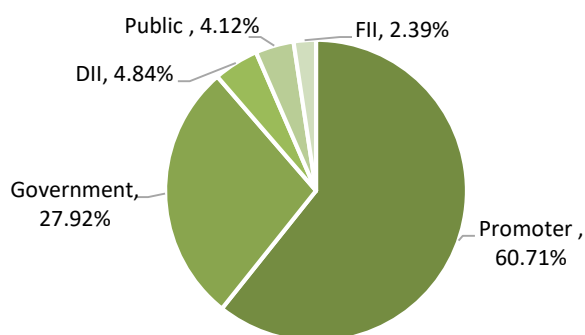


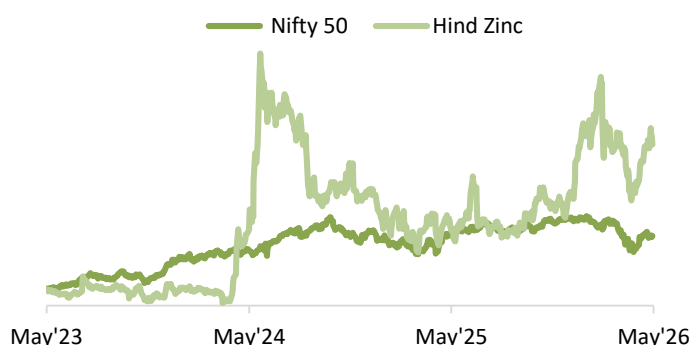
COMPANY DETAILS

NSE Details	Particulars
Symbol	HINDZINC
ISIN Code	INE267A01025
Industry	Metals and Mining
Market Cap (₹ Cr)	2,68,307
CMP (₹) (08 May'26)	635.10
Face Value (₹)	2.00
52W High/Low (₹)	733.00/ 398.00
Index	NIFTY NEXT 50
Current P/E (x)	16.5x
Recommendation	BUY
Target Price (₹)	725

SHAREHOLDING PATTERN – Q4FY26



STOCK PERFORMANCE VS NIFTY (3Y)



[Live Price Chart](#)

ABOUT THE COMPANY

Hindustan Zinc Limited, a subsidiary of Vedanta Limited, is the world's **largest integrated zinc producer** and ranks among the **top 10** global silver producers. Headquartered in Udaipur, the company runs a fully integrated mine-to-metal operation with facilities across Rajasthan and Uttarakhand. In FY26, it delivered record mined metal output of **1,114 KT** and refined metal production of **1,048 KT**, alongside silver production of **627 MT**. Zinc, which accounts for **81%** of the refined metal portfolio, reached **851 KT**, reinforcing the company's dominant position with an estimated **~74%** share of India's primary zinc market.

In FY26, Hindustan Zinc reported record ore reserves and resources (R&R) of **468.6 MT**, including metal R&R of **29.2 MT** and **silver R&R of 24.2 KT**, while achieving record proven metal reserves of **13.9 MT** and the highest-ever silver reserves of **10.9 KT**. With this, the company has established the world's **second-largest** zinc and lead R&R base, ensuring more than 25 years of mine life. It also surpassed the milestone of **1.1 MTPA** mined metal production and delivered its **five-year lowest zinc cost of production at \$959/MT** (excluding royalty), down 9% YoY. Renewable energy contributes **~13%** of the current power mix, with a clear roadmap to reach **70% by FY28** supported by **530 MW of tied-up capacity**. Additionally, value-added products account for **~22% of the portfolio**, reinforcing Hindustan Zinc's commitment to margin expansion, operational efficiency, and sustainable growth.

VALUATIONS

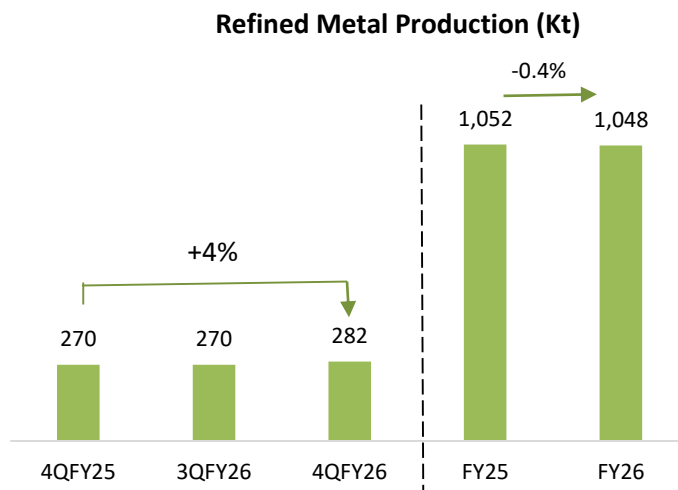
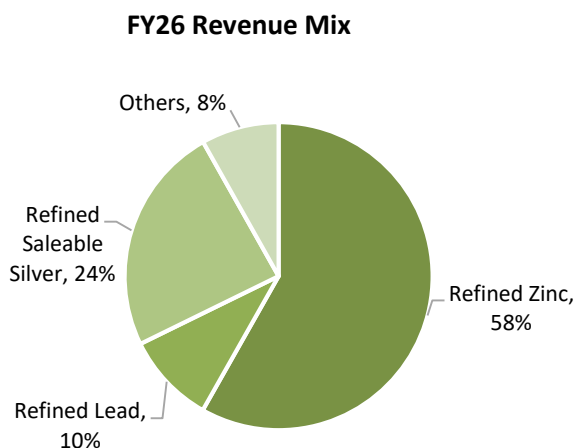
We recommend a **BUY** on the stock with a target price of **₹725**, valuing the company at **16.53x FY28E P/E** implying an upside potential of **~14%** from the CMP of **₹635.10** within a time horizon of 12-15 months. **On 30 April 2026, we had recommended to Accumulate the stock between ₹585–565 for 12–15 month time horizon, implying a return of 24%–28%.**

In ₹ Crore	FY2024	FY2025	FY2026	FY2027	FY2028
Revenue	28,932	34,083	40,844	49,973	54,275
Growth in Revenue	-15%	18%	20%	22%	9%
EBITDA	13,656	17,388	22,064	28,376	30,518
Growth in EBITDA	-22%	27%	27%	29%	8%
EBITDA Margin	47%	51%	54%	57%	56%
Profit After Tax (PAT)	6,840	10,353	13,832	17,008	18,530
Growth in PAT	-35%	51%	34%	23%	9%
PAT Margin	24%	30%	34%	34%	34%
EPS	18.36	24.50	32.74	40.25	43.86
EPS Growth	-26%	33%	34%	23%	9%

Source: JRK Research, Annual Report, Screener

INVESTMENT RATIONALE

- Strong Production Growth Supported by Core Mining Assets:** The company delivered steady operational momentum in FY26, reporting record mined metal output of ~1,114 kt (+2% YoY) and robust refined metal production of ~1,048 kt, driven by improved ore grades and higher recovery rates. Key assets led performance, with Rampura Agucha achieving a record 576 kt and Zawar reaching 214 kt, offsetting relatively lower output from Rajpura Dariba and Sindesar Khurd.
- Capacity Expansion and Efficiency Gains Strengthen Long-Term Outlook:** Ongoing capacity enhancements including higher hydro smelter cellhouse current (212 KA), addition of 21 ktpa refined zinc capacity, and commissioning of a 160 ktpa roaster at Debari, have reinforced the production base. Operational efficiencies improved through higher renewable energy usage (~18%) and record domestic coal utilisation (53%). With over 25 years of mine life and among the world's largest zinc and lead reserves, the company benefits from strong integration, scale, and long-term sustainability visibility.
- Cost Efficiency Led by Operational Improvements and Optimised Energy Mix:** Zinc cost of production (ex-royalty) declined ~9% YoY to ~\$959/t in FY26, driven by improved ore grades, higher by-product credits from silver and lead, and moderation in input costs. Meanwhile, lead LME prices softened to ~\$1,954/t, down ~5% YoY. A favourable energy mix, marked by increased domestic coal usage (53% in captive power plants) and a rising share of renewable energy (~13%), further supported cost stability and enhanced operating leverage.
- Strategic Growth, Diversification and Sustainability Roadmap:** The company is driving future growth through innovation, capacity expansion, and portfolio diversification, including the implementation of Hot Acid Leaching at Dariba for silver and lead recovery and a 510 ktpa fertilizer plant at Chanderiya (both targeted by 2QFY27). It aims to expand resources to ~30 MnT, scale mining and smelting capacity to 2 Mtpa, and increase silver output to 1,500 MTPA, while maintaining cost leadership below \$1,000/t through efficiency gains and higher renewable energy usage (target ~70%). Additionally, the focus remains on enhancing value-added products, expanding into critical minerals, and advancing sustainability goals around emissions, water, and circular economy practices.
- Strategic Outlook FY27:** For FY27, the company has outlined a clear production and cost roadmap, targeting mined metal output of ~1,150 (± 10) kt and refined metal production of ~1,100 (± 10) kt, alongside silver output of ~680 (± 10) metric tonnes. Cost discipline remains a key focus, with zinc cost of production guided at \$975–\$1,000 per tonne. To sustain this growth trajectory, the company plans to undertake growth capex in the range of \$500–600 million, aimed at capacity expansion, operational efficiency, and long-term value creation.

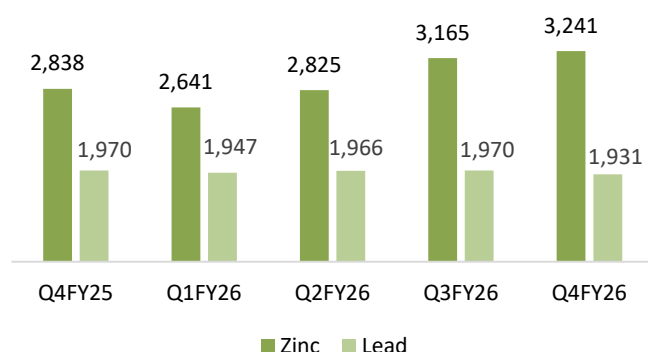


Source: JRK Research, Company Reports

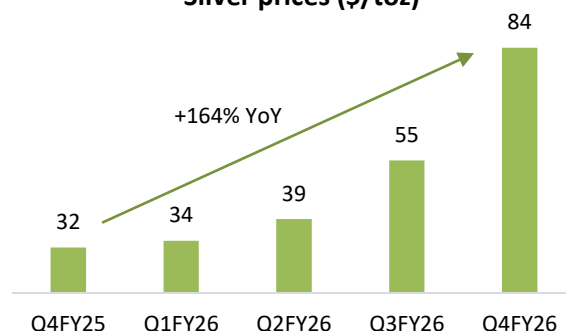
INVESTMENT RATIONALE

- Strong Financial Performance with Industry-Leading Profitability:** The company delivered a robust financial and operational performance, supported by record production and strong cost discipline. Quarterly momentum remained strong, with revenue of ₹13,544 Cr (+49% YoY, +23% QoQ), EBITDA of ₹7,747 Cr (+61% YoY, +27% QoQ), and net profit of ₹5,033 Cr (+68% YoY, +29% QoQ). For the full year, the company reported it's best-ever performance with revenue growing 20% YoY to ₹40,844 Cr, EBITDA increased 27% YoY to ₹22,162 Cr, and net profit rose 34% YoY to ₹13,832 Cr, reflecting strong operating leverage and cost efficiency. Zinc cost of production declined to a five-year low of \$959/t (ex-royalty), driving industry-leading EBITDA margins of ~54%, while return ratios remained best-in-class with ROCE of ~67% and ROE of ~77%. The company also generated strong free cash flow of ₹13,337 Cr (pre-growth capex), further reinforced by its leading market position and enhanced investor participation following inclusion in the F&O segment.
- Consistent Shareholder Rewards Backed by Robust Earnings:** The company's dividend policy reflects its strong financials and commitment to shareholder value. Despite undertaking significant capex, management has consistently balanced growth investments with shareholder payouts, largely funded through internal accruals. The Board declared a first interim dividend of ₹11 per share for FY27, following the ₹10 per share dividend in FY26, in line with the stated policy of distributing at least 30% of PAT. Supported by retained earnings of ~₹22,000 Cr and robust cash generation, the company is well positioned to sustain dividends without compromising expansion plans.
- Progressing Towards 2x Growth:** The company is advancing its 2x growth strategy through major capacity expansions, resource augmentation, and circular economy initiatives. Refined metal capacity is being scaled up to 1,379 ktpa and mined metal to 1,510 ktpa with ~₹12,000 Cr investment, targeted for completion by Q2FY29. In parallel, India's first zinc tailings reprocessing plant (10 Mtpa feed, ₹3,823 Cr investment) is on track for Q4FY28, with engineering and execution underway. Exploration efforts aim to nearly double reserves to 30 mnt, extending mine life beyond 25 years, supported by ₹1,100 Cr investment and active drilling programs.

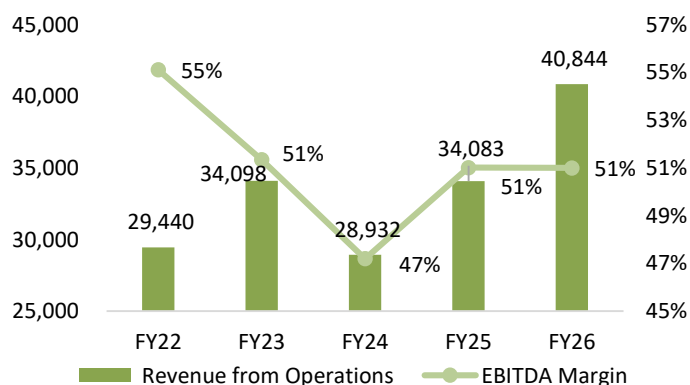
Zinc and Lead Prices (\$/mt)



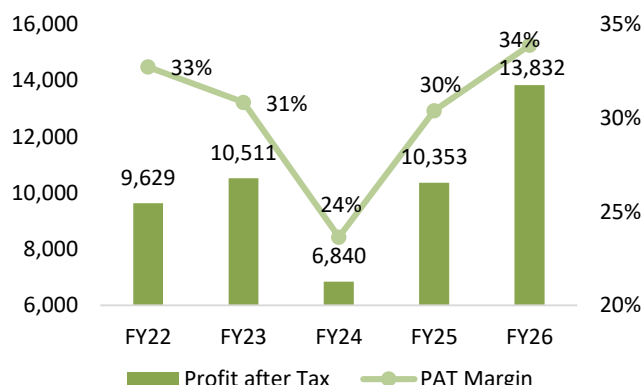
Silver prices (\$/toz)



Revenue from Operations (₹ Cr) vs EBITDA Margin



PAT (₹ Cr) vs PAT Margin



Source: JRK Research, Company Reports

CHALLENGES

- **Commodity Price Volatility:** Fluctuations in global zinc, lead, and silver prices remain a key challenge for Hindustan Zinc, as changes in metal prices directly impact revenue growth and profitability.
- **Rising Input Costs:** Higher costs of power, diesel, coal, consumables, and logistics can put pressure on margins despite the company's strong operational efficiency initiatives.
- **Mine Development & Reserve Replacement:** Sustaining production growth requires continuous investment in mine expansion, exploration, and reserve replacement as ore grades gradually decline over time.
- **Environmental & Sustainability Pressures:** Stricter environmental regulations and increasing focus on decarbonisation require significant investments in renewable energy, water conservation, and waste management projects.
- **Demand Cyclicity:** Slowdowns in global economic activity and weaker demand from infrastructure, construction, and automotive sectors can negatively affect zinc and lead consumption trends.

PEER COMPARISON

NSE Details	Jain Resource Recycling Ltd.	Hindalco Industries Ltd.	Hindustan Zinc Ltd.
SYMBOL	JAINREC	HINDALCO	HINDZINC
Market Cap (₹ Cr)	19,324.81	2,32,250.86	2,68,307.76
CMP (₹) (08 May'26)	571.50	1,044.40	635.10
52 weeks high/low (₹)	593.95/ 247.57	1,080.00 / 603.75	733.00 / 398.00
Face Value (₹)	2.00	1.00	2.00
Debt/Equity (x)	0.90	0.56	0.39
EV/EBITDA (x)	34.2	8.13	11.9
Market Cap/Sales (x)	2.46	0.89	6.55
ROCE (%)	27.2	14.8	69.3
ROE (%)	39.0	14.0	76.6

Source: JRK Research, Screener

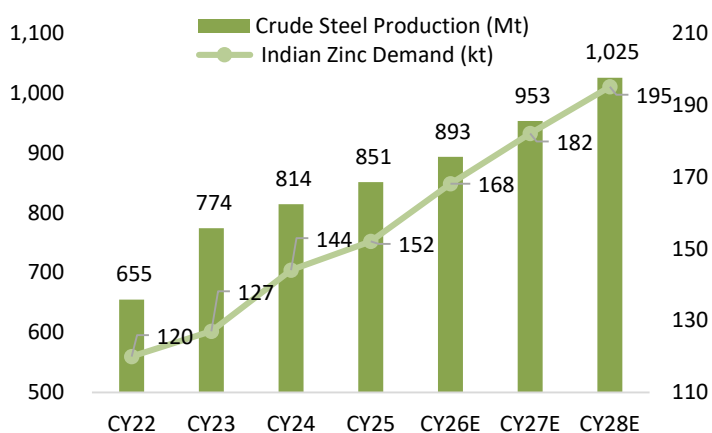
INDUSTRY OUTLOOK

India's metals and mining sector delivered a strong performance in FY26, outperforming global trends on the back of robust domestic demand, healthy margins, disciplined cost management, and supportive commodity prices. Steel demand grew 5% year-on-year in 2025, driven by rapid infrastructure expansion and sustained government capital expenditure. With India targeting 300 million tonnes of steelmaking capacity by 2030 and allocating ₹11.20 trillion towards infrastructure and capital projects in the Union Budget 2025–26, demand for zinc is expected to remain strong due to its critical role in galvanisation and corrosion protection. At the same time, the global energy transition is accelerating demand for critical minerals such as zinc, silver, copper, and nickel, which are essential for renewable energy, electric vehicles, batteries, semiconductors, and advanced electronics.

Globally, zinc markets remained firm despite macroeconomic uncertainty and geopolitical pressures. LME zinc prices averaged \$2,955 per tonne during FY26, up 17% year-on-year, supported by tightening supply conditions as global refined zinc production declined while consumption continued to rise, resulting in a market deficit. India's zinc demand remained resilient, supported by infrastructure development, manufacturing growth, rail modernisation, renewable energy projects, and rural electrification. Lead markets also remained stable, aided by steady demand from batteries, automotive, and infrastructure sectors, although the transition towards electric vehicles and alternative battery chemistries is gradually reshaping long-term consumption trends. Increased emphasis on secondary lead production and recycling infrastructure is further improving cost competitiveness and supply sustainability in India.

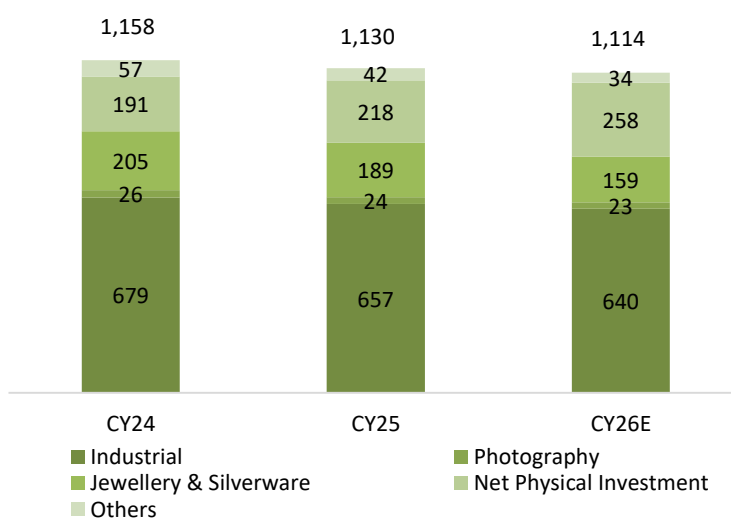
Silver emerged as one of the strongest-performing metals during the year, supported by both industrial demand and investor interest. Prices strengthened significantly amid global macroeconomic uncertainty, tightening inventories, and rising demand for safe-haven assets. Industrial consumption continued to expand, particularly from solar energy, EVs, electronics, and 5G technologies, pushing global silver demand above supply for yet another year. India also recorded strong silver imports and rising industrial usage, reinforcing its position as a key growth market. Looking ahead, the outlook for zinc, lead, and silver remains constructive, supported by infrastructure-led growth, the clean energy transition, increasing electrification, and sustained investment demand, although commodity markets may continue to experience volatility due to geopolitical tensions, tariff measures, and global monetary policy developments.

Indian Steel Production and Zinc Demand



Source: JRK Research, Company Reports

Silver Demand Trend (Moz)



FINANCIAL STATEMENTS

INCOME STATEMENT					₹ Cr
Particulars	FY22	FY23	FY24	FY25	FY26
Revenue	28,790	33,272	28,082	33,041	39,192
Other Operating Revenue	650	826	850	1,042	1,652
Total Revenue from Operations	29,440	34,098	28,932	34,083	40,844
<i>Revenue from Operations YoY Growth</i>	30%	16%	-15%	18%	20%
Change in inventories	-278	-143	-157	-64	-195
Employee benefits expense	718	845	828	886	771
Power and fuel	2,452	3,711	2,843	2,702	2,553
Mining Royalty	3,667	4,068	3,517	4,103	4,948
Other expenses	6,656	8,111	8,245	9,068	10,703
Total Operating Expenses	13,215	16,592	15,276	16,695	18,780
<i>Total Operating Expenses YoY Growth</i>	21%	26%	-8%	9%	12%
<i>Operating Expenses as a % of Sales</i>	44.9%	48.7%	52.8%	49.0%	48.0%
EBITDA	16,225	17,506	13,656	17,388	22,064
<i>EBITDA YoY Growth</i>	39%	8%	-22%	27%	27%
<i>EBITDA Margin</i>	55%	51%	47%	51%	51%
Depreciation and amortization expense	2,917	3,264	3,468	3,640	3,790
<i>Depreciation and amortization Growth</i>	15%	12%	6.3%	5.0%	4.1%
<i>Depreciation as a % of Sales</i>	10%	10%	12%	11%	9%
EBIT	13,308	14,242	10,188	13,748	18,274
EBIT Margin	45%	42%	35%	40%	45%
Finance costs	290	333	955	1,095	881
<i>Finance Cost as a % of Sales</i>	1%	1%	3%	3.2%	2.2%
Other income	1,216	1,379	1,074	983	1,090
Exceptional Items	-134	0	0	-83	25
Profit Before Tax	14,100	15,288	10,307	13,553	18,508
Current tax	2,445	3,431	3,468	3,226	4,599
Deferred tax (credit)	2,026	1,346	-1	-26	77
Total Tax Expenses	4,471	4,777	3,467	3,200	4,676
	34%	34%	34%	23%	26%
Profit after Tax	9,629	10,511	6,840	10,353	13,832
<i>PAT YoY Growth</i>	21%	9%	-35%	51%	34%
<i>PAT Margin</i>	33%	31%	24%	30%	34%
Basic EPS	22.79	24.88	18.36	24.5	32.74
Diluted EPS	22.79	24.88	18.36	24.5	32.74
<i>EPS Growth</i>	21%	9%	-26%	33%	34%

QUARTERLY INCOME STATEMENT					₹ Cr
Particulars	Q4FY26	Q3FY26	QoQ	Q4FY25	YoY
Sales	13,488	10,922	23%	9,041	49%
Expenses	5,822	4,917	18%	4,258	37%
Operating Profit	7,666	6,005	28%	4,783	60%
OPM %	57%	55%	19 bps	53%	39 bps
Other Income	280	319	-12%	230	22%
Interest	187	195	-4%	251	-25%
Depreciation	1,053	944	12%	1,013	4%
Profit before tax	6,706	5,185	29%	3,749	79%
Tax %	25%	25%	0 bps	21%	40 bps
Net Profit	4,997	3,879	29%	2,976	68%
EPS	11.83	9.18	29%	7.04	68%

BALANCE SHEET					₹ Cr
Particulars	FY22	FY23	FY24	FY25	FY26
ASSETS	44,670	35,467	33,895	34,490	42,370
Property, Plant and Equipment	17,165	17,530	17,971	18,485	19,846
Capital Work in Progress	2,075	2,237	1,696	2,606	3,409
Other Non-Current Assets	1,448	896	1,603	1,773	2,515
Intangible Assets	231	92	180	123	91
Financial Assets	58	369	709	919	1,186
Non-Current Tax Assets (Net)	884	145	145	140	135
Other Non-Current Asset	275	290	569	591	1,103
Current Assets	23,982	14,804	12,625	11,626	16,600
EQUITY AND LIABILITIES	44,670	35,467	33,895	34,490	42,370
Share Capital	845	845	845	845	845
Other Equity/ Reserve	33,436	12,087	14,350	12,481	21,784
Total Equity	34,281	12,932	15,195	13,326	22,629
Non-Current Liabilities	4,295	5,082	7,859	9,965	8,467
Current Liabilities	6,094	17,453	10,841	11,199	11,274
Financial Liabilities (Current)	4,946	15,176	8,217	9,289	9,817
Current Tax Liabilities (Net)	256	564	477	312	386
Other Current Liabilities	860	1,687	2,126	1,579	1,039
Short Term Provisions			21	19	32
Total Liabilities	10,389	22,535	18,700	21,164	19,741

RATIO ANALYSIS					
	FY22	FY23	FY24	FY25	FY26
Profitability Ratios					
EBITDA Margin	55%	51%	47%	51%	54%
Net Profit Margin	33%	31%	24%	30%	34%
ROE	28%	45%	55%	73%	77%
ROCE	35%	46%	42%	58%	67%
Liquidity/Solvency Ratio					
Current Ratio (x)	3.94	0.85	1.16	1.04	1.47
Debt-Equity Ratio (x)	0.08	0.92	0.56	0.80	0.37
Working Capital Ratios					
Receivable Days	9	4	2	1	3.59
Inventory Days	24	20	24	20	19
Payable Days	25	22	27	24	30
Cash Conversion Days	8	2	0	-2	-7
Valuation Ratio					
PE (x)	13.6	11.7	15.9	18.8	15.3
EV/EBITDA (x)	7.9	7.2	9.6	11.7	9.9
Market Cap/Sales (x)	4.4	3.6	4.2	5.7	5.1

JRK Stock Broking Private Limited

SEBI Registered Research Analyst Registration Number: INH300008881

NSE: INB/INF/INE 231293235

BSE: INB/INF 011293231

Contact No: 033-4017-4777; Email: info@jrkgroup.in

JRK Research Desk POC:

Mr. Sanjeev Jain, Head of Research; Email: sanjeev.jain@jrkgroup.in

Ms. Khushi Agarwal, Research Analyst; Email: khushi.agarwal@jrkgroup.in

Ms. Smriti Agarwal, Research Analyst; Email: smriti.agarwal@jrkgroup.in

Disclaimer

- a. This research report ("Report") is for the personal information of the authorized recipient(s) and is not for public distribution and should not be reproduced or redistributed to any other person or in any form without JRK STOCK BROKING PRIVATE LIMITED's prior permission or approval. The information provided in the Report is from publicly available data, which we believe, are reliable. While reasonable endeavors with due skill, care and diligence have been made/followed to present reliable data in the Report so far as it relates to current and historical information, but JRK STOCK BROKING PRIVATE LIMITED does not guarantee the accuracy or completeness of the data in the Report. Accordingly, JRK STOCK BROKING PRIVATE LIMITED or any of its connected persons including its directors or subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained, views and opinions expressed in this publication.
- b. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by JRK STOCK BROKING PRIVATE LIMITED and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.
- c. The Report also includes analysis and views of our research team. The Report is purely for information purposes and does not interpret to be an offer or solicitation of an offer to buy/sell any securities. The opinions expressed in the Report are our current opinions as of the date of the Report and may be subject to change from time to time without notice. JRK STOCK BROKING PRIVATE LIMITED or any persons connected with it do not accept any liability arising from the use of this document.
- d. Investors should not solely rely on the information contained in this Report and must make investment decisions based on their own investment objectives, judgment, risk profile and financial position. The recipients of this Report may take professional advice before acting on this information.
- e. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to local law, regulation or which would subject JRK STOCK BROKING PRIVATE LIMITED and its affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this Report may come are required to inform themselves of and to observe such restrictions.
- f. As JRK STOCK BROKING PRIVATE LIMITED along with its associates, are engaged in various financial services business and so might have financial, business or other interests in other entities including the subject company/ies mentioned in this Report. However, JRK STOCK BROKING PRIVATE LIMITED encourages independence in preparation of research report and strives to minimize conflict in preparation of research report. JRK STOCK BROKING PRIVATE LIMITED and its associates did not receive any compensation or other benefits from the subject company/ies mentioned in the Report or from a third party in connection with preparation of the Report. Accordingly, JRK STOCK BROKING PRIVATE LIMITED and its associates do not have any material conflict of interest at the time of publication of this Report.
- g. As JRK STOCK BROKING PRIVATE LIMITED and its associates are engaged in various financial services business, it might have:- (a) received any compensation (except in connection with the preparation of this Report) from the subject company in the past twelve months; (b) managed or co-managed public offering of securities for the subject company in the past twelve months; (c) received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) engaged in market making activity for the subject company.
- h. JRK STOCK BROKING PRIVATE LIMITED and its associates collectively do not own (in their proprietary position) 1% or more of the equity securities of the subject company/ies mentioned in the report as of the last day of the month preceding the publication of the research report.
- i. The Research Analyst/s engaged in preparation of this Report or his/her relative (a) does not have any financial interests in the subject company/ies mentioned in this report; (b) does not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) does not have any other material conflict of interest at the time of publication of the research report.
- j. The Research Analyst/s engaged in preparation of this Report:- (a) has not received any compensation from the subject company in the past twelve months; (b) has not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) has not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) has not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the research report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

Sources:

JRK Research Desk, Annual Report, Company Reports, NSE, BSE, FBIL, SEBI, Screener, Financial Websites.