

**HINDUSTAN ZINC**  
**Techno Funda**  
**Stock Outlook**

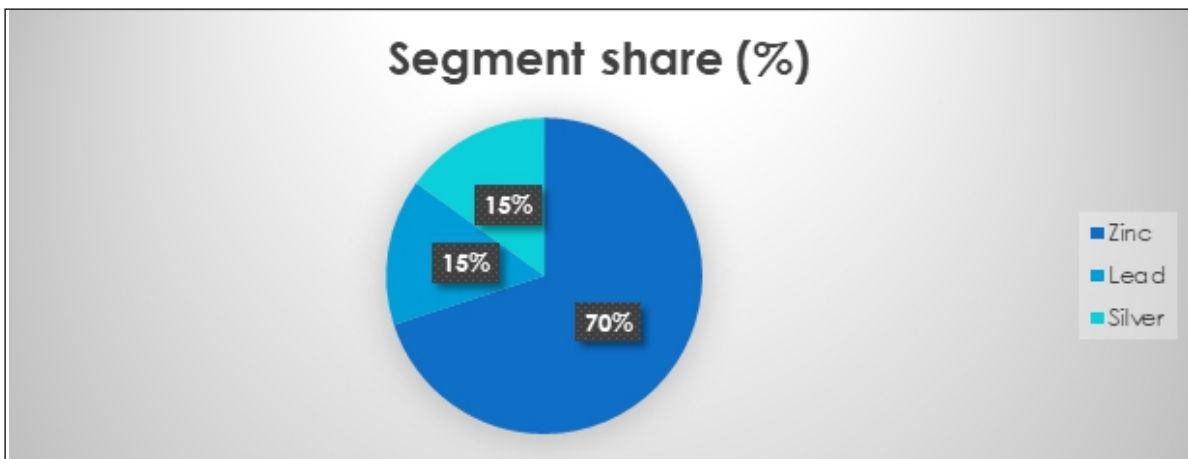


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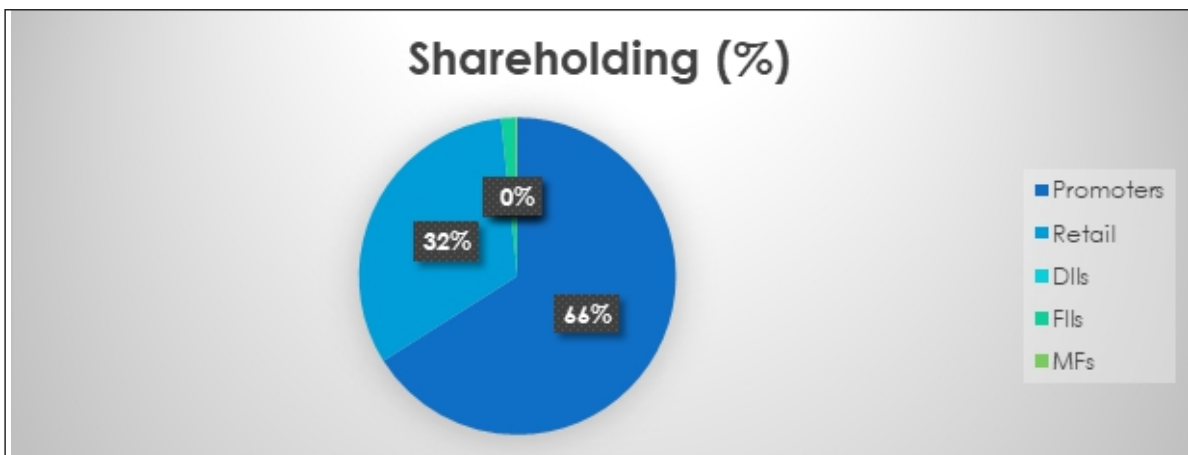
STOCK DETAILS	
NSE Scrip code	HINDZINC
BSE Scrip code	500188
Market cap (in Cr)	2,08,900
52-week High/Low (in Rs)	575 / 378
Current Price	470
Price Target (in Rs)	520-550

### BUSINESS DESCRIPTION

Hindustan Zinc (HINDZINC) is India's largest zinc-lead producer and one of the world's top integrated producers of zinc, lead, and silver. The company has a market share of ~75% of the growing Zinc market in India with its headquarters at Zinc City, Udaipur.



### SHAREHOLDING PATTERN

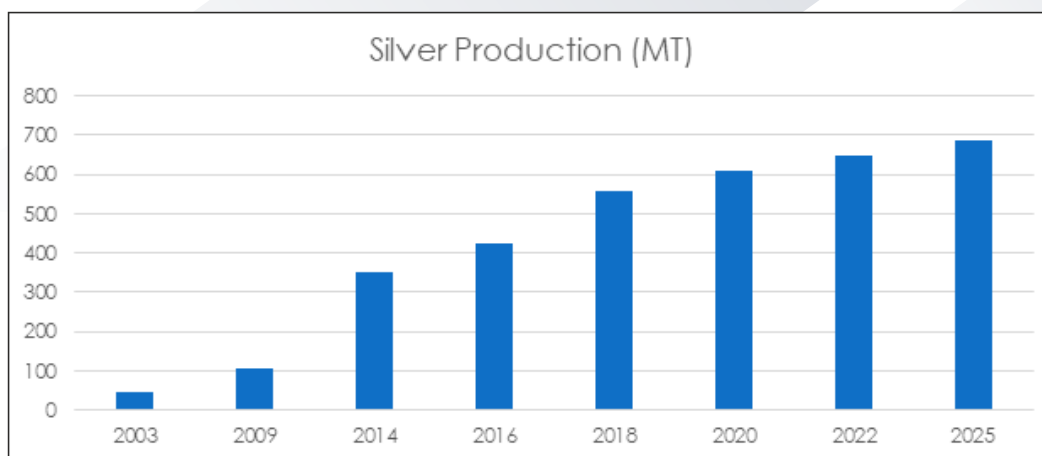


## INDUSTRY SCENARIO & STRENGTHS

### Silver - the irreplaceable resource as well as a financial asset

Silver plays a dual role as an industrial metal and a financial asset. It is critical due to its unique properties, making substitution nearly impossible.

### SILVER PRODUCTION ON THE RISE



### INDIA'S LARGEST AND ONLY LISTED SILVER PRODUCER

HINDZINC accounts for over 90% of India's mined silver output, making it a strategic play on the global silver theme via Indian equities.

### RECORD MINED METAL PRODUCTION AND COST LEADERSHIP

Achieved highest-ever Q1 mined metal production at 265,000 tons. Reported lowest ever Q1 cost of production (COP) since underground transition: \$1,010/ton for zinc. Management expects cost to cool down further for the remainder of FY26.



Hindustan Zinc is India's only silver producer and is now among the top 5 largest silver producers globally as per the World Silver Survey by the Silver Institute.

### Silver is a by-product in the mining and smelting of zinc and lead ores

When silver prices go up, HINDZINC can capture higher revenues (for the same production volume) without correspondingly higher costs

### Capacity expansion and Diversification

Board has approved first phase of growth plan for 250ktpa integrated metal capacity to aid in achieving full year management guidance. Hindustan Zinc is actively reshaping its growth trajectory beyond its historical core (zinc, lead, and silver) by venturing into fertilizer and strategic minerals.

### Financial highlights

#### Annual

Rs (Cr)	FY24	FY25	YoY
Revenue	28934	33969	17.4%
Expenses	15253	16630	9.0%
Operating Profit	13681	17339	26.7%
Other Income	1083	870	
Depreciation	3466	3634	
Interest	955	1111	
Profit before tax	10343	13464	30.2%
Tax	2556	3185	
Net profit	7787	10279	32.0%
EPS	18	24	

#### Quarterly

	Q1FY25	Q4FY25	Q1FY26	yoy change
Sales	8,130	9,041	7723	-5%
Expenses	4179	4258	3907	-7%
Operating Profit	3,951	4,783	3816	-3%
Other Income	277	230	282	
Depreciation	843	1,013	911	
Interest	256	251	239	
Profit before tax	3129	3749	2948	-6%
Tax	771	773	744	
Net profit	2358	2976	2204	-7%
OPM	49%	53%	49%	

## TECHNICAL ANALYSIS



- This wedge indicates a pressure build-up.
- On technical front, stock finds itself in the middle of a temporary consolidation.
- Stock can be accumulated on dips near 450-455 for a short-term target of 490-500-520 with a stoploss of 415.
- On the other hand, momentum-based investors can wait for a break above 515-520 for a target of 545-550 keeping a stop loss below 455 level.

### Investment rationale

**Management expects prices to remain resilient:** Silver prices are expected to stay buoyant, driven by robust industrial consumption (particularly in solar, electronics, and electric vehicles) and continued supply tightness globally.

**Consistent cash flow:** Hindustan Zinc's consistent cash flow generation reflects its efficient cost structure, strong pricing power, and disciplined capital allocation — making it a cash-rich, dividend-yielding commodity play within the metals sector.

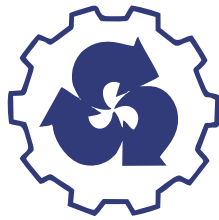
**Silver's increasing impact:** Silver revenue is incremental to its core operations and can act as a kind of bonus on top of the core operations. In recent quarters, silver has been a significant contributor to profitability. In Q1 FY26, 41% of profits was contributed by silver segment as prices surged 17% YOY driven by industrial demand and safe-haven flows.

**Rise of renewable and domestic coal share in energy mix:** Renewable mix to further expand resulting in cost reduction leading to improved margins.

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