

HZL/2020-SECY/

July 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: - (A) Unaudited Quarterly Financial Results for the 1st quarter ended June 30, 2020.
(B) Appointment of CEO and WTD w.e.f. August 01, 2020.
(C) Appointment of Independent directors w.e.f. August 01, 2020.**

Dear All,

(A) As per the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we forward herewith a copy of un-audited financial results for the 1st quarter ended June 30, 2020, duly adopted in the meeting of Board of Directors held on July 21, 2020.

We also forward herewith a copy of the limited review report issued by the Statutory auditors on the unaudited financial results for the 1st quarter ended on June 30, 2020.

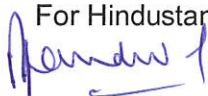
(B) As the current tenure of Mr. Sunil Duggal CEO & WTD is expiring on July 31, 2020, board has approved the appointment of Mr. Arun Misra (Currently Dy. CEO) as CEO & WTD to be effective from August 01, 2020.

(C) The second tenure of Mr. A R Narayanaswamy and Mr. Arun L Todarwal as Independent Directors is expiring on July 31, 2020. Accordingly, Board has approved appointment of Mr. Anjani Agarwal and Mr. Akhilesh Joshi as additional Directors, designated as Independent Directors on the Board, to be effective from August 01, 2020.

The meeting of the Board of Directors of the Company dated July 21, 2020 commenced at 11:45 AM and concluded at 01:50 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.

Hindustan Zinc Limited

Registered Office: Yashad Bhawan, Udaipur (Rajasthan) - 313 004

T +91-294 660 4000-02 F +91294-242 7739 www.hzlindia.com

CIN : L27204RJ1966PLC001208

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(₹ in Crore, except as stated)

PARTICULARS	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
1 Revenue from operations	3,898	4,321	4,924	18,332
2 Other operating income	91	70	63	229
3 Other income	684	470	429	1,934
Total Income	4,673	4,861	5,416	20,495
4 Expenses				
a. Changes in inventories of finished goods & WIP	167	(100)	(6)	(291)
b. Employee benefit expense	235	114	182	689
c. Depreciation and amortisation	544	553	534	2,279
d. Power and fuel	388	442	445	1,704
e. Mining royalty	463	607	594	2,353
f. Finance costs	52	16	29	112
g. Other expenses	1,160	1,364	1,295	5,259
Total expenses	3,009	2,996	3,073	12,105
5 Profit Before Tax	1,664	1,865	2,343	8,390
6 Tax Expense				
Current tax	287	311	500	1,428
Deferred tax	18	215	78	157
Net Tax Expense	305	526	578	1,585
7 Net Profit	1,359	1,339	1,765	6,805
(i) Items that will not be reclassified to profit or loss	(3)	(70)	(3)	(154)
(ii) Income tax relating to above	1	25	1	54
8 Other Comprehensive Income	(2)	(45)	(2)	(100)
9 Total Comprehensive Income for the period	1,357	1,294	1,763	6,705
10 Paid up Equity Share Capital (face value ₹ 2 each)	845	845	845	845
11 Reserves as shown in the Audited Balance Sheet				39,465
12 Earnings Per Share in Rs. (of ₹ 2 each) (not annualised except for year ended March):				
a. Basic	3.22	3.17	4.18	16.11
b. Diluted	3.22	3.17	4.18	16.11

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REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED


(₹ in Crore)

PARTICULARS	Quarter ended			
	30.06.2020	31.03.2020	30.06.2019	Year ended
	Unaudited	Audited	Unaudited	31.03.2020 Audited
1 Segment Revenue				
a) Zinc, Lead and Silver				
(i) Zinc, Lead and others	3,207	3,692	4,294	15,715
(ii) Silver Metal	645	601	576	2,444
Total	3,852	4,293	4,870	18,159
b) Wind Energy	46	28	54	173
Revenue from operations	3,898	4,321	4,924	18,332
Other Operating Income	91	70	63	229
Total operating income	3,989	4,391	4,987	18,561
2 Segment Result				
a) Zinc, Lead and Silver				
(i) Zinc, Lead and others	522	905	1,427	4,431
(ii) Silver Metal	532	517	500	2,127
Total	1,054	1,422	1,927	6,558
b) Wind Energy	30	12	39	109
Profit before interest and tax	1,084	1,434	1,966	6,667
Less: Interest	52	16	29	112
Add : Other unallocable income net of unallocable expenditure	632	447	406	1,835
Profit before Tax	1,664	1,865	2,343	8,390
Segment Assets				
a) Zinc, Lead and Silver	21,432	21,340	19,734	21,340
b) Wind Energy	714	693	682	693
c) Unallocated	23,176	24,942	20,847	24,942
	45,322	46,975	41,263	46,975
Segment Liabilities				
a) Zinc, Lead and Silver	5,429	5,950	5,483	5,950
b) Wind Energy	19	20	15	20
c) Unallocated	5,177	695	396	695
	10,625	6,665	5,894	6,665
Capital Employed	34,697	40,310	35,369	40,310

NOTES:

- The above results for the quarter ended June 30, 2020 have been reviewed by Audit Committee and approved by the Board of Directors in its meeting held on July 21, 2020 and have been subjected to a limited review by the auditors of the Company.
- Figures for previous year and quarter have been revised or reclassified, wherever necessary, for consistency.
- The figures of the quarter ended March 31, 2020 are the balancing figures between audited figures for the full financial year ended March 31, 2020 and nine months unaudited published figures up to December 31, 2019.

By Order of the Board



Sunil Duggal
CEO & Whole-time Director

Date: July 21, 2020
Place: Mumbai

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S. Duggal

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited 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

1. We have reviewed the accompanying statement of unaudited financial results of Hindustan Zinc Limited (the "Company") for the quarter ended June 30, 2020 (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, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. 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 the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, 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

SUDHIR
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SONI

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SONI, c=IN, o=Personal,
email=sudhir.soni@srb.in
Date: 2020.07.21 12:03:52 +05'30'

per Sudhir Soni
Partner
Membership No.: 41870
UDIN: 20041870AAAABD9972
Place: Mumbai
Date: July 21, 2020

Hindustan Zinc Limited

Results for the First Quarter Ended June 30, 2020

“Ramped-up operation delivered healthy performance”

Highlights for the quarter

- Mined metal production: 202kt
- Refined metal production: 202kt
- Saleable silver production: 117 MT
- Zinc COP*: \$1,019 per MT

*Operating COP of \$954 adjusted for COVID-19 related donations of \$53 per MT and one-time start-up cost

Udaipur, July 21, 2020: Hindustan Zinc Limited, the leading global integrated producer of zinc, lead and silver, reported its results for the first quarter ended June 30, 2020.

Commenting on the Q1 performance, **Mr Sunil Duggal, CEO**, said: *“Our strong performance during these difficult times demonstrates the spirit and resilience of our people, who transformed a crisis into an opportunity. The resulting streamlining of our operations has also laid a strong foundation, which will have a lasting positive impact on our performance.”*

Mr Arun Misra, Deputy CEO, said: *“We successfully restarted our operations post the lifting of COVID-19 lockdown in April and ramped up our operations across all mines and smelters to near normal levels. In these uncertain times, our priority continues to be safety of our people and continuity of our operations in order to deliver robust growth in the quarters to come.”*

Mr Swayam Saurabh, CFO, said: *“Our cost optimisation programme launched last year has started to yield results. With digitalization & automation projects taking roots in our day-to-day operations, we expect to deliver higher volume at lower costs this year.”*

Financial Summary

Rs. Crore or as stated

Particulars	Q1			Q4	
	2021	2020	Change	2020	Change
Sales¹					
Zinc	2,562	3,510	-27%	2,920	-12%
Lead	604	684	-12%	692	-13%
Silver	643	576	12%	601	7%
Others	180	217	-17%	178	1%
Total	3,989	4,987	-20%	4,391	-9%
EBITDA	1,599	2,480	-36%	1,961	-18%
Profit After Taxes	1,359	1,765	-23%	1,339	1%
Earnings per Share (Rs., not annualised)	3.22	4.18	-23%	3.17	2%
Mined Metal Production ('000 MT)	202	213	-5%	249	-19%
Refined Metal Production ('000 MT)					
Total Refined Metal					
Zinc	157	172	-8%	172	-9%
Saleable Lead ²	44	48	-7%	49	-10%
Zinc & Lead	202	219	-8%	221	-9%
Saleable Silver ^{3,4} (in MT)	117	159	-26%	168	-30%
Wind Power (in million units)	112	134	-16%	71	58%
Zinc CoP without Royalty (Rs/MT) and one-time COVID-19 related donations and start-up cost ⁵	72,004	74,220	-3%	72,220	0%
Zinc CoP without Royalty (\$/MT) and one-time COVID-19 related donations and start-up cost ⁵	954	1067	-11%	997	-4%
Zinc LME (\$ / MT)	1,961	2,763	-29%	2,128	-8%
Lead LME (\$ / MT)	1,673	1,885	-11%	1,847	-9%
Silver LBMA (\$ / oz.)	16.38	14.88	10%	16.90	-3%
USD-INR (average)	75.48	69.58	8%	72.45	4%

(1) Including other operating income

(2) Excluding Captive consumption of 1,202 MT in Q1 FY 2021 as compared with 1,822 MT in Q1 FY 2020 and 1,755 MT in Q4 FY2020.

(3) Excluding captive consumption of 6.2 MT in Q1 FY2021 as compared with 9.4 MT in Q1 FY 2020 and 9.0 MT in Q4 FY2020.

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

(5) Reported Zinc CoP without royalty was \$1,019 (Rs 76,920) per MT in Q1 FY2021

Operational Performance

Mined metal production for the quarter was down 5% y-o-y and 19% sequentially to 202kt due to fewer days of production in April and lower workforce availability on account of restrictions related to COVID-19. Ore grades were flat from a year ago and were lower sequentially as per mine plan and mix shift.

Integrated metal production was 202kt for the quarter, down 8% y-o-y and 9% sequentially due to lower production in April. Integrated zinc production was 157kt, down 8% y-o-y and 9% sequentially while integrated lead production was 44kt, down 7% y-o-y and 10% sequentially. Integrated saleable silver production was 117 MT, down 26% y-o-y and 30% sequentially due to delayed stabilization of DSC lead smelter and increase in WIP, partly offset by higher silver grades.

Financial Performance

Revenue from operations during the quarter was Rs. 3,989 Crore, a decrease of 20% y-o-y and 9% sequentially primarily due to a 29% y-o-y and 8% sequential decline in zinc LME prices, 11% y-o-y and 9% sequential decline in lead LME prices, lower metal premium, and COVID-19 impacted lower volume, partly offset by rupee depreciation.

Zinc cost of production (COP) before royalty and adjusted for one-time costs (COVID-19 related donations & start-up costs) was \$ 954 (Rs 72,004) per MT for the quarter, lower by 11% (3% in Rs) y-o-y and lower by 4% sequentially (flat in Rs). Reported COP was \$1,019 (Rs. 76,920) per MT and included Rs. 101 Crore (\$53 per MT) for contribution towards PM-CARES fund. The COP benefitted from continued decline in coal, diesel and metcoke prices as well as structural cost reduction initiatives in the areas of consumption, contracting, fixed cost base and digitalization driven efficiency. These were partly offset by lower volume, lower grades sequentially and weak acid credits.

EBITDA for the quarter was Rs. 1,599 Crore, down 36% y-o-y and 18% sequentially on account of lower revenue, contribution towards COVID-19 donations and one-time start-up costs, partly offset by lower operating costs.

Net profit for the quarter was Rs. 1,359 Crore, a decline of 23% y-o-y and up 1% sequentially. The decline in EBITDA was partly offset by higher investment income primarily on account of mark-to-market gains due to favourable interest rate movement.

Outlook

Both mined metal and finished metal production in FY2021 will be higher than last year and is expected to be between 925-950 KT each. FY2021 saleable silver production is projected at c.650 MT.

Zinc cost of production in FY2021 is expected to remain below \$1,000 per MT. The project capex for the year is expected to be in the range of US\$100-140 million.

Expansion Projects

Project work was resumed at all sites in June while complying with COVID-19 guidelines and providing essential training and awareness to ensure safety and well-being of all workers and business partners.

Consequently, the commissioning of back-fill plants at Zawar is expected to be completed in Q2. Fumer plant is ready for commissioning and is waiting for OEM support delayed due to visa and travel restrictions.

We commissioned a 10 MLD STP in Udaipur and another 5 MLD plant is in its final stages of commissioning, which will take the total STP capacity to 60 MLD. This will treat major portion of the sewage of Udaipur city. While part of the recycled water will continue to be used by our plants, the remaining water will be discharged back into the river to augment ground water levels and help downstream agriculture.

Liquidity and investment

As on June 30, 2020, the Company's net cash and cash equivalents was Rs. 15,480 Crore as compared to Rs. 21,596 Crore at the end of FY2020 and was invested in high quality debt and other fixed income instruments.

Earnings Call on Tuesday, July 21, 2020 at 4:00 pm (IST)

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

Conference Dial-In Information:

Express Join via internet registration

Please dial the below number at least 5-10 minutes prior to the conference schedule.

Universal Access +91 22 6280 1340, +91 22 7115 8241

Local Access (Available all over India) +91-7045671221

Playback Dial-In Numbers +91 22 71945757, +91 22 66635757
Jul 21 – Jul 28, 2020 Playback Code: 20822

For further information, please contact:

Preeti Dubey, CFA
Investor Relations
preeti.dubey@vedanta.co.in

Shweta Arora
Investor Relations
Shweta.arora@vedanta.co.in

Abhishek Jha
Investor Relations
Abhishek.jha@vedanta.co.in

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 1.0 million MT per annum and the 6th 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 273.5 MW of wind power, 39.6 MW of solar power and 35.4 MW of waste heat power. The Company has an operating workforce of over 19,100 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 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.