

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2013

PART I

(Rs. in crore, except as stated)

PART I	PARTICULARS	Quarter ended			Half year ended		Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	a) Net sales/Income from operations (Net of excise duty)	3,520.45	2,939.41	2,822.30	6,459.86	5,534.97	12,525.69
	b) Other Operating Income	38.68	44.75	43.16	83.43	78.20	174.15
	Total income from operations (net)	3,559.13	2,984.16	2,865.46	6,543.29	5,613.17	12,699.84
2	Expenses						
	a) Cost of materials consumed	18.63	145.20	294.35	163.83	349.14	766.34
	b) Changes in inventories of finished goods and work in progress	82.31	(208.49)	(188.23)	(126.18)	(180.15)	(112.54)
	c) Employees benefits expense	176.58	178.05	154.66	354.63	303.84	649.91
	d) Depreciation and amortisation expense	186.47	184.33	174.57	370.80	347.95	647.04
	e) Consumption of Stores and spares	341.11	326.48	288.35	667.59	559.78	1,175.07
	f) Power and Fuel	309.62	264.85	261.81	574.47	533.29	1,070.46
	g) Mining Royalty	265.56	252.97	202.82	518.53	407.20	919.94
	h) Other Mining and Manufacturing expenses	367.66	377.90	284.25	745.56	542.24	1,204.21
	i) Other expenses	114.26	148.05	98.02	262.31	210.40	518.09
	Total expenses	1,862.20	1,669.34	1,570.60	3,531.54	3,073.69	6,838.52
3	Profit from operations before other income, finance costs and exceptional items	1,696.93	1,314.82	1,294.86	3,011.75	2,539.48	5,861.32
4	Other Income	266.88	619.90	521.34	886.78	1,100.70	2,003.19
5	Profit from ordinary activities before finance costs and exceptional items	1,963.81	1,934.72	1,816.20	3,898.53	3,640.18	7,864.51
6	Finance Costs	8.03	6.66	5.82	14.69	13.20	26.86
7	Profit from ordinary activities after finance costs but before exceptional items	1,955.78	1,928.06	1,810.38	3,883.84	3,626.98	7,837.65
8	Exceptional items (VRS expenses)	61.15	0.52	-	61.67	-	17.53
9	Profit from ordinary activities before tax	1,894.63	1,927.54	1,810.38	3,822.17	3,626.98	7,820.12
10	Tax Expense (Including deferred tax and net of MAT credit entitlement)	254.38	267.09	270.59	521.47	505.85	920.64
11	Net Profit from ordinary activities after tax	1,640.25	1,660.45	1,539.79	3,300.70	3,121.13	6,899.48
12	Extraordinary items (Net of tax expenses)	-	-	-	-	-	-
13	Net Profit for the period	1,640.25	1,660.45	1,539.79	3,300.70	3,121.13	6,899.48
14	Paid up Equity Share Capital - (Face value Rs. 2/- each)	845.06	845.06	845.06	845.06	845.06	845.06
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						31,430.68
16.i	Earnings per share (before extraordinary items) (of Rs 2/- each)(not annualised except for year ended March):						
	a) Basic	3.88	3.93	3.64	7.81	7.39	16.33
	b) Diluted	3.88	3.93	3.64	7.81	7.39	16.33
16.ii	Earnings per share (after extraordinary items) (of Rs 2/- each)(not annualised except for year ended March):						
	a) Basic	3.88	3.93	3.64	7.81	7.39	16.33
	b) Diluted	3.88	3.93	3.64	7.81	7.39	16.33
	See accompanying notes to the financial results						
PART II							
A PARTICULARS OF SHAREHOLDING							
1	Public shareholding						
	- Number of shares	14821,64,690	14821,64,690	14821,64,690	14821,64,690	14821,64,690	14821,64,690
	- Percentage of shareholding	35.08	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	27431,54,310	27431,54,310	27431,54,310	27431,54,310	27431,54,310	27431,54,310
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	100	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	64.92
Particulars		3 months ended (30.09.2013)					
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					




UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 30th SEPTEMBER ,2013

(Rs. in crore)

PARTICULARS	As at 30.09.2013	As at 31.03.2013
A. EQUITY AND LIABILITIES		
1. Shareholders funds		
a) Share capital	845.06	845.06
b) Reserves and surplus	<u>33,921.03</u>	<u>31,430.68</u>
Sub-total - Shareholders funds	<u>34,766.09</u>	<u>32,275.74</u>
2. Non current liabilities		
a) Deferred tax liabilities (net)	1,430.97	1,279.86
b) Other long term liabilities	<u>41.08</u>	<u>28.23</u>
Sub-total - Non current liabilities	<u>1,472.05</u>	<u>1,308.09</u>
3. Current liabilities		
a) Short term borrowings	0.39	0.39
b) Trade payables	563.57	484.20
c) Other current liabilities	697.26	572.12
d) Short term provisions	<u>850.35</u>	<u>824.87</u>
Sub-total - Current liabilities	<u>2,111.57</u>	<u>1,881.58</u>
Total - Equity and Liabilities	<u>38,349.71</u>	<u>35,465.41</u>
B. ASSETS		
1. Non current assets		
a) Fixed assets	9,967.70	9,565.59
b) Non current investments	2.81	2.70
c) Long term loans and advances	2,125.59	1,898.29
d) Other non current assets	-	239.19
Sub-total - Non current assets	<u>12,096.10</u>	<u>11,705.77</u>
2. Current assets		
a) Current investments	18,712.29	14,537.18
b) Inventories	1,142.84	1,111.09
c) Trade receivables	471.06	402.87
d) Cash and cash equivalents	4,919.36	6,942.10
e) Short term loans and advances	243.04	373.32
f) Other current assets	<u>765.02</u>	<u>393.08</u>
Sub-total - Current assets	<u>26,253.61</u>	<u>23,759.64</u>
Total- Assets	<u>38,349.71</u>	<u>35,465.41</u>

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in crore)

PARTICULARS	Quarter ended			Half year ended		Year ended
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
1 Segment Revenue (Net sales/income from operations)						
a) Zinc, Lead and Silver						
(i) Zinc and Lead	3,072.45	2,466.04	2,296.77	5,538.49	4,550.00	10,231.46
(ii) Silver Metal	387.94	408.01	448.99	795.95	837.19	2,092.66
Total	3,460.39	2,874.05	2,745.76	6,334.44	5,387.19	12,324.12
b) Wind Energy	60.06	65.36	76.54	125.42	147.78	201.57
Net sales/Income from operations	3,520.45	2,939.41	2,822.30	6,459.86	5,534.97	12,525.69
2 Segment Result (Profit before interest and tax)						
a) (i) Zinc and Lead	1,387.48	1,017.01	915.94	2,404.49	1,775.92	4,367.77
(ii) Silver Metal	311.57	271.83	362.05	583.40	710.28	1,472.58
Total	1,699.05	1,288.84	1,277.99	2,987.89	2,486.20	5,840.35
b) Wind Energy	22.72	28.53	42.79	51.25	81.75	57.31
Total	1,721.77	1,317.37	1,320.78	3,039.14	2,567.95	5,897.66
Less: Interest	8.03	6.66	5.82	14.69	13.20	26.86
Less: Exceptional Items (VRS in respect of zinc, lead and silver)	61.15	0.52	-	61.67	-	17.53
Add: Other unallocable income net of unallocable expenditure	242.04	617.35	495.42	859.39	1,072.23	1,966.85
Total Profit before Tax	1,894.63	1,927.54	1,810.38	3,822.17	3,626.98	7,820.12
3 Capital Employed (Segment Assets - Segment Liabilities)						
a) Zinc, Lead and Silver	10,019.18	9,841.27	9,804.42	10,019.18	9,804.42	9,817.23
b) Wind Energy	945.48	998.50	1,132.74	945.48	1,132.74	998.04
c) Unallocated	23,801.43	23,078.25	18,265.49	23,801.43	18,265.49	21,460.47
Total	34,766.09	33,918.02	29,202.65	34,766.09	29,202.65	32,275.74

NOTES:

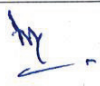
- The above results for the quarter and half year ended 30th September 2013 and statement of assets and liabilities as on 30th September 2013 have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on 23rd October 2013. The auditors have carried out "Limited Review" of the above results.
- The Company has chosen to early adopt Accounting Standard (AS) 30 - Financial Instruments: Recognition and Measurement effective 1st April 2007 alongwith consequential revisions to other Accounting Standards as have been announced by the Institute of Chartered Accountants of India.
- 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 quarter, SIIL has been amalgamated into SGL effective from August 17, 2013. SGL has since been renamed as Sesa Sterlite Limited (SSL) which has become the holding company of the Company.
- The Board declared an interim dividend 80 % i.e. Rs. 1.60 per equity share of Rs. 2 each. The record date for the payment of interim dividend is 29th October 2013.
- Previous Period/Year figures have been re-grouped/re-arranged wherever necessary.

By Order of the Board



Akhilesh Joshi
CEO & Whole-time Director

Date: 23rd October 2013
Place: Mumbai



INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF HINDUSTAN ZINC LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Hindustan Zinc Limited** ("the Company") for the Quarter and Half Year ended September 30, 2013 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 4 below. 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.
2. 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 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.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs) together with the early adoption of Accounting Standard 30, Financial Instruments : Recognition and Measurement effective April 1, 2007, and the consequential limited revisions as has been announced by the Institute of Chartered Accountants of India to certain Accounting Standards, as stated in note 2 of the Statement and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Half Year ended September 30, 2013 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117366W)



K. A. Katki
Partner
Membership Number 038568
Mumbai, October 23, 2013



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October 23, 2013

Hindustan Zinc Limited Results for the Second Quarter Ended 30 September 2013

"Highest ever refined zinc metal production; EBITDA up 28%; 80% interim dividend announced"

Highlights for the quarter

Operational Performance

- Mined metal production - up 16%
- Record integrated saleable zinc metal production - up 28%
- Integrated saleable refined lead and silver metal production - up 29% and 14% respectively

Financial Performance

- EBITDA up 28% to Rs 1,904 crore
- PAT up 7% to Rs 1,640 crore

Interim Dividend

- Interim dividend of Rs 1.60 per share

Mumbai: Hindustan Zinc Limited ("HZL" or the "Company") today announced its results for the second quarter ended 30 September 2013.

Mr. Agnivesh Agarwal (Chairman, Hindustan Zinc) - "Market environment is challenging as global economy faces risks and uncertainty and growth in emerging economies is contingent upon global liquidity situation. We remain focused on sustainability of our operations and are committed to increasing our mining capacity and maintaining our cost efficiency."

Financial Summary

(In Rs Crore, except as stated)

Particulars	Q2			Q1	H1		
	2014	2013	Change	2014	2014	2013	Change
Net Sales/Income from Operations							
Zinc	2,570	1,843	39%	1,986	4,556	3,659	25%
Lead	453	341	33%	402	855	683	25%
Silver	388	449	-14%	408	796	837	-5%
Others	110	189	-42%	143	253	356	-29%
Total	3,521	2,822	25%	2,939	6,460	5,535	17%
EBITDA	1,904	1,487	28%	1,506	3,410	2,913	17%
Profit After Taxes	1,640	1,540	7%	1,661	3,301	3,121	6%
Earnings per Share (Rs)	3.88	3.64	7%	3.93	7.81	7.39	6%
Mined Metal Production ('000 MT)	222	190	16%	238	459	377	22%
Refined Metal Production ('000 MT)							
Refined Zinc - Total	196	163	21%	174	370	324	14%
Refined Zinc - Integrated	195	153	28%	173	368	310	19%
Refined Lead¹ - Total	30	26	17%	31	61	55	11%
Refined Lead - Integrated	29	22	29%	27	56	50	13%
Refined Saleable Silver^{2,3} (MT) - Total	90	84	7%	96	186	157	18%
Refined Saleable Silver (MT)- Integrated	83	73	14%	77	160	144	12%
Wind Power (in million units)	151	188	-20%	162	313	370	-15%
Zinc CoP without Royalty (Rs / MT)	50,522	46,757	8%	46,765	48,615	46,263	5%
Zinc CoP without Royalty (\$ / MT)	816	844	-3%	836	822	845	-3%
Zinc LME (\$ / MT)	1859	1,885	-1%	1,840	1,850	1,906	-3%
Lead LME (\$ / MT)	2,102	1,975	7%	2,049	2,076	1,974	5%
Silver LBMA (\$ / oz.)	21.4	29.8	-28%	23.1	22.2	29.6	-25%
USD-INR	62.13	55.2	13%	55.95	59.1	54.7	8%

(1) Excluding captive consumption of 1,700 MT in Q2 and 3,344 MT in H1, as compared with 1,435 MT and 3,076 MT respectively in corresponding prior periods.

(2) Excluding captive consumption of 9.0 MT in Q2 and 17.8 MT in H1, as compared with 7.5 MT and 16.2 MT in corresponding prior periods.

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

Operational Performance

Mined metal production was 221,646 MT in Q2, as compared with 190,491 MT in the corresponding prior period. For six month period, mined metal production was 459,471 MT as compared to 377,133 MT in H1 FY13. The increase is due to higher production at Rampura Agucha and restarting of Zawar mines.

Integrated refined zinc production was up 28% to 194,814 MT in Q2 and up 19% to 367,814 MT in H1, compared to corresponding prior periods. The increase was due to improved operational efficiencies. Production of integrated refined lead was up by 29% and 13% to 28,978 MT in Q2 and 56,445 MT in H1 respectively compared to previous year due to improved utilization of smelter capacity. Integrated saleable silver production was up 14% y-o-y to 83 MT in Q2 and 12% y-o-y to 160 MT in H1.

We expect mined metal production of ~950,000 MT in FY 2014. The momentum in integrated zinc-lead production in H1 is expected to continue in H2. Integrated saleable silver production is projected to be ~335 MT in FY 2014.

Financial Performance

Revenues were up 25% to Rs. 3,521 crore in Q2 and 17% to Rs. 6,460 crore in H1, as compared with the corresponding prior periods. EBITDA increased by 28% to Rs 1,904 crore in Q2, and was 17% higher at Rs. 3,410 crore in H1 from a year ago. The increase was driven by higher sales volume and rupee depreciation, partially offset by lower silver price.

Net profit was up 7% to Rs. 1,640 crore in Q2 and 6% to Rs. 3,301 crore in H1 as compared to previous year. The positive impact of higher EBITDA was partly offset by lower other income due to mark-to-market losses on investments during the quarter.

The zinc metal cost of production before royalty during the quarter was Rs. 50,522 (\$816), 8% higher in Rupee and 3% lower in USD terms from a year ago. The cost of production benefited from higher production volume and operational efficiencies, which were more than offset by rupee depreciation and over Rs 3000/MT decline in by-product credits from a year ago.

Interim Dividend

HZL's Board of Directors has recommended an interim dividend of 80% i.e Rs 1.60 per share on equity share of Rs 2.00 each, flat from last year. The record date for the payment of interim dividend is 29 October 2013.

Expansion Projects

The Rampura Agucha underground mine project is operational via ramps and commercial production will ramp up in Q3 and Q4 of FY 2014. The Kayad mine project will also commence commercial production in the current fiscal year.

Vizag Zinc Smelter

Pursuant to discontinuation of our Vizag smelter operation, all workmen at Vizag have accepted voluntary retirement during the quarter.

Liquidity and investment

As on 30 September 2013, the Company had cash and cash equivalents of Rs. 23,632 crore. The Company follows a conservative Investment Policy and invests in fixed deposit with banks and high quality debt instruments including AAA/AA rated bonds and debt mutual funds.

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 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, NSE and NYSE listed Sesa Sterlite Limited, a part of London listed FTSE 100 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 that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.