



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

10 Feb., 2017

Mr. S. Subramanian
DCS-CRD
Bombay Stock Exchange Ltd.
Dalal Street, Fort MUMBAI-400 001

Mr. Hari K.
Head – Listing & Corporate Communications
National Stock Exchange (India) Ltd.
“Exchange Plaza” Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Code: 500188

Scrip Code: HINDZINC-EQ

Sub: - Unaudited 3rd quarter / Nine months financial results after limited review for the period ended 31st Dec., 2016.

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., 2016 duly adopted in the meeting of the Board of Directors held on 10th Feb. 2017.

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., 2016.

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 MONTHS ENDED 31ST DECEMBER, 2016
(Rs in Crore, except as stated)

PARTICULARS	Quarter ended				
	31.12.2016			31.12.2015	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1 Income from operations					
a) Sales/Income from operations	5,348.00	3,819.91	3,676.11	11,942.89	11,841.69
b) Other Operating Income	36.01	57.56	45.39	122.71	204.78
Total income from operations	5,384.01	3,877.47	3,721.50	12,065.60	12,046.47
2 Expenses					
a) Cost of materials consumed	-	12.80	0.63	25.79	50.80
b) Purchase of Stock in Trade	-	-	-	336.37	-
c) Changes in inventories of finished goods & WIP	(233.94)	(66.02)	165.55	(475.89)	34.64
d) Employee benefits expense	178.32	180.96	212.23	532.51	579.98
e) Depreciation and amortisation expense (refer note 4)	458.86	431.65	179.74	1,279.11	543.88
f) Consumption of stores and spares	324.62	282.72	271.39	849.03	792.74
g) Repairs to plant and machinery	272.61	273.19	250.20	833.91	712.44
h) Power and Fuel (refer note 5)	376.67	122.19	336.06	666.97	1,186.00
i) Mining Royalty	716.58	442.86	363.24	1,422.83	1,298.54
j) Excise Duty on sale of goods	404.11	351.74	290.92	1,029.36	952.42
k) Other Mining and Manufacturing expenses	255.90	209.78	174.26	636.61	630.89
l) Deferred Mining expenses (refer note 3)	158.86	(140.86)	-	(170.99)	-
m) Other expenses	146.91	131.43	178.95	388.71	468.90
Total expenses	3,059.50	2,232.44	2,423.17	7,354.32	7,251.23
3 Profit from operations before other income, finance costs and exceptional items	2,324.51	1,645.03	1,298.33	4,711.28	4,795.24
4 Other Income	588.15	770.15	591.96	1,992.59	2,018.49
5 Profit before finance costs and exceptional Items	2,912.66	2,415.18	1,890.29	6,703.87	6,813.73
6 Finance Costs	45.09	71.20	5.11	187.51	7.93
7 Profit after finance costs but before exceptional Items	2,867.57	2,343.98	1,885.18	6,516.36	6,805.80
8 Exceptional items	-	-	0.75	-	29.70
9 Profit before tax	2,867.57	2,343.98	1,884.43	6,516.36	6,776.10
10 Tax Expense (including deferred tax and net of MAT credit entitlement)	547.67	442.11	44.85	1,257.73	747.96
11 Net Profit for the period	2,319.90	1,901.87	1,839.58	5,258.63	6,028.14
12 Other Comprehensive Income	(20.11)	16.70	(29.10)	54.53	(5.05)
13 Total Comprehensive Income	2,299.79	1,918.57	1,810.48	5,313.16	6,023.09
14 Paid up Equity Share Capital -(face value Rs 2 each)	845.06	845.06	845.06	845.06	845.06
15 Earnings per share (of Rs 2 each) (not annualised):					
a) Basic	5.49	4.50	4.35	12.45	14.27
b) Diluted	5.49	4.50	4.35	12.45	14.27




REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

PARTICULARS		Quarter ended			Rs in Crore	
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Segment Revenue (Sales/income from operations)					
a)	Zinc, Lead and Silver					
	(i) Zinc, Lead and others	4,845.25	3,270.17	3,252.16	10,470.36	10,637.12
	(ii) Silver Metal	482.96	481.55	398.19	1,324.88	1,064.37
	Total	5,328.21	3,751.72	3,650.35	11,795.24	11,701.49
b)	Wind Energy	19.79	68.19	25.76	147.65	140.20
	Sales/Income from operations	5,348.00	3,819.91	3,676.11	11,942.89	11,841.69
2	Segment Result (Profit before interest and tax)					
a)	Zinc, Lead and Silver					
	(i) Zinc, Lead and others	2,037.84	1,241.83	960.61	3,689.81	3,870.81
	(ii) Silver Metal	380.19	376.05	316.24	1,041.41	830.11
	Total	2,418.03	1,617.88	1,276.85	4,731.22	4,700.92
b)	Wind Energy	(10.72)	27.23	13.13	63.02	121.81
	Total	2,407.31	1,645.11	1,289.98	4,794.24	4,822.73
	Less: Interest	45.09	71.20	5.11	187.51	7.93
	Less: Exceptional Items	-	-	0.75	-	29.70
	Add: Other unallocable income net of unallocable expenditure	505.35	770.07	600.31	1,909.63	1,991.00
	Profit before Tax	2,867.57	2,343.98	1,884.43	6,516.36	6,776.10
	Segment Assets					
a)	Zinc, Lead and Silver	15,869.98	15,186.51	14,651.47	15,869.98	14,651.47
b)	Wind Energy	783.47	815.77	827.88	783.47	827.88
c)	Unallocated	28,618.49	30,052.98	37,718.96	28,618.49	37,718.96
		45,271.94	46,055.26	53,198.31	45,271.94	53,198.31
	Segment Liabilities					
a)	Zinc, Lead and Silver	3,449.61	3,622.56	2,364.23	3,449.61	2,364.23
b)	Wind Energy	11.80	8.09	8.74	11.80	8.74
c)	Unallocated	79.14	2,026.76	3,384.52	79.14	3,384.52
		3,540.55	5,657.41	5,757.49	3,540.55	5,757.49
	Capital Employed	41,731.39	40,397.85	47,440.82	41,731.39	47,440.82

NOTES:


- The above results for the quarter and nine months ended December 31, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 10, 2017. The statutory auditors of the Company have carried out a Limited Review of the same.
- The Company adopted Indian Accounting Standard ("Ind AS") and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The date of transition to Ind AS is April 1, 2015. The impact of transition has been accounted for in opening reserves and the comparative period results have been restated accordingly. However, the opening balance sheet as at April 1, 2015 and the results for the subsequent periods will be finalised along with the annual financial statements for the year ended March 31, 2017.
- Deferred Mining Expenses is credited to Profit and Loss account in periods of excess waste removal in Rampura Agucha open cast mine and charged back to Profit and Loss account in periods when waste excavation is low.
- Effective April 1, 2016, the method of depreciation on Plant and Equipment has been changed from Straight Line Method to Written Down Value Method on remaining useful life, resulting in higher depreciation charge of Rs 151 Crore for the quarter ended December 31, 2016 (Rs 497 Crore for the nine month ended December, 2016).
- During the previous quarter, Power and Fuel expenses has been reduced by Rs 106 Crore pursuant to reversal of excess provision of prior years.

Reconciliation of Profit between INDAS and previous Indian GAAP for earlier period

Nature of adjustments	Quarter ended	Nine months ended
	31.12.2015	31.12.2015
Net profit as per previous Indian GAAP	1,811	6,017
Gain/loss on fair valuation of investment through OCI	28	6
Re-measurements of the defined benefit plans	-	5
Net profit as per IND-AS	1,839	6,028
Other Comprehensive Income	(29)	(5)
Net Comprehensive Income for the period	1,810	6,023

By Order of the Board

Date: February 10, 2017
Place: Mumbai


Sunil Duggal
 CEO & Whole-time Director

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Limited Review Report

Review Report to
The Board of Directors
Hindustan Zinc Limited

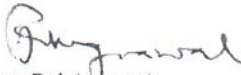
We have reviewed the accompanying statement of unaudited financial results of Hindustan Zinc Limited ('the Company') for the quarter ended December 31, 2016 and year to date from April 01, 2016 to December 31 2016 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements 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.

This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report 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
ICAI Firm registration number: 301003E/E300005
Chartered Accountants


per Raj Agrawal
Partner
Membership No.:82028



Place: Gurgaon
Date : February 10, 2017

Hindustan Zinc Limited

Results for the Third Quarter Ended December 31, 2016

“Highest ever mined metal production, EBITDA at all-time record”

Highlights

- Record mined metal production at 276kt in Q3; up 44% q-o-q
- Integrated metal production increased q-o-q: zinc 38%, lead 26% and silver 10%
- EBITDA at Rs. 2,757 Crore in Q3; up 33% q-o-q
- Environment clearances received for Zawar and Sindesar Khurd expansions

Mumbai, February 10, 2017: Hindustan Zinc Limited today announced its results for the third quarter ended December 31, 2016.

Mr. Agnivesh Agarwal, Chairman –

“2016 was a strong year as zinc prices surged over 55 percent during the quarter compared to a year ago. With no new zinc mines being commissioned in the near future, zinc market outlook remains positive for 2017 also. I am pleased to report a five year CAGR of 38 percent in our underground mined metal production. We are uniquely poised to benefit from these dynamics, being the only primary zinc producer in the country.”

Unaudited Financial Summary

(In Rs. Crore, except as stated)

Particulars	Q3			Q2		Nine Months Ended December 31, 2016		
	2017	2016	Change	2017	Change	2017	2016	Change
Sales/Income from Operations								
Zinc	4,120	2,685	53%	2,697	53%	8,742	8,858	-1%
Lead	649	469	38%	496	31%	1,485	1,479	0%
Silver	483	398	21%	482	0%	1,325	1,064	25%
Others	96	124	-23%	145	-34%	391	441	-11%
Total	5,348	3,676	45%	3,820	40%	11,943	11,842	1%
EBITDA	2,757	1,470	88%	2,077	33%	5,964	5,366	11%
Profit After Taxes	2,320	1,840	26%	1,902	22%	5,259	6,028	-13%
Earnings per Share (Rs., not annualised)	5.49	4.35	26%	4.50	22%	12.45	14.27	-13%
Mined Metal Production ('000 MT)	276	228	21%	192	44%	595	700	-15%
Refined Metal Production ('000 MT)								
Integrated Refined Metal								
Zinc	205	206	0%	149	38%	456	605	-25%
Saleable Lead ¹	39	35	10%	31	26%	94	102	-8%
Zinc & Lead	244	242	1%	179	36%	550	707	-22%
Saleable Silver ^{2,3} (in MT)	118	116	2%	107	10%	314	300	5%
Total Refined Metal								
Zinc	205	206	0%	150	37%	457	605	-24%
Saleable Lead ¹	39	35	10%	31	26%	94	106	-12%
Zinc & Lead	244	242	1%	181	35%	551	711	-22%
Saleable Silver ^{2,3} (in MT)	118	116	2%	107	10%	314	303	4%
Wind Power (in million units)	53	67	-21%	172	-69%	373	353	6%
Zinc CoP without Royalty (Rs./ MT) ⁴	58,067	52,452	11%	54,186	7%	57,198	51,118	12%
Zinc CoP without Royalty (\$ / MT) ⁴	861	796	8%	809	6%	852	789	8%
Zinc LME (\$ / MT)	2,518	1,613	56%	2,255	12%	2,230	1,878	19%
Lead LME (\$ / MT)	2,150	1,681	28%	1,873	15%	1,913	1,776	8%
Silver LBMA (\$ / oz.)	17.2	14.8	16%	19.6	-12%	17.9	15.3	17%
USD-INR (average)	67.5	65.9	2%	67.0	1%	67.1	64.8	4%

(1) Excluding captive consumption of 1,731 MT in Q3 FY2017 as compared with 2,050 MT in corresponding prior period and 837 MT in previous quarter. For nine month period, it was 3,652 MT as compared with 5,748 MT a year ago.

(2) Excluding captive consumption of 8.9 MT in Q3 FY2017 as compared with 10.7 MT in corresponding prior period and 4.3 MT in previous quarter. For nine month period, it was 18.7 MT as compared with 29.7 MT a year ago.

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

(4) The COP numbers are after adjusting for deferred mining expenses under Ind-AS. Without this adjustment, Zinc CoP per MT would have been Rs. 50,277 (\$745) as compared with Rs. 52,383 (\$795) in Q3 FY 2016 and Rs. 62,035 (\$926) in Q2 FY 2017. For nine month this would be Rs. 59,740 (\$890) compared to Rs. 51,137 (\$789) in corresponding prior period.

Note:

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

2) Numbers may not add up due to rounding off; historical numbers may have changed due to regrouping

Operational Performance

Highest ever mined metal production was achieved during the quarter, up 44% from previous quarter and 21% y-o-y. The q-o-q increase was on account of higher volumes from Rampura Agucha open cast mine in accordance with mine plan and the y-o-y increase was driven by higher volumes from Rampura Agucha underground as well as open cast mines. During the nine month period, underground mines ramped up significantly to achieve a substantial 60% y-o-y increase in ore production and 53% y-o-y increase in mined metal production. In line with the plan of substantially higher mined metal production in H2, mined metal production during the nine month period was lower by 15% y-o-y and will be higher than FY 2016 for full year with Q4 being higher than Q3.

Integrated zinc metal production during the quarter was at 205kt, up 38% from previous quarter and flat y-o-y on account of accretion of mined metal inventory. Integrated saleable lead metal production during the quarter was 39kt, up 26% sequentially and 10% y-o-y. The y-o-y increase was in line with mined metal production, while the sequential increase was accentuated on account of enhanced smelter efficiencies. Integrated saleable silver production during the quarter increased by 10% to 118 MT from previous quarter and 2% y-o-y. For the full year, integrated zinc metal production will be lower than FY 2016 in accordance with the low availability of mined metal in H1, however, some quantity of mined metal will be sold in Q4. Saleable lead production for the full year will be in line with FY 2016 and silver production will be higher than FY 2016.

Financial Performance

Revenues were at Rs. 5,348 Crore, up by 40% q-o-q and 45% y-o-y. The q-o-q increase was primarily on account of higher volumes and higher zinc & lead LME. The y-o-y increase was mainly driven by substantially higher volumes, higher metal prices and rupee depreciation

The zinc metal cost of production per MT before royalty (COP) during the quarter was at Rs. 58,067 (\$861), up 7% q-o-q (6% in dollar terms) and 11% y-o-y (8% in dollar terms). The q-o-q increase in COP was largely on account of onetime change in the ore to waste ratio norm over life of mine and additional excavation in Rampura Agucha open cast, further accentuated by significantly higher mine development in underground mines, increase in coal prices and lower acid realisation, partly offset by higher volume & overall average grade. The y-o-y increase was attributed primarily to the aforementioned one time change in ore to waste ratio norm, substantially higher coal & commodity prices, lower acid realisation and higher mine development.

During the quarter, EBITDA was an all-time record of Rs. 2,757 Crore, up 33% q-o-q and 88% y-o-y.

Net profit during the quarter was at Rs. 2,320 Crore, up 22% q-o-q and 26% y-o-y. The impact of higher EBITDA was partly offset by higher depreciation & tax in both periods while investment income was sequentially lower on account of lower mark to market gains.

Expansion Projects

Total mine development, across all mines, increased by 26% sequentially and 17% y-o-y to 18,570 meters during the quarter. For nine month period, total mine development has reached 47,330 meters, up 16% from a year ago.

Rampura Agucha underground mine achieved a record ore production rate of over 2 million MT per annum (mtpa) at the exit of the quarter while mine development continued over 4,000 meters benchmark for the fourth quarter in a row. During the quarter, the main shaft sinking at Rampura Agucha reached its ultimate depth of 955 meters. Further, installation of production & service winders was also completed and shaft equipping work commenced during the quarter.

Sindesar Khurd mine achieved highest ever mine development during the quarter at 5,534 metres. Environmental clearance of expansion from 3.75 to 4.5 mtpa ore production and from 4.5 mtpa to 5 mtpa beneficiation at Sindesar Khurd was received in December. Casting of shaft collar and head gear foundation was completed during the quarter in line with the head gear erection completion scheduled for Q4. The power up-gradation project was commissioned ahead of schedule in January. The mill expansion to 1.5 mtpa capacity was also completed ahead of schedule and commissioned in the month of January. However, the Company is deeply anguished to report an unfortunate accident at the project site post mill commissioning, where a rare crane collapse caused four fatalities of contractor employees.

Environmental clearance of 4 mtpa ore production and beneficiation at Zawar was received in January following public hearings. Zawar mill expansion is advancing well and is planned to be completed by Q1 FY 2018 and the power up-gradation project is on track for commissioning by the end of this financial year.

In addition to the on-going mining expansion projects, fumer project commenced this quarter with 18 months completion period. This project will further improve cost and metal recoveries from the Company's hydro plant and might be replicated in other hydro plants in the coming years.

Further to the Company's commitment to green energy and subsequent to successful installation of two small roof top solar projects, the Company initiated installation of 16 MW captive solar farms at Debari and Dariba premises. Taking cognizance of green initiatives by the Company, Confederation of Indian Industry (CII)-Indian Green Building Council (IGBC) awarded the highest rating, 'Platinum', to the head office building 'Yashad Bhawan' in January. It is one of the only 14 CII-IGBC Platinum rated buildings in India and the first in Rajasthan.

Liquidity and investment

As on December 31, 2016, the Company's net cash and cash equivalents was Rs. 25,319 Crore, out of which Rs. 20,644 Crore was invested in mutual funds and Rs. 4,593 Crore in bonds. The Company follows a conservative investment policy and invests in high quality debt instruments.

Earnings Call on Friday, February 10, 2017 at 15:15 hrs (IST)

The Company will hold an earnings conference call on Friday, February 10, 2017 at 3:15 pm IST, where senior management will discuss the Company's results and performance. The dial in number for the call is:

Primary Number: +91 22 3960 0762

Local Access Number: 3940 3977

Available in - Ahmedabad, Bangalore, Chandigarh, Chennai, Gurgaon (NCR), Hyderabad, Kochi/Cochin, Kolkata, Lucknow, Pune
Accessible from all carriers.

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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 389.9 million MT and average zinc-lead reserve grade of 11.7%. The Company has a track record of consistently growing its reserve & resource base since 2003 and currently has a mine life of over 25 years.

The Company is self-sufficient in power with an installed base of 474 MW coal-based captive power plants. Additionally, it has green power capacity of 309 MW including 274 MW of wind power and 35 MW of waste heat power. The Company has an operating workforce of over 17,000 including contract workforce.

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

Disclaimer

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