

Hindustan Zinc Limited

Audited financial results for the Fourth Quarter and Year Ended March 31, 2006

Highlights

Hindustan Zinc Limited ("HZL") today announced that it continues its strong growth momentum on account of increased volumes and zinc prices as it announced its results for the fourth quarter and year ended March 31, 2006.

- Net sales for the fourth quarter and year ended March 31, 2006 at Rs. 1,774 crores and Rs. 3,877 crores, an increase of 142 % and 76%, respectively
- Profits Before Depreciation, Interest and Taxes for the fourth quarter and year ended March 31, 2006 at Rs. 1,296 crores and Rs. 2,417 crores, up by 242% and 136%, respectively
- Net Profit for the fourth quarter and year ended March 31, 2006 at Rs. 802 crore and Rs. 1,472 crore, an increase of 250% and 123%, respectively
- Earnings Per Share for the fourth quarter and year ended March 31, 2006 of Rs.18.99 and Rs. 34.85, up by 250% and 123%, respectively
- Zinc - mined metal content for the year at 472,000 tonnes was 33% higher than the previous year. Refined zinc production for the year was 284,000 tonnes, 34% higher than the previous year, primarily due to additional output from the new 170,000 tpa hydro smelter commissioned at Chanderiya in May 2005, which has produced 14,000 tonnes in the month of March 2006. Surplus zinc concentrate of 100,000 tonnes was exported during the fourth quarter ended March 31, 2006
- Zinc - mined metal content for the fourth quarter at 125,335 tonnes was 26% higher than the corresponding period in the previous year. Refined zinc production for the fourth quarter was 91,588 tonnes, 70% higher than the corresponding period in the previous year
- Lead metal produced during the year was 24,000 tonnes, including 4,300 tonnes from the recently commissioned 50,000 tpa Ausmelt lead plant. Full ramp-up of the Ausmelt lead plant is expected to be achieved during the first quarter of FY 2007
- Preliminary work on the new 170,000 tpa zinc smelter at Chanderiya has commenced. The plant is expected to be commissioned by early 2008, taking HZL's total zinc capacity to 570,000 tpa

For further information, please contact:

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About HZL

HZL is India's only integrated producer of zinc and among the world's leading integrated producers, with an Indian domestic market share is over 70%. Its zinc capacity is currently 400,000 tpa with smelter operations are situated primarily in Chanderiya with additional smelting facilities in Debari, and Visakhapatnam. HZL has zinc mines in Dariba, Rampura Agucha, and Zawar. HZL recently commissioned a 50,000 tpa Ausmelt lead plant, increasing its capacity to 85,000 tpa and making it India's sole primary producer of lead. The company is a subsidiary of Vedanta Resources plc.

HINDUSTAN ZINC LIMITED

Registered Office: Yashad Bhawan, Udaipur – 313004

HIGHLIGHTS

- Annual turnover up by 76% at 3,877 crores
- Net Profit for the year up by 123% at 1,472 crores
- Earnings per Share for the year up by 123% at Rs. 34.85
- Strong growth in production volumes on account of newly commissioned 170,000 tpa zinc smelter
- Preliminary work has commenced on the new 170,000 tpa zinc smelter at Chanderiya, which is expected to be commissioned by early 2008

AUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED MARCH 31, 2006

(Rs. in crore, except as stated)

PARTICULARS	Nine Months ended Dec 31, 2005	Fourth quarter ended March 31		Year ended March 31	
		2006	2005	2006	2005
1. Net sales / Income from operations	2,103	1,774	733	3,877	2,202
2. Other Income	79	37	28	116	135
3. Total Expenditure	1,061	515	382	1,576	1,313
a) (Accretion) / Decretion to stock	(93)	50	27	(43)	9
b) Mining and Manufacturing Expenses	729	245	221	974	830
c) Mining Royalty	174	100	50	274	152
d) Staff costs	154	52	46	206	207
e) Administrative, selling and other expenses	97	68	38	165	115
4. Profit before depreciation and amortisation, interest and taxation (PBDIT)	1,121	1,296	379	2,417	1,024
5. Interest	44	3	1	47	2
6. Cash Profit (PBDT)	1,077	1,293	378	2,370	1,022
7. Depreciation and amortization	103	38	31	141	89
8. Profit before taxation	974	1,255	347	2,229	933
9. Provision for Taxation – Current	258	366	99	624	229
– Deferred	46	87	19	133	43
10. Net Profit	670	802	229	1,472	661
11. Paid up Share Capital (Face value Rs. 10/- each)	423	423	423	423	423
12. Reserves excluding Revaluation Reserve				3,107	1,655
13. Basic and Diluted EPS (Rs.)	15.86	18.99	5.42	34.85	15.65
14. Aggregate of Non-promoter Shareholding					
– Number of Shares	14,82,16,469	14,82,16,469	14,82,16,469	14,82,16,469	14,82,16,469
– Percentage of shareholding	35.08	35.08	35.08	35.08	35.08

NOTES:

- 1) The above results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors held on 28 April 2006.
- 2) Investment in equity shares of a power company has been considered as an intangible asset. This has resulted in an additional amortisation charge of Rs. 4.67 crore for the year ended March 31, 2006 (2005: Rs. 4.67 crore).
- 3) The Company is engaged in the business of mining and smelting of zinc and lead and its operations are in a single segment as defined by Accounting Standard 17 - "Segment reporting" issued by The Institute of Chartered Accountants of India.
- 4) During quarter ended September 30, 2005, the accounting policy relating to valuation of ore has been changed from Rs. 1/- per MT to lower of cost and net realisable value. This has resulted in an increase in profit before tax for the year ended March 31, 2006 by Rs. 6.87 crore. Prior year figures have been restated accordingly.
- 5) Investor complaints outstanding at the beginning of the quarter were nil, number of complaints received and resolved during the quarter ended March 31, 2006 were 26 and 26 respectively. Outstanding number of complaints at the end of the quarter was nil.
- 6) The Board of Directors have recommended a payment of dividend @ 25% i.e. Rs. 2.50 per equity share of Rs.10/- each.
- 7) Figures of corresponding previous period have been regrouped / rearranged to correspond with current period figures wherever considered necessary.

By Order of the Board

Date: 28 April 2006
Place: Mumbai

M S Mehta
CEO and Whole-time Director