

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH, 2014
PART I
(Rs. in Crores, except as stated)

PARTICULARS	Quarter ended			Year ended	
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
	Audited (refer note 5)	Unaudited	Audited (refer note 5)	Audited	Audited
1 Income from operations					
a) Net sales/Income from operations (Net of excise duty)	3,588.69	3,410.40	3,850.29	13,458.95	12,525.69
b) Other Operating Income	53.99	39.67	58.36	177.09	174.15
Total income from operations (net)	3,642.68	3,450.07	3,908.65	13,636.04	12,699.84
2 Expenses					
a) Cost of materials consumed	314.22	23.21	111.68	501.26	766.34
b) Changes in inventories of finished goods and work in progress	(63.38)	34.40	122.04	(155.16)	(112.54)
c) Employee benefits expense	166.32	159.11	176.83	680.06	649.91
d) Depreciation and amortisation expense	204.11	209.68	121.88	784.59	647.04
e) Consumption of Stores and spares	326.82	339.14	315.99	1,333.55	1,175.07
f) Power and Fuel	291.39	289.27	276.33	1,155.13	1,070.46
g) Mining Royalty	249.81	258.91	243.95	1,027.25	919.94
h) Other Mining and Manufacturing expenses	425.96	385.49	335.14	1,557.01	1,204.21
i) Other expenses	176.32	136.79	204.19	575.42	518.09
Total expenses	2,091.57	1,836.00	1,908.03	7,459.11	6,838.52
3 Profit from operations before other income, finance costs and exceptional items	1,551.11	1,614.07	2,000.62	6,176.93	5,861.32
4 Other Income	588.66	423.95	401.04	1,899.39	2,003.19
5 Profit from ordinary activities before finance costs and exceptional items	2,139.77	2,038.02	2,401.66	8,076.32	7,864.51
6 Finance Costs	20.25	10.00	6.58	44.94	26.86
7 Profit from ordinary activities after finance costs but before exceptional items	2,119.52	2,028.02	2,395.08	8,031.38	7,837.65
8 Exceptional items (VRS expenses)	-	-	17.53	61.67	17.53
9 Profit from ordinary activities before tax	2,119.52	2,028.02	2,377.55	7,969.71	7,820.12
10 Tax Expense (Including deferred tax and net of MAT credit entitlement)	238.32	305.30	211.74	1,065.09	920.64
11 Net Profit from ordinary activities after tax	1,881.20	1,722.72	2,165.81	6,904.62	6,899.48
12 Extraordinary items (Net of tax expenses)	-	-	-	-	-
13 Net Profit for the period	1,881.20	1,722.72	2,165.81	6,904.62	6,899.48
14 Paid up Equity Share Capital - (Face value Rs. 2/- each)	845.06	845.06	845.06	845.06	845.06
15 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	36,572.55	31,430.68
16.i Earnings per share (before extraordinary items) (of Rs 2/- each)(not annualised except for year ended March):					
a) Basic	4.45	4.08	5.13	16.34	16.33
b) Diluted	4.45	4.08	5.13	16.34	16.33
16.ii Earnings per share (after extraordinary items) (of Rs 2/- each)(not annualised except for year ended March):					
a) Basic	4.45	4.08	5.13	16.34	16.33
b) Diluted	4.45	4.08	5.13	16.34	16.33
See accompanying notes to the financial results					
PART II					
A PARTICULARS OF SHAREHOLDING					
1 Public shareholding					
- Number of shares	1,48,21,64,690	1,48,21,64,690	1,48,21,64,690	1,48,21,64,690	1,48,21,64,690
- Percentage of shareholding	35.08	35.08	35.08	35.08	35.08
2 Promoters and promoter Group shareholding					
(a) Pledged/Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of share (as a % of the total share capital of the company)	-	-	-	-	-
(b) Non-encumbered					
- Number of shares	2,74,31,54,310	2,74,31,54,310	2,74,31,54,310	2,74,31,54,310	2,74,31,54,310
- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100	100	100	100	100
- Percentage of shares (as a % of the total share capital of the company)	64.92	64.92	64.92	64.92	64.92
Particulars	3 months ended (31.03.2014)				
B INVESTOR COMPLAINTS					
Pending at the beginning of the quarter				Nil	
Received during the quarter				5	
Disposed of during the quarter				5	
Remaining unresolved at the end of the quarter				Nil	



Statement of Assets and Liabilities

PARTICULARS	(Rs. in Crores)	
	As at 31.03.2014 Audited	As at 31.03.2013 Audited
A. EQUITY AND LIABILITIES		
1. Shareholders funds		
a) Share capital	845.06	845.06
b) Reserves and surplus	36,572.55	31,430.68
c) Money received against share warrants		
Sub-total - Shareholders funds	37,417.61	32,275.74
2. Non current liabilities		
a) Deferred tax liabilities (net)	1,658.11	1,279.86
b) Other long term liabilities	56.37	28.33
Sub-total - Non current liabilities	1,714.48	1,308.09
3. Current liabilities		
a) Trade payables	510.32	403.47
b) Other current liabilities	1,018.48	653.24
c) Short term provisions	1,015.78	824.87
Sub-total - Current liabilities	2,544.58	1,881.58
Total - Equity and Liabilities	41,676.67	35,465.41
B. ASSETS		
1. Non current assets		
a) Fixed assets	10,688.19	9,565.59
b) Non current investments	2.81	2.70
c) Long term loans and advances	2,939.36	1,898.29
d) Other non current assets	-	239.19
Sub-total - Non current assets	13,630.36	11,705.77
2. Current assets		
a) Current investments	22,503.58	14,537.18
b) Inventories	1,198.24	1,111.09
c) Trade receivables	399.51	402.87
d) Cash and cash equivalents	3,031.42	6,942.10
e) Short term loans and advances	334.93	373.32
f) Other current assets	578.63	393.08
Sub-total - Current assets	28,046.31	23,759.64
Total- Assets	41,676.67	35,465.41

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REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED					
(Rs. in Crore)					
PARTICULARS	Quarter ended			Year ended	
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
	Audited (refer note 5)	Unaudited	Audited (refer note 5)	Audited	Audited
1 Segment Revenue (Net sales/income from operations)					
a) Zinc, Lead and Silver					
(i) Zinc and Lead	3,183.89	3,055.86	3,206.80	11,778.26	10,231.46
(ii) Silver Metal	375.03	331.81	611.04	1,502.79	2,092.66
Total	3,558.92	3,387.69	3,819.84	13,281.05	12,324.12
b) Wind Energy	29.77	22.71	30.45	177.90	201.57
Net sales/Income from operations	3,588.69	3,410.40	3,850.29	13,458.95	12,525.69
2 Segment Result (Profit before interest and tax)					
a) (i) Zinc and Lead	1,289.58	1,344.27	1,554.91	5,036.34	4,367.77
(ii) Silver Metal	255.02	293.39	454.90	1,131.81	1,472.58
Total	1,544.60	1,637.66	2,009.81	6,170.15	5,840.35
b) Wind Energy	(12.28)	(19.19)	(8.39)	19.78	57.31
Total	1,532.32	1,618.47	2,001.42	6,189.93	5,897.66
Less: Interest	20.25	10.00	6.58	44.94	36.88
Less: Exceptional Items (VRS in respect of zinc, lead and silver)	-	-	17.53	61.67	17.53
Add: Other unallocable income net of unallocable expenditure	607.45	419.55	400.24	1,886.39	1,966.65
Total Profit before Tax	2,119.52	2,028.02	2,377.55	7,969.71	7,820.12
3 Capital Employed (Segment Assets - Segment Liabilities)					
a) Zinc, Lead and Silver	10,743.45	10,423.55	9,817.23	10,743.45	9,817.23
b) Wind Energy	819.24	863.37	998.04	819.24	998.04
c) Unallocated	25,854.92	25,193.12	21,460.47	25,854.92	21,460.47
Total	37,417.61	36,480.04	32,275.74	37,417.61	32,275.74
NOTES:					
1) The above results for the quarter and year ended 31st March 2014 have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 21st April 2014.					
2) The Board of Directors has recommended a final dividend of 95 % which is Rs. 1.90 per equity share subject to shareholders' approval at the ensuing Annual General Meeting. The total dividend, including interim dividend already paid, for the year 2013-14 is 175 % i.e. Rs. 3.50 per share of Rs.2/- each.					
3) The Company has adopted Accounting Standard 30 - Financial Instruments: Recognition and Measurement effective 1st April, 2007 alongwith consequential revisions to other Accounting Standards. Accordingly, current investments are carried at fair value, resulting in investments being valued at Rs 1486.10 crore (PY Rs 550.66 crore) above the lower of cost and fair value and the profit after tax for the year is higher by Rs 625.14 crore (PY: higher by Rs 178.65 crore).					
4) Consequent to the sanction of the Scheme of amalgamation and arrangement, inter - alia, amongst Sterlite Industries (India) Limited (SIIL) - the erstwhile holding Company and Sesa Goa Limited (SGL) by the respective jurisdictional courts and made effective during the year, SIIL has been amalgamated into SGL effective from August 17, 2013. SGL has since been renamed as Sesa Sterlite Limited which has become the holding company of the Company.					
5) The figures of the last quarter are the balancing figures between audited figures in respect of full financial year and unaudited published year to date figures up to the third quarter of the current financial year. Figures for the prior year/periods have been regrouped and/or reclassified wherever considered necessary.					
By Order of the Board					
 Akhilesh Joshi CEO & Whole-time Director					
Date: 21st April 2014					
Place: Udaipur					

Hindustan Zinc Limited

Results for the Fourth Quarter and Full Year Ended March 31, 2014

*"Highest ever mined metal and integrated metal production in FY 2014;
EBITDA up 7%; Highest ever dividend"*

Highlights for the year

Operational Performance

- Record mined metal production of 880 kt
- Record integrated metal production
 - Integrated saleable zinc metal production - up 13%
 - Integrated saleable lead and silver metal production - up 10% and 4% respectively

Financial Performance

- EBITDA up 7% to Rs 6,974 crore

Reserves and Resources

- Total R&R of 365.1 million MT indicating mine life of over 25 years
- Gross addition of 26.1 million MT against depletion of 9.3 million MT

Dividend

- Final dividend of 95%, taking the total dividend for the year to 175%, the highest ever

Mumbai: Hindustan Zinc Limited today announced its results for the fourth quarter and full year ended March 31, 2014.

Mr. Agnivesh Agarwal (Chairman, Hindustan Zinc) —“We achieved record production and mine development in a year, which marked the beginning of our transition from open cast to underground mining at Rampura Agucha. We continue to maintain our cost leadership and create value for our shareholders.”

Hindustan Zinc Limited

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CIN: L2720ARJ1966PLC001208

Financial Summary

(In Rs. Crore, except as stated)

Particulars	Q4			Q3	Full Year		
	2014	2013	Change	2014	2014	2013	Change
Net Sales/Income from Operations							
Zinc	2,591	2,655	-2%	2,650	9,797	8,289	18%
Lead	536	443	21%	352	1,743	1,497	16%
Silver	375	611	-39%	332	1,503	2,093	-28%
Others	87	141	-38%	76	416	647	-36%
Total	3,589	3,850	-7%	3,410	13,459	12,526	7%
EBITDA	1,736	2,127	-18%	1,828	6,974	6,547	7%
Profit After Taxes	1,881	2,166	-13%	1,723	6,905	6,899	0%
Earnings per Share (Rs)	4.45	5.13	-13%	4.08	16.34	16.33	0%
Mined Metal Production ('000 MT)	200	260	-23%	220	880	870	1%
Refined Metal Production ('000 MT)							
Total Refined Zinc	182	182	0%	196	749	677	11%
- Zinc - Integrated	179	181	-1%	196	743	660	13%
Total Saleable Refined Lead ¹	36	33	10%	25	123	118	4%
- Saleable Lead - Integrated	29	30	-2%	25	111	100	10%
Total Refined Saleable Silver ^{2,3} (in MT)	91	108	-16%	73	350	374	-6%
- Saleable Silver - Integrated	68	91	-25%	72	301	288	4%
Wind Power (in million units)	76	79	-4%	59	448	511	-12%
Zinc CoP without Royalty (Rs / MT)	55,467	44,901	24%	52,014	51,054	45,461	12%
Zinc CoP without Royalty (\$ / MT)	899	829	8%	840	844	835	1%
Zinc LME (\$ / MT)	2,029	2,033	-1%	1,907	1,909	1,948	-2%
Lead LME (\$ / MT)	2,106	2,301	-8%	2,111	2,092	2,113	-1%
Silver LBMA (\$ / oz.)	20.5	30.1	-32%	20.8	21.4	30.5	-30%
USD-INR	61.8	54.2	14%	62.0	60.5	54.5	11%

(1) Excluding captive consumption of 1,991 MT in Q4 and 7,262 MT in FY 2014, as compared with 1,777 MT and 6,500 MT respectively in corresponding prior periods.

(2) Excluding captive consumption of 10,401 MT in Q4 and 38,316 MT in FY 2014, as compared with 9,226 MT and 33,832 MT in corresponding prior periods.

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

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Operational Performance

Mined metal production for the year was 880kt, marginally higher than previous year and a record. Production in the second half of FY 2014 was lower than what we had planned initially due to slower than expected ramp up of underground mining projects and changes in mining sequence, wherein preference was given to primary mine development.

Integrated production of refined metal during the year was the highest ever due to operational efficiencies and higher availability of our smelters. Full year integrated production of zinc, lead and silver were higher by 13%, 10% and 4% respectively.

The zinc metal cost of production before royalty during the year was Rs. 51,054 (\$844), 12% higher in Rupee and 1% higher in USD terms from previous year. The increase was driven by rupee depreciation of 11%, significantly lower acid credits and higher mine development & diesel cost.

The cost for Q4 FY 2014 was Rs. 55,467 (\$899), 24% higher in Rupee and 8% higher in USD terms from corresponding period of previous year. The increase was due to 14% rupee depreciation, lower mined metal production and higher mine development.

Financial Performance

Revenues were up 7% to Rs. 13,459 crore in FY 2014, but down 7% in Q4, as compared with the corresponding prior periods. The increase was driven by higher zinc sales volume and premium supported by rupee depreciation, partially offset by lower metal prices. The decline in Q4 was mainly due to no sale of MIC and lower silver sales, partly offset by rupee depreciation.

EBITDA increased by 7% to Rs 6,974 crore in FY 2014, but was 18% lower in Q4 from a year ago. The increase was driven by higher integrated metal volumes and rupee depreciation, partially offset by lower metal prices. The decline in Q4 was mainly due to lower volume and metal prices.

Net profit was flat from last fiscal at Rs. 6,905 crore in FY 2014. The positive impact of higher EBITDA was partly offset by higher depreciation, lower other income and higher tax during the year. In Q4, net profit declined by 13% to Rs. 1,881 crore as compared to previous year, in line with EBITDA and partly offset by higher other income.

Dividend

HZL's Board of Directors has recommended a final dividend of 95% i.e. Rs. 1.90 per share on equity share of Rs 2.00 each. The total dividend for FY 2014 is 175% i.e. Rs. 3.50, the highest ever, against FY 2013 dividend of 155%. The FY 2014 payout ratio is 25% as compared to 22% in FY 2013, inclusive of dividend distribution tax.

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Expansion Projects

The Kayad and Rampura Agucha underground mine projects commenced commercial production during the year and after initial difficulties, are now ramping up well. Sindesar Khurd expansion project is ahead of schedule. During the year, total mine development increased by over 75%, marking the beginning of transition from open-cast to underground mining.

Capital expenditure is expected to be ~ US\$ 250 million in FY 2015.

Reserves and Resources

In FY 2014, there was a gross addition of 26.1 million MT to reserves and resources, prior to a depletion of 9.3 million MT. Total reserves and resources at March 31, 2014 were 365.1 million MT containing 35.2 million MT of zinc-lead metal and 28,804 MT of silver. Overall mine life continues to be 25+ years.

Outlook

Rampura Agucha will continue to provide majority of mined metal in FY 2015. The Rampura Agucha underground mine is now starting to ramp up in line with expectation. In FY 2015, mined metal and integrated refined metals production including silver is expected to be marginally higher from FY 2014. The cost of production is expected to remain stable.

Liquidity and investment

As on March 31, 2014, the Company had cash and cash equivalents of Rs. 25,535 crore, out of which Rs. 20,527 crore was invested in debt mutual funds, Rs. 1,977 crore in bonds and Rs 3020 crore were in fixed deposits with banks. The Company follows a conservative investment policy and invests in high quality debt instruments.

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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 reserves & resources of 348.3 million MT and average zinc-lead reserve grade of 12.0%. The Company has a track record of consistently growing its reserves & 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 15,000 including contract workforce.

Hindustan Zinc is a subsidiary of the BSE and NSE listed Sesa Sterlite Limited (ADRs listed on the NYSE), a part of London listed diversified metals and mining major, Vedanta Resources plc.

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 behavior 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.

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