentially and down 20% y-o-y in line with EBITDA, higher depreciation and mark-to-market gains in investment portfolio. For the full year, net profit was down by 14% to Rs. 7,956 Crore in line with EBITDA and higher depreciation, partly offset by lower tax rate. Investment income for the year was marginally higher on account of higher rate of return offset by lower corpus.

Dividend

On October 22, 2018, the Board of Directors declared a Special Interim Dividend of 1000% i.e. Rs. 20 per share on equity share of Rs. 2 each amounting to Rs. 10,188 Crore (including DDT). In view of this special interim dividend, the Board has not recommended final dividend for the year.

Outlook

Both mined metal and finished metal production in FY2020 will be higher than last year and expected to be about 1.0 million MT. We expect to complete the underground mine expansion plan announced in early 2013 towards the end of Q2 of this year, quadrupling our mined metal production capacity to 1.2 million MT per annum.

Zinc cost of production in FY2020 is expected to be under \$1000 per MT. The guidance of FY2020 silver production is in the range of 750 MT to 800 MT. The project capex for the year will be in the range of US\$350 to US\$400 million.

Expansion Projects

Update on ongoing expansion projects

The announced mining projects are nearing completion and expected to reach 1.2 million MT per annum of mined metal capacity in FY2020.

Capital mine development increased by 20% y-o-y to 12.4 km in Q4 and up by 12% to 43.1 km for the year.

At Sindesar Khurd, the underground crusher and production shaft were commissioned in Q4 and ore hoisting from shaft is expected to start next month. The second paste fill plant is under mechanical completion and expected to commission shortly.

At Rampura Agucha, the second paste fill plant was commissioned ahead of schedule during Q4. The full shaft commissioning is expected to complete by Q2 FY2020 synchronising with the completion of crusher and conveyor system.

At Zawar, the new 2 Mtpa mill was commissioned during Q4 while the dry tailing plant is under execution and expected to commission in Q2 FY2020.

The fumer project at Chanderiya is under mechanical completion and is set to commission next month.

Pantnagar Metal Plant received Environment Clearance (EC) to increase silver production from 600 MT per annum to 800 MT per annum.

In the wake of recent global incidents related to tailing dams, the Company is also reassessing structural integrity of all its tailing dams with the help of global experts.

Planning for the next phase of expansion from 1.2 to 1.35 mtpa mined metal capacity announced in April 2018 is underway.

Reserve & Resource

During the year, gross additions of 5.4 million MT were made to reserve & resource (R&R), prior to depletion of 13.8 million MT. As at March 31, 2019, the combined R&R were estimated to be 403 million MT, containing 34.6 million MT of zinc-lead metal and 965 million ounces of silver. Overall mine life continues to be more than 25 years.

Contribution to the exchequer

During the year, the Company contributed Rs. 11,563 Crore to the Government treasury through royalties, taxes and dividends, which is 52% of revenue.

Liquidity and investment

As on March 31, 2019, the Company's cash and cash equivalents was Rs. 19,490 Crore invested in high quality debt instruments and the portfolio continues to be rated "Tier -1" implying Highest Safety by CRISIL. During Q3 FY2019, the Company borrowed Rs. 5,000 Crore of short term commercial paper to meet cash flow mismatch for special interim dividend funding requirement. Of this, Rs 3,000 Crore of commercial paper was paid off during last quarter. The net cash and cash equivalents at the end of the year was Rs 16,953 Crore as compared to Rs 20,395 at the end of FY2018.

Earnings Call on Thursday, May 2, 2019 at 4:00 pm (IST)

The Company will hold an earnings conference call on Thursday, May 2, 2019 at 4:00 pm IST, where senior management will discuss the Company's results and performance.

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For further information, please contact:

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