

HZL/2020-SECY/

May 21, 2020

Bombay Stock Exchange Ltd.  
P.J. Towers, Dalal Street,  
Mumbai - 400001

National Stock Exchange of (India) Ltd.  
"Exchange Plaza"  
Bandra-Kurla Complex,  
Mumbai – 400051

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

Kind Attn:- Head - Listing & Corporate  
Communications

**Scrip Code: 500188**

**Trading Symbol: HINDZINC-EQ**

Dear Sir(s),

**Sub: - Audited Quarterly Financial Results for the 4<sup>th</sup> quarter and full year ended March 31, 2020.**

Dear All,

As per the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we forward herewith a copy of audited financial results for the year ended March 31, 2020 and 4<sup>th</sup> quarter ended March 31, 2020, duly adopted in the meeting of Board of Directors held on May 21, 2020. Board has not recommended any Final Dividend.

The meeting of the Board of Directors of the Company dated May 21, 2020 commenced at 11:45 AM and concluded at 02:15 PM.

Copy of press release issued is also attached herewith.

Thanking you,

Yours faithfully,  
For Hindustan Zinc Limited,



(R Pandwal)  
Company Secretary

Encl: as above.

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020**
*(Rs in Crore, except as stated)*

PARTICULARS	Quarter ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Audited (Refer note 5)	Unaudited	Audited	Audited	Audited
1 Revenue from operations	4,321	4,626	5,384	18,332	20,834
2 Other Operating Income	70	46	107	229	284
3 Other income	470	445	539	1,934	1,782
<b>Total Income</b>	<b>4,861</b>	<b>5,117</b>	<b>6,030</b>	<b>20,495</b>	<b>22,900</b>
4 <b>Expenses</b>					
a. Changes in inventories of finished goods & WIP	(100)	(171)	25	(291)	(64)
b. Employee benefit expense	114	201	213	689	905
c. Depreciation and amortisation	553	597	553	2,279	1,883
d. Power and fuel	442	404	387	1,704	1,758
e. Mining royalty	607	613	699	2,353	2,628
f. Finance costs	16	42	51	112	113
g. Other expenses	1,364	1,336	1,378	5,259	5,221
<b>Total expenses</b>	<b>2,996</b>	<b>3,022</b>	<b>3,306</b>	<b>12,105</b>	<b>12,444</b>
5 <b>Profit before tax</b>	<b>1,865</b>	<b>2,095</b>	<b>2,724</b>	<b>8,390</b>	<b>10,456</b>
6 <b>Tax Expense</b>					
Current tax	311	358	583	1,428	2,220
Deferred tax (Refer Note 3)	215	117	129	157	280
<b>Net Tax expense / (benefit)</b>	<b>526</b>	<b>475</b>	<b>712</b>	<b>1,585</b>	<b>2,500</b>
7 <b>Net Profit</b>	<b>1,339</b>	<b>1,620</b>	<b>2,012</b>	<b>6,805</b>	<b>7,956</b>
A.(i) Items that will not be reclassified to profit or loss					
(ii) Income tax relating to above	(70)	(7)	(4)	(154)	(36)
B.(i) Items that will be reclassified to profit or loss	25	2	2	54	13
(ii) Income tax relating to above	-	-	-	-	(55)
8 <b>Other Comprehensive Income/(Loss)</b>	<b>(45)</b>	<b>(5)</b>	<b>(2)</b>	<b>(100)</b>	<b>(94)</b>
9 <b>Total Comprehensive Income for the period</b>	<b>1,294</b>	<b>1,615</b>	<b>2,010</b>	<b>6,705</b>	<b>7,862</b>
10 Paid up Equity Share Capital (face value Rs 2 each)	845	845	845	845	845
11 Reserves as shown in the Audited Balance Sheet				39,465	32,760
12 <b>Earnings per share in Rs (of Rs 2 each) (not annualised except for year ended March):</b>					
a. Basic	3.17	3.83	4.76	16.11	18.83
b. Diluted	3.17	3.83	4.76	16.11	18.83

*J. Samra*

*Arjun*

**STATEMENT OF ASSETS AND LIABILITIES**

PARTICULARS	Rs in Crore	
	As at 31.03.2020	As at 31.03.2019
	Audited	Audited
<b>A. ASSETS</b>		
<b>1. Non current assets</b>		
a) Property, plant and equipment	16,217	14,668
b) Capital work in progress	2,489	2,254
c) Other intangible assets	252	110
d) Financial assets		
i) Loans		
ii) Other financial asset	13	13
e) Deferred tax assets (net)	40	38
f) Other non current assets	1,822	1,925
g) Income tax assets	480	638
<b>Sub-total - Non current assets</b>	<b>849</b>	<b>1,240</b>
<b>2. Current assets</b>	<b>22,162</b>	<b>20,886</b>
a) Inventories		
b) Financial assets	1,835	1,544
i) Investments		
ii) Trade receivables	20,329	19,488
iii) Cash and cash equivalents	401	196
iv) Bank balances other than (iii) above	1,878	2
v) Loans	40	21
vi) Other financial asset	2	3
c) Other current assets	6	4
<b>Sub-total - Current assets</b>	<b>322</b>	<b>314</b>
<b>Total - Assets</b>	<b>24,813</b>	<b>21,572</b>
	<b>46,975</b>	<b>42,458</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
a) Equity share capital	845	845
b) Other equity	39,465	32,760
<b>Sub-total - Equity</b>	<b>40,310</b>	<b>33,605</b>
<b>2. Non current liabilities</b>		
a) Financial liabilities		
b) Other non current liabilities	22	19
c) Provisions	1,068	945
<b>Sub-total - Non current liabilities</b>	<b>162</b>	<b>145</b>
<b>3. Current liabilities</b>	<b>1,252</b>	<b>1,109</b>
a) Financial liabilities		
i) Short term borrowings		
ii) Trade payables	611	2,538
A) Total outstanding dues of micro enterprises and small enterprises	36	52
B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,452	1,122
Total Trade Payables	1,488	1,174
iii) Other financial liabilities	1,487	1,401
b) Other current liabilities	1,694	2,397
c) Provisions	70	74
d) Current tax liabilities	63	160
<b>Sub-total - Current liabilities</b>	<b>5,413</b>	<b>7,744</b>
<b>Total - Equity and Liabilities</b>	<b>46,975</b>	<b>42,458</b>

*J. Banerjee*

*10/11/20*

**CASH FLOW STATEMENT**

PARTICULARS	Rs in Crore	
	Year ended 31.03.2020	Year ended 31.03.2019
	Audited	Audited
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	8,390	10,456
<b>Adjustments to reconcile profit to net cash provided by operating activities:</b>		
Depreciation and amortization expense	2,279	1,883
Interest expense	112	113
Amortization of deferred revenue arising from government grant	(988)	(801)
Net gain on investments measured at FVTPL	(97)	(69)
Net loss/(gain) on sale of property, plant and equipment	(637)	(550)
Net loss/(gain) on sale of financial asset investments	23	(48)
	(209)	(314)
<b>Operating profit before working capital changes</b>	<b>8,873</b>	<b>10,670</b>
<b>Changes in assets and liabilities</b>		
(Increase)/Decrease in Inventories	(291)	(165)
(Increase)/Decrease in Trade receivables	(205)	(12)
(Increase)/Decrease in Other current assets	(13)	73
(Increase)/Decrease in Other non current assets	-	(59)
Increase/ (Decrease) in Trade payables	313	227
Increase/(Decrease) in Other current liabilities	(920)	605
Increase/(Decrease) in non current liabilities	(1)	2
<b>Cash flows from operations</b>	<b>7,756</b>	<b>11,341</b>
Income taxes paid during the year	(1,135)	(2,560)
<b>Net cash flows from operating activities</b>	<b>6,621</b>	<b>8,781</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchases of Property, Plant and Equipment (including intangibles, CWIP and Capital Advances)	(3,637)	(3,400)
Interest received	523	253
Deposits made during the year	(4)	-
Purchase of current investments	(35,612)	(41,660)
Proceeds from sale of current investments	36,063	43,656
Proceeds from sale of Property, Plant and Equipment	19	59
<b>Net cash flows (used in) investing activities</b>	<b>(2,648)</b>	<b>(1,092)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest and other finance charges paid	(170)	(208)
Proceeds from short term borrowings	6,945	12,407
Repayment of short term borrowings	(8,869)	(9,871)
Payment of lease liabilities	(4)	-
Dividend and tax paid thereon	-	(11,958)
<b>Net cash flows (used in) financing activities</b>	<b>(2,098)</b>	<b>(9,630)</b>
Net increase / (Decrease) in Cash and cash equivalents	1,875	(1,941)
Cash and cash equivalents at the beginning of the period	23	1,964
<b>Cash and cash equivalents at the end of the period</b>	<b>1,898</b>	<b>23</b>

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**REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

PARTICULARS		Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited (Refer note 5)	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Segment Revenue</b>					
a)	Zinc, Lead and Silver					
	(i) Zinc, Lead, others					
	(ii) Silver Metal	3,692	3,908	4,611	15,715	18,089
	Total	601	692	744	2,444	2,568
b)	Wind Energy	4,293	4,600	5,355	18,159	20,657
	<b>Revenue from operations</b>	28	26	29	173	177
	Other Operating Income	4,321	4,626	5,384	18,332	20,834
	<b>Total Operating Income</b>	70	46	107	229	284
<b>2</b>	<b>Segment Result</b>	4,391	4,672	5,491	18,561	21,118
a)	Zinc, Lead and Silver					
	(i) Zinc, Lead, others					
	(ii) Silver Metal	905	1,097	1,607	4,431	6,606
	Total	517	613	639	2,127	2,208
b)	Wind Energy	1,422	1,710	2,246	6,558	8,814
	<b>Profit before interest, tax and exceptional item</b>	12	8	13	109	119
	Less: Interest	1,434	1,718	2,259	6,667	8,933
	Add : Other unallocable income net of unallocable expenditure	16	42	51	112	113
	<b>Profit before Tax</b>	447	419	516	1,835	1,636
	<b>Segment Assets</b>	1,865	2,095	2,724	8,390	10,456
a)	Zinc, Lead and Silver					
b)	Wind Energy	21,340	20,637	19,106	21,340	19,106
c)	Unallocated	693	714	659	693	659
	<b>Segment Liabilities</b>	24,942	25,305	22,693	24,942	22,693
a)	Zinc, Lead and Silver	46,975	46,656	42,458	46,975	42,458
b)	Wind Energy					
c)	Unallocated	5,950	4,596	6,110	5,950	6,110
	<b>Capital Employed</b>	20	17	14	20	14
		695	3,026	2,729	695	2,729
		6,665	7,639	8,853	6,665	8,853
		40,310	39,017	33,605	40,310	33,605

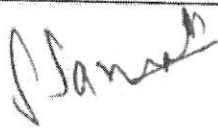
**NOTES:**

- The above results for the quarter and year ended March 31, 2020 have been reviewed by Audit Committee and approved by the Board of Directors in its meeting held on May 21, 2020.
- Ind AS 116 "Leases" has been introduced effective from April 1, 2019 and its application did not have any material impact on the financial results including the retained earnings as at 1 April, 2019.
- Section 115BAA of the Income- tax Act, 1961 was introduced by the Taxation Laws (Amendment) Ordinance, 2019, which was subsequently converted into an Act. Based on the expected timing of exercising of Section 115BAA, the Company re-measured its deferred tax balances on March 31, 2019 leading to a deferred tax credit of Rs 365 crore, being recognized during the year.
- 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, 2020 and the nine months unaudited published figures up to December 31, 2019.
- The Board of Directors on May 12, 2020 have declared an interim dividend of Rs. 16.50 per equity share aggregating to Rs. 6,972 crore for the financial year 2019-20.

By Order of the Board

  
Sunil Duggal  
CEO & Whole-time Director  
Place: Udaipur

Date: May 21, 2020  
Place: Mumbai





Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors of  
Hindustan Zinc Limited

Report on the audit of the Financial Results

#### Opinion

We have audited the accompanying statement of quarterly and year to date financial results of Hindustan Zinc Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("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, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and



completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SUDHIR  
MURLIDHAR  
SONI

Digitally signed by SUDHIR MURLIDHAR  
SONI  
DN: cn=SUDHIR MURLIDHAR SONI, c=IN,  
o=Personal, email=sudhir.soni@in.ey.com  
Reason: Approved  
Location: Mumbai  
Date: 2020.05.21 10:50:35 +0530'

per Sudhir Soni

Partner

Membership No.: 41870

UDIN: 20041870AAAAAL7052

Place: Mumbai

Date: May 21, 2020



## Hindustan Zinc Limited

### Results for the Fourth Quarter and Full Year Ended March 31, 2020

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*“Robust Q4 production despite Covid-19; All key projects for 1.2 mtpa capacity complete”*

#### Highlights for the quarter

- Mined metal production of 249kt, up 6% q-o-q
- Refined metal production of 221kt, up 1% q-o-q
- Silver production of 168 MT, up 12% q-o-q

#### Highlights for the year

- Mined metal production of 917kt, down 2%
- Refined metal production of 870kt, down 3%

**Udaipur, May 21, 2020:** Hindustan Zinc Limited, the leading global integrated producer of zinc, lead and silver, reported its results for the fourth quarter and full year ended March 31, 2020.

Commenting on the Q4 and FY performance, **Mr Sunil Duggal, CEO**, said: *“Industrial activity across the globe is undergoing a level of disruption unforeseen since the second world-war. In these challenging times, our focus is business continuity and safety of our people & operations and supporting our communities affected by the pandemic. We have ramped up our operations back to normal levels and are confident of delivering good performance in FY2021.”*

**Mr Swayam Saurabh, CFO**, said: *“We are accelerating our sustainable cost reduction programs and finding new opportunities to control costs & conserve capital in rapidly evolving ecosystems. We are confident to emerge stronger from the current economic crisis and generate superior returns for our shareholders.”*

## Financial Summary

Rs. Crore or as stated

Particulars	Q4			Q3		FY		
	2020	2019	Change	2020	Change	2020	2019	Change
<b>Sales<sup>1</sup></b>								
Zinc	2,920	3,689	-21%	3,165	-8%	12,645	14,477	-13%
Lead	692	809	-14%	652	6%	2,699	3,159	-15%
Silver	601	745	-19%	690	-13%	2,445	2,568	-5%
Others	178	248	-28%	165	8%	772	914	-16%
<b>Total</b>	<b>4,391</b>	<b>5,491</b>	<b>-20%</b>	<b>4,672</b>	<b>-6%</b>	<b>18,561</b>	<b>21,118</b>	<b>-12%</b>
<b>EBITDA</b>	<b>1,961</b>	<b>2,797</b>	<b>-30%</b>	<b>2,288</b>	<b>-14%</b>	<b>8,849</b>	<b>10,747</b>	<b>-18%</b>
Profit After Taxes	1,339	2,012	-33%	1,620	-17%	6,805	7,956	-14%
Earnings per Share	3.17	4.76	-33%	3.83	-17%	16.11	18.83	-15%
(Rs., not annualised)								
<b>Mined Metal Production ('000 MT)</b>	<b>249</b>	<b>245</b>	<b>2%</b>	<b>235</b>	<b>6%</b>	<b>917</b>	<b>936</b>	<b>-2%</b>
<b>Refined Metal Production ('000 MT)</b>								
<b>Total Refined Metal</b>								
Zinc	172	175	-2%	178	-4%	688	696	-1%
Saleable Lead <sup>2</sup>	49	53	-7%	41	20%	181	198	-8%
Zinc & Lead	221	227	-3%	219	1%	870	894	-3%
Saleable Silver <sup>3,4</sup> (in MT)	168	191	-12%	149	12%	610	679	-10%
Wind Power (in million units)	71	77	-8%	68	4%	437	449	-3%
Zinc CoP without Royalty (Rs. / MT)	72,220	67,359	7%	76,571	-6%	74,172	70,444	5%
Zinc CoP without Royalty ( \$ / MT)	997	956	4%	1,077	-7%	1,047	1,008	4%
Zinc LME ( \$ / MT)	2,128	2,702	-21%	2,388	-11%	2,402	2,743	-12%
Lead LME ( \$ / MT)	1,847	2,036	-9%	2,045	-10%	1,952	2,121	-8%
Silver LBMA ( \$ / oz.)	16.9	15.6	9%	17.3	-2%	16.5	15.4	7%
USD-INR (average)	72.45	70.49	3%	71.06	2%	70.86	69.89	1%

(1) Including other operating income

(2) Excluding Captive consumption of 1,755 MT in Q4 FY 2020 as compared with 1,403 MT in Q4 FY 2019 and 1,937 MT in Q3 FY 2020. Excluding captive consumption of 7,088 MT in FY 2020 vs. 6,534 MT in FY 2019

(3) Excluding captive consumption of 9.0 MT in Q4 FY 2020 as compared with 7.5 MT in Q4 FY 2019 and 10.1 MT in Q4 FY 2020. Excluding captive consumption of 36.7 MT in FY 2020 vs. 34.2 MT in FY 2019

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

## Our response to Covid-19

We have taken a pro-active approach to keep our assets and people safe while increasing engagement with our communities during these difficult times. The Company's operations were halted from March 22 and most employees were encouraged to work from home barring some employees who attended the call for duty to keep production assets safe including critical care & maintenance. To ensure business continuity, a committee COVID-19 Response 'War Room' was created to identify and implement critical business decisions to restart mines & plants in a safe manner and ramp-up while ensuring restoration of supply-chain. We gradually restarted our operations from April 8<sup>th</sup> and all our mines and smelters were operational in a couple of weeks. In the month of April 2020, we ramped up our mines and smelters to 40% and 80% of capacity respectively.

For our communities, we carried out sanitation drive in 189+ villages around our operations and extended support in the form of ready-to-eat meals to vulnerable section of society including daily wage earners and street dwellers, dry ration to 30,000+ families and masks & equipment to make PPEs to villagers and administration. We also leveraged our existing community programs like Sakhi, Khushi, etc to create grass-root capabilities at villages to make interventions sustainable and locally owned. Besides these direct interventions, we have also contributed Rs 101 Crore to PM CARES and another Rs 5 Crore to Rajasthan Chief Minister COVID-19 Mitigation Fund.

## Operational Performance

Mined metal production for the quarter was up 2% y-o-y to 249kt despite operations shutdown from March 22 onwards in compliance with lockdown to combat Covid-19. Mined metal was higher y-o-y on account of higher ore production and better overall grade. Sequentially, mined metal production was up 6% on account of continued improvement in ore grades across mines. For the full year, mined metal production was 917kt, down 2% y-o-y primarily on account of fewer days to production due to lockdown related to Covid-19 and low grades at Sindesar Khurd during H1 & Kayad mines.

Integrated metal production was 221kt for the quarter, down 3% y-o-y and up 1% sequentially due to lockdown in March. Integrated zinc production was 172kt, down 2% y-o-y and 4% sequentially. Integrated lead production was 49kt, down 7% y-o-y while it was up 20% sequentially as Dariba lead smelter resumed normal operations during the quarter. Integrated silver production was 168 MT, down 12% from a year ago due to lower lead production partly offset by better SK silver grades and improving silver recovery rate, while it was up 12% sequentially on account of higher lead production, better grades and higher silver recovery rate.

For the full year, metal production was down 3% to 870kt and silver production was lower by 10% to 610 MT on account of fewer day of production in March due to lockdown, lower lead production in Q2 & Q3 due to temporary operational issues and lower silver grades.

## Financial Performance

Revenue from operations during the quarter was Rs. 4,391 Crore, a decrease of 6% sequentially primarily due to a 11% decline in LME prices and lower metal premium, partly offset by higher volumes. From a year ago, revenue declined by 20% on account of an average 19% decline in LME prices, lower lead & silver volume and lower zinc premium, partly offset by higher silver prices and rupee depreciation. For the full year, revenue was lower by 12% to Rs 18,561 Crore on account of an average 12% decline in LME prices and lower volume, partly offset by higher silver prices and rupee depreciation.

Zinc cost of production before royalty (COP) during the quarter was \$997 (Rs. 72,220) per MT, higher by 4% (7% in Rs) y-o-y and lower by 7% sequentially (6% in Rs). The sequential decline in COP is due to higher volume, better grades, lower employee expense, improved input commodity costs, partly offset by higher R&M and lower acid credits. The y-o-y increase in COP in Q4 included lower volume, higher R&M expense, higher cement prices and lower acid credits, partly offset by lower coal costs and lower employee expense. For the full year, zinc COP excluding royalty was \$1047 (Rs. 74,172), higher by 4% y-o-y (5% in Rs). The COP increase reflects higher mine development expense, higher R&M expense, lower grades and volume, lower acid credits and higher cement prices, partly offset by lower coal costs, lower employee expense and digitisation led operational efficiency. The COP was impacted by higher electricity duty on captive power plants from Rs 0.40 to Rs 0.60 per unit starting July 2019.

EBITDA for the quarter was Rs. 1,961 Crore, down 14% sequentially on account of lower revenue partly offset by lower operating costs. EBITDA was down 30% in Q4 and 18% for the full year from a year ago primarily on account of lower LME prices.

Net profit for the quarter was Rs. 1,339 Crore, a decline of 17% sequentially and 33% y-o-y. The sequential decline in EBITDA was accentuated by a higher tax rate, partly offset by higher investment income. From a year ago, Net profit in Q4 was impacted by higher tax rate and lower investment income.

For the full year, Net profit was Rs 6,805 Crore, down 14%, wherein the impact of lower EBITDA and higher D&A expense was partly offset by higher investment income due to higher corpus & rate of return and lower tax rate due to one-time deferred tax reversal.

## Dividend

On May 12, 2020, the Board of Directors declared an interim dividend of Rs 16.50 per equity share with face value of Rs 2 each, amounting to Rs 6972 Crore.

## Outlook

Owing to uncertainty around ongoing lockdowns and business disruption risk, we are deferring guidance for FY 2021 to end of Q1. Our current focus remains around sustaining normal level of productions, active management of costs and capital conservation.

## Expansion Projects

### Update on ongoing expansion projects during the quarter

All major projects to build capacity of 1.2 mtpa were completed during the year. Capital mine development decreased by 3% y-o-y to 11.6 km in Q4 and increased by 12% to 48 km in FY2020.

At Rampura Agucha, a major milestone was achieved with start of ore hauling post commissioning of production shaft during the quarter. This will enable RA UG to achieve production capacity of over 5.0 mtpa.

At Zawar, the two backfill plants are under load trials and back filling of voids is expected to commence in May 2020. This initiative will improve mine stability and provide an opportunity for pillar mining to remove left-out high-grade ore.

At Rajpura Dariba, the existing production shaft is being upgraded from 0.7 to 1.3 mtpa over two phases to debottleneck the mine; upgrade to 0.9 mtpa is expected to complete in FY2021 and further to 1.3 mtpa in FY2022.

Other projects:

The Fumer plant at Chanderiya is ready for start-up and production is expected to commence in May 2020

## Reserve & Resource (R&R)

Total ore reserves increased from 92.6 million tonnes at the end of FY 2019 to 114.7 million MT at the end of FY 2020 while mineral resources totalled 288.3 million MT. Total R&R is unchanged at 403 million MT from a year ago as ore consumed during the year was replenished.

Total contained metal in ore reserves is 7.95 million MT of zinc, 2.07 million MT of lead and 256.2 million ounces of silver and the mineral resource contains 15.87 million MT of zinc, 5.93 million MT of lead and 641.8 million ounces of silver. At current mining rates, the R&R underpins metal production for more than 25 years.

## Contribution to the exchequer

During the year, the Company contributed Rs. 5,280 Crore to the Government treasury through royalties and taxes, which is 28% of revenue.

## Liquidity and investment

As on March 31, 2020, the Company's net cash and cash equivalents was Rs. 21,596 Crore as compared to Rs. 16,953 Crore at the end of FY 2019 and was invested in high quality debt instruments. The portfolio continues to be rated "Tier -1" implying Highest Safety by CRISIL.

## Earnings Call on Thursday, May 21, 2020 at 4:00 pm (IST)

The Company will hold an earnings conference call on Thursday, May 21, 2020 at 4.00 pm IST, where senior management will discuss the Company's results and performance.

### Conference Dial In Information:

Universal Access	+91 22 6280 1340 +91 22 7115 8241
Local Access (Available all over India)	+91 70456 71221
Playback Dial In Numbers May 21 - May 28, 2020	+91 22 7194 5757, 6663 5757 Playback Code: 24575

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## About Hindustan Zinc

Hindustan Zinc (NSE & BSE: HINDZINC) is the one of the largest integrated producers of zinc-lead in the world with a capacity of over 1.1 million MT per annum and the 6<sup>th</sup> largest global 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 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 347 MW including 274 MW of wind power, 39 MW of solar power and 34 MW of waste heat power. The Company has an operating workforce of over 21,000 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 Vedanta Resources Ltd, 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.