

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

18th Jan.2018

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 3rd quarter / Nine months financial results after limited review for the period ended 31st Dec., 2017.

Dear Sir,

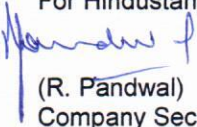
As per the requirement of Clause 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we forward herewith a copy of unaudited financial results after limited review for the 3rd quarter / Nine months ended 31st Dec.,2017 duly adopted in the meeting of the Board of Directors held on **18th Jan. 2018**.

We also forward herewith a copy of limited review report issued by the Statutory Auditors on the unaudited financial result for the 3rd quarter / Nine months ended 31st Dec., 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.hzindia.com
CIN: L27204RJ1966PLC001208

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31st DECEMBER, 2017
(Rs in Crore, except as stated)

PARTICULARS	Quarter ended			Nine month ended		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations (net of excise duty)	5,922	5,309	4,987	15,807	11,018	17,273
Add: Excise duty	-	-	404	437	1,029	1,525
Revenue from operations (gross of excise duty)	5,922	5,309	5,391	16,244	12,047	18,798
2 Other income	298	487	584	1,315	1,988	2,474
Total Income	6,220	5,796	5,975	17,559	14,035	21,272
3 Expenses						
a. Cost of materials consumed	-	-	-	-	26	26
b. Purchase of traded goods	-	-	-	-	336	336
c. Changes in inventories of finished goods & WIP	231	124	(234)	480	(476)	(676)
d. Employee benefits expense	195	225	178	594	532	722
e. Depreciation and amortisation	481	394	458	1,235	1,279	1,811
f. Power and fuel	429	395	377	1,211	667	1,060
g. Mining royalty	702	567	717	1,818	1,423	2,269
h. Finance costs	17	84	46	238	188	202
i. Excise duty	-	-	404	437	1,029	1,525
j. Other expenses	1,121	974	1,161	3,052	2,514	3,797
Total expenses	3,176	2,763	3,107	9,065	7,518	11,072
4 Profit before tax and exceptional item	3,044	3,033	2,868	8,494	6,517	10,200
5 Exceptional gain	-	291	-	291	-	-
6 Profit before tax	3,044	3,324	2,868	8,785	6,517	10,200
Tax Expense						
Current tax	642	697	605	1,855	1,375	2,196
Deferred tax	172	82	-57	279	(117)	(312)
7 Net Profit for the period	2,230	2,545	2,320	6,651	5,259	8,316
A.(i) Items that will not be reclassified to profit or loss	(1)	(7)	(8)	(9)	(13)	(4)
(ii) Income tax relating to above	-	3	3	3	4	1
B.(i) Items that will be reclassified to profit or loss	(278)	(99)	5	(352)	83	78
(ii) Income tax relating to above	89	36	(20)	122	(20)	(20)
8 Other Comprehensive Income	(190)	(67)	(20)	(236)	54	55
9 Total Comprehensive Income for the period	2,040	2,478	2,300	6,415	5,313	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	5.28	6.02	5.49	15.74	12.45	19.68
b. Diluted	5.28	6.02	5.49	15.74	12.45	19.68




REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

PARTICULARS	Rs in Crore					
	Quarter ended			Nine month ended		Year ended
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
a) Zinc, Lead and Silver						
(i) Zinc, Lead and others	5,306	4,618	4,817	14,388	10,427	16,507
(ii) Silver Metal	519	557	483	1,511	1,325	1,888
Total	5,825	5,175	5,300	15,899	11,752	18,395
b) Wind Energy	21	57	19	140	147	176
Sales/Income from operations	5,846	5,232	5,319	16,039	11,899	18,571
2 Segment Result (Profit before interest,tax and exceptional gain)						
a) Zinc, Lead and Silver						
(i) Zinc, Lead and others	2,360	2,163	2,038	6,206	3,690	6,469
(ii) Silver Metal	449	485	380	1,275	1,041	1,486
Total	2,809	2,648	2,418	7,481	4,731	7,955
b) Wind Energy	(2)	37	(11)	81	63	79
Total	2,807	2,685	2,407	7,562	4,794	8,034
Less: Interest	17	84	46	238	188	202
Add : Exceptional gain	-	291	-	291	-	-
Add : Other unallocable income net of unallocable expenditure	254	432	507	1,170	1,911	2,368
Profit before Tax	3,044	3,324	2,868	8,785	6,517	10,200
Segment Assets						
a) Zinc, Lead and Silver	16,808	16,327	15,870	16,808	15,870	15,559
b) Wind Energy	708	747	783	708	783	773
c) Unallocated	22,518	23,291	28,618	22,518	28,618	35,464
	40,034	40,365	45,271	40,034	45,271	51,796
Segment Liabilities						
a) Zinc, Lead and Silver	3,802	4,134	3,450	3,802	3,450	4,711
b) Wind Energy	18	17	12	18	12	12
c) Unallocated	13	1,034	79	13	79	16,268
	3,833	5,185	3,541	3,833	3,541	20,991
Capital Employed	36,201	35,180	41,730	36,201	41,730	30,805
NOTES:						
1) The above results for the quarter and nine months ended December 31, 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 18, 2018. The statutory auditors have carried out a Limited Review of the same.						
2) 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.						
3) Exceptional gain of Rs 291 Crore in the previous quarter ended September 30 2017, represents reversal of royalty provision towards zinc, lead and silver related to District Mineral Foundation pursuant to Supreme Court ruling.						
						<p>By Order of the Board</p>  <p>Sunil Duggal CEO & Whole-time Director</p>
Date: January 18, 2018 Place: Mumbai						





Limited Review Report

Review Report to
The Board of Directors
Hindustan Zinc Limited

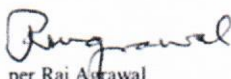
We have reviewed the accompanying statement of unaudited financial results of Hindustan Zinc Limited ('the Company') for the quarter ended December 31, 2017 and year to date from April 1, 2017 to December 31, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements 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: January 18, 2018



Hindustan Zinc Limited

Results for the Third Quarter and Nine Months Ended December 31, 2017

“EBITDA up 18% y-o-y in Q3 and 46% YTD on robust underground mine production and firm metal prices”

Highlights for the quarter

- Mined metal production at 240kt, up 10% q-o-q and down 13% y-o-y
- Refined zinc-lead metal production at 245kt, up 7% q-o-q and flat y-o-y
- Refined silver production at 132 MT, down 6% q-o-q and up 12% y-o-y
- EBITDA at Rs. 3,261 Crore; up 7% q-o-q and 18% y-o-y

Highlights for 9M

- Mined metal production at 693kt, up 16% y-o-y
- Refined zinc-lead metal production at 704kt, up 28% y-o-y
- Refined silver production at 387 MT, up 24% y-o-y
- EBITDA at Rs. 8,717 Crore; up 46% y-o-y

Udaipur, January 18, 2018: Hindustan Zinc Limited today announced its results for the third quarter and nine months ended December 31, 2017.

Mr. Agnivesh Agarwal, Chairman -

“I am pleased to report that underground mines contributed to 85% of total production during the year so far, underpinning our successful transition to a fully underground mining company. In the six years of our transformational journey, we have consistently delivered higher production, profitability & record dividends, supported by increasing metal prices. The target of 1.2 million MT of mined metal production is now within our reach.”

Financial Summary

(In Rs. Crore, except as stated)

Particulars	Q3			Q2		9M		
	2018	2017	Change	2018	Change	2018	2017	Change
Sales								
Zinc	4,433	4,094	8%	3,903	14%	12,115	8,701	39%
Lead	788	649	21%	638	24%	2,021	1,484	36%
Silver	519	483	7%	557	-7%	1,511	1,325	14%
Others	106	95	12%	134	-21%	392	390	1%
Total	5,846	5,321	10%	5,232	12%	16,039	11,900	35%
EBITDA	3,261	2,757	18%	3,052	7%	8,717	5,964	46%
Profit After Taxes	2,230	2,320	-4%	2,545	-12%	6,651	5,259	26%
Earnings per Share	5.28	5.49	-4%	6.02	-12%	15.74	12.45	26%
(Rs., not annualised)								
Mined Metal Production ('000 MT)	240	276	-13%	219	10%	693	595	16%
Refined Metal Production ('000 MT)								
Integrated Refined Metal								
Zinc	200	205	-3%	192	4%	585	456	28%
Saleable Lead ¹	46	39	18%	38	20%	118	94	26%
<i>Zinc & Lead</i>	245	244	0%	230	7%	704	550	28%
Saleable Silver ^{2,3} (in MT)	132	118	12%	140	-6%	387	314	24%
Total Refined Metal								
Zinc	200	205	-3%	192	4%	585	457	28%
Saleable Lead ¹	46	39	18%	38	20%	118	94	26%
<i>Zinc & Lead</i>	245	244	0%	230	7%	704	551	28%
Saleable Silver ^{2,3} (in MT)	132	118	12%	140	-6%	387	314	24%
Wind Power (in million units)	57	53	8%	143	-60%	356	373	-5%
Zinc CoP without Royalty (Rs. / MT) ⁴	66,118	58,067	14%	63,288	4%	64,079	57,198	12%
Zinc CoP without Royalty (\$ / MT) ⁴	1,022	861	19%	984	4%	994	852	17%
Zinc LME (\$ / MT)	3,236	2,517	29%	2,963	9%	2,935	2,230	32%
Lead LME (\$ / MT)	2,492	2,149	16%	2,334	7%	2,331	1,913	22%
Silver LBMA (\$ / oz.)	16.73	17.19	-3%	16.84	-1%	16.92	17.88	-5%
USD-INR (average)	64.74	67.46	-4%	64.29	1%	64.49	67.12	-4%

(1) Excluding Captive consumption of 1,786 tonnes in Q3 FY 2018 as compared with 1,731 tonnes in Q3 FY 2017 and 1,634 tonnes in Q2 FY2018. For 9M, it was 5,376 tonnes as compared with 3,652 tonnes a year ago.

(2) Excluding captive consumption of 9,275 tonnes in Q3 FY2018 as compared with 8,918 tonnes in Q3 FY 2017 and 8,750 tonnes in Q2 FY2018. For 9M, it was 28,229 tonnes as compared with 18,745 tonnes 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. 67,082 in Q3 FY 2018

Note:

1) Historical numbers have been revised as per Ind-AS reporting

2) 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 in Q3 FY 2018 was up 10% sequentially at 240kt due to higher ore treatment. The y-o-y decrease was 13% driven primarily by decline in overall ore grades due to mine mix and lower production from Rampura Agucha open-cast mine, even as total ore treated was higher. For the nine-month period, mined metal production was up by 16% to 693kt from a year ago due to higher ore production from underground mines, partly offset by lower open-cast mine production.

Integrated zinc metal production was 200kt tonnes, 4% higher sequentially and 3% lower y-o-y. Integrated lead metal production was 46kt tonnes, 20% higher q-o-q and 18% higher y-o-y. This was in line with availability of mined metal and smelters. Integrated silver production was at 132 tonnes, 6% lower q-o-q on accumulation of WIP and up 12% y-o-y in line with higher lead production.

For the nine-month period, integrated zinc, lead and silver production were higher by 28% y-o-y, 26% y-o-y and 24% y-o-y respectively, in line with higher availability of mined metal.

Financial Performance

Revenues during the quarter were at Rs. 5,846 Crore, an increase of 12% q-o-q and 10% y-o-y. The y-o-y increase was due to higher lead & silver volume and strong zinc & lead LME, partly offset by lower zinc volume and rupee appreciation. For the nine-month period, revenues were up by 35% y-o-y driven primarily by higher metal volumes and prices.

The cost of production before royalty (COP) for zinc during the quarter was at Rs. 66,118 per MT (\$1,022), up 4% in INR and USD terms, compared to the previous quarter and up 14% y-o-y in INR and 19% in USD terms. The y-o-y increase was primarily on account of about 25% increase in prices of metcoke & imported coal and other commodities, and lower overall grades. For the nine-month period, COP was higher by 12.0% in INR and 17% in USD at Rs. 64,079 (\$994) primarily due to over 50% increase in prices of metcoke & imported coal and other commodities.

EBITDA for the quarter came in at Rs. 3,261 Crore, up 18% y-o-y and 7% q-o-q while YTD EBITDA increased by 46% y-o-y to Rs. 8,717 Crore.

Net profit during the quarter was at Rs. 2,230 Crore, down 4% y-o-y and 12% q-o-q while for YTD net profit was up by 26% y-o-y to Rs. 6,651 Crore. Lower investment income on account of smaller corpus and lower rate of return and higher depreciation & tax rate partly offset gains in EBITDA. Excluding a one-time exceptional gain of Rs. 291 Crore in Q2 related to the Supreme Court's favourable judgement on District Mineral Fund levies, net profit during the quarter was at similar level as compared last quarter.

As announced last quarter, the Company has done forward sale of 220kt of zinc and 30kt of lead at \$3,084 and \$2,418 respectively for the period January to June 2018. Of this, 165kt (150kt of zinc and 15kt of lead) is for Q4 FY 2018 and remaining from April to June 2018. There were no further forward sales during the quarter.

Outlook

Production guidance for FY 2018 is reiterated with mined metal to be higher than FY 2017, refined zinc-lead metal of about 950kt, refined silver metal of over 500 MT. Zinc COP for FY 2018 is projected to be in the range of \$950 to \$975 per MT due to continued increase in commodity prices offsetting benefit of higher volume and cost efficiency measures. 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 55% y-o-y and was flat q-o-q to 9,685 meters during the quarter across all mines. For the nine-month period, capital mine development was 28,126 meters, up 69% as compared to corresponding prior period.

Rampura Agucha underground mine achieved the highest ever mine development for the quarter at 5,958 meters, 11% higher than the previous best. The underground mine has crossed ore production run rate of 2.0 mtpa. The main shaft hoisting system was commissioned during the quarter and is now in operation for waste hoisting. South primary ventilation system is progressing on fast track and expected to commission by end of January 2018. Off shaft development is on track and production from the shaft is expected to start as per schedule from Q3 FY2019.

Sindesar Khurd mine achieved mine development of 4,527 meters during the quarter. It crossed 4.5 mtpa run-rate for ore production during the quarter. Main shaft equipping is progressing as per schedule and on track for completion in Q4 FY2018, with production from the shaft expected to start as per schedule in Q3 FY2019. Civil and structure erection for the new 1.5 mtpa mill is going on at full swing and expected to commission in Q2 FY 2019.

Zawar mine achieved mine development of 6,555 meters during the quarter. Post completion of the Zawar mill debottlenecking to 2.7 mtpa, detailed engineering and site construction work for the new mill of 2.0 mtpa has commenced. The new mill is expected to commission in Q3 FY 2019.

Kayad and Rajpura Dariba: The Expert Appraisal Committee of MoEF has approved expansion of ore production at Rajpura Dariba from 0.9 to 1.08 mtpa and at Kayad from 1.0 to 1.2 mtpa. This will pave the way for higher production from these mines in the near future.

Fumer project at Chanderiya is progressing as per schedule. Civil construction work is 70% complete and the project is on track to get commissioned by mid-FY 2019.

Liquidity and investment

As on December 31, 2017, the Company's cash and cash equivalents was Rs. 19,176 Crore invested in high quality debt instruments. During the quarter, the Company paid off the remaining Rs. 593 Crore of short term commercial paper, which was raised in March 2017 to meet the special interim dividend funding requirement.

Earnings Call on Monday, January 18, 2018 at 3:30 pm (IST)

The Company will hold an earnings conference call on Thursday, January 18, 2018 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 324 MW including 274 MW of wind power, 16 MW of solar power and 35 MW of waste heat power. The Company has an operating workforce of nearly 17,600 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.