



HINDUSTAN ZINC
Zinc & Silver of India



Research Report

HINDUSTAN ZINC LIMITED



Prepared By-

ABHISHEK SHELAR
EQUITY RESEARCH ANALYST

Company Overview

Hindustan Zinc Limited (HZL), India's largest integrated zinc producer and a global top-3 primary zinc producer, presents a compelling investment opportunity driven by record operational performance, favorable commodity pricing, and strategic growth initiatives. The company has demonstrated strong operational momentum with record-breaking mined metal production of 1,095 kilotonnes and refined zinc output of 827 kilotonnes in FY2025, coupled with extraordinary Q3 FY26 results showing 46% year-on-year profit growth

Key Business segments

For Hindustan Zinc, almost all revenue comes from core metals; wind is negligible.

Segment mix (FY25)

- **Zinc, lead & others:** ~78–80% of revenue.
- **Silver:** ~18–20% of revenue,
- **Wind energy:** ~0.5–1% of revenue

Synopsis of Financials

Hindustan Zinc's financials show a strong, high-margin metal business with recent growth driven by higher zinc/silver prices and record production.

- Revenue grew from ~₹28,900 cr (FY24) to ~₹33,900–34,000 cr (FY25), showing mid-teens growth.
- Net profit rose from ~₹7,800 cr to ~₹10,300 cr in FY25, up ~33% YoY.
- EBITDA margins remain very high, generally in the 45–50%+ range.
- Cash flow from operations is robust at >₹14,000 cr in FY25, supporting high dividends.
- Latest Q3 FY26 net profit jumped ~46% YoY to ~₹3,900 cr, driven by pricing and silver contribution

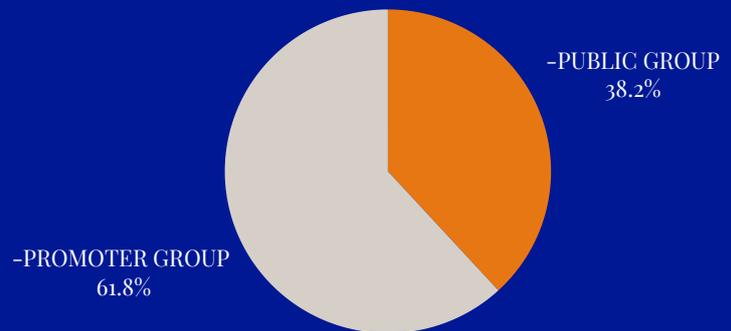
Stock data (as 20th Jan 2026)

Nifty Price	: 25,232.50
52 week High (in Rs.)	: 696.90
52 week Low (in Rs.)	: 378.15
Market Cap. (in Crore)	: 2,87,321.69
NSE Code	: INE267A01025

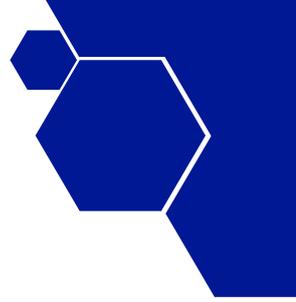
Stock data



Shareholding Pattern (Dec 2025)



Particulars	Mar 2023	Mar 2024	Mar 2025
Sales -	90,488	89,760	89,088
Sales Growth	14.09%	-0.80%	-0.75%
Expenses +	73,649	73,008	71,067
Operating Profit	16,839	16,752	18,021
OPM %	19%	19%	20%
Tax %	23%	25%	24%
Net Profit +	11,366	11,112	13,218
EPS in Rs	10.34	10.57	12.54
Dividend Payout	5%	5%	48%



Quarterly Results

Particular	Dec 2024	Mar 2025	Jun 2025	Sep-25	Dec 2025
Sales +	22,319	22,504	22,135	22,697	23,556
Expenses +	17,779	17,880	17,902	18,325	19,259
Operating Profit	4,540	4,624	4,233	4,372	4,296
OPM %	20%	21%	19%	19%	18%
Other Income +	1,005	1,217	1,072	963	1,008
Interest	415	377	361	361	366
Depreciation	676	722	686	692	805
Profit before tax	4,453	4,743	4,258	4,282	4,134
Tax %	24%	24%	22%	24%	24%
Net Profit +	3,367	3,588	3,336	3,262	3,145
EPS in Rs	3.2	3.41	3.18	3.1	2.97

Source: Screener

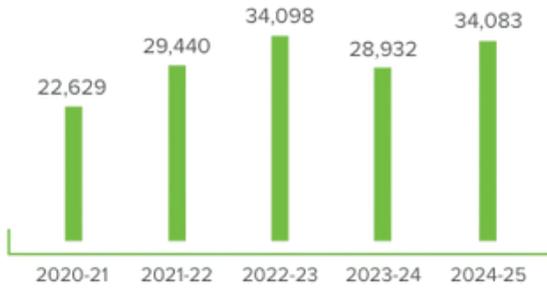
Yearly Results

Particulars	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
Equity Capital	1,096	1,096	1,098	1,045	2,094
Reserves	53,805	64,307	76,570	73,943	80,736
Borrowings +	10,451	17,593	17,467	16,465	19,204
Other Liabilities +	17,213	24,280	21,789	23,611	26,362
Total Liabilities	82,566	107,276	116,924	115,064	128,396
Fixed Assets +	23,040	37,990	44,757	44,083	45,654
CWIP	1,853	1,602	617	748	221
Investments	18,775	26,154	33,073	33,384	43,926
Other Assets +	38,898	41,531	38,477	36,848	38,595
Total Assets	82,566	107,276	116,924	115,064	128,396

Highlights

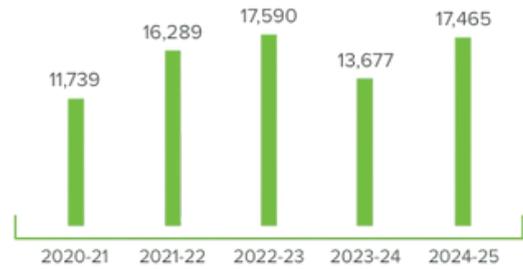
Revenue from Operations

(₹ crore) (including other operating income)



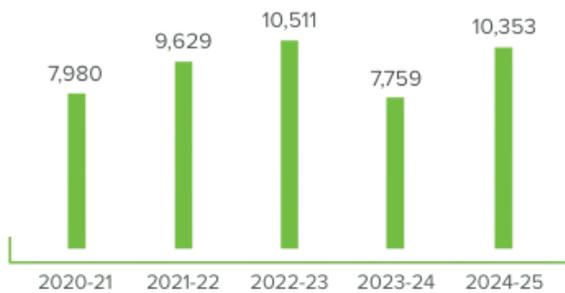
EBITDA

(₹ crore)



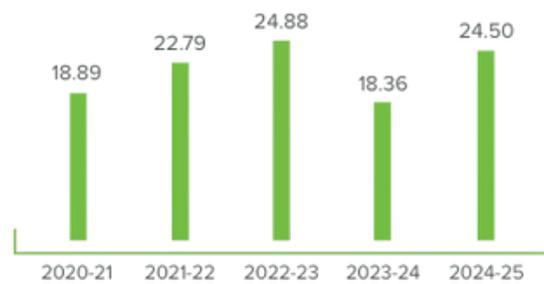
PAT

(₹ crore)



Earnings Per Share

(₹)



Peer Comparison

Peer Stock Performance (5Y) Indexed



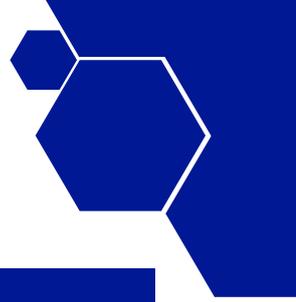
Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Hindustan Zinc	680.50	24.60	287185.06	4.26	3879.00	45.84	10922.00	27.65	60.73
2.	Sizemasters Tech	191.50	60.60	191.50	0.00	1.24	18.10	10.71	207.76	22.51

Source: Screener

Synopsis Quarter Results



The most recent quarterly results (Q3 FY26, December 2025) validate our positive outlook:

- Net Sales: ₹8,525 crore (up from ₹8,242 crore in Q2 FY26)
- Net Profit: ₹3,916 crore (46% YoY growth vs Q3 FY25)
- Operating Margin: 52% (vs 50.9% average in FY25)
- EBITDA: Strong expansion driven by higher commodity prices and operational leverage
- Mined Metal Production: 276 kilotonnes (up 4% YoY) - record December quarter since transition to underground mining
- Refined Zinc Production: 221 kilotonnes (up 8% YoY), benefiting from debottlenecking projects and improved plant availability

The sequential improvement quarter-after-quarter and strong YoY growth demonstrate operational momentum and resilience through commodity cycles.

Q3 FY26 Operational Highlights

Recent quarterly data (December 2025) validates continued operational momentum:

Mined Metal Production: 276 kilotonnes (↑ 4% YoY) - highest-ever December quarter production

Refined Zinc Production: 221 kilotonnes (↑ 8% YoY) - debottlenecking projects yielding results

Refined Lead Production: 49 kilotonnes (↓ 11% YoY) - temporary operational factors; expected to normalize

Production Guidance: Management targeting capacity addition towards 2 million tonnes in FY26

Final Outlook

HINDZINC: HOLD ₹680.00

Hindustan Zinc (HZL) enters 2026 with record profitability, a net cash balance sheet and strong leverage to structurally tight zinc and silver markets, especially the ongoing silver deficit and price spike above Rs 3 lakh/kg in India. At around 23–24x trailing P/E, valuations are at a premium to the stock's long-term average but broadly in line with current non-ferrous peers, which caps near-term upside but remains justified if elevated silver prices sustain and the company delivers on volume guidance.

Key Financials

Hindustan Zinc reported Q3 FY26 revenue of Rs 10,980 Cr (+27% YoY) and PAT of Rs 3,916 Cr (+46% YoY), with EBITDA margins at 55% driven by higher silver realizations and volumes. Silver output hit 451 tonnes in 9M FY26 toward a 680 tonne FY26 target, aided by ramp-ups and better grades. Balance sheet turned net cash positive (~Rs 329 Cr) despite high dividends.

Market Drivers

Silver prices above Rs 3 lakh/kg (international >\$50/oz) fuel ~40-45% of EBIT amid global deficits from solar/green energy demand. Zinc/lead stable, with zinc costs controlled at ~\$1,000/tonne target; focus on debottlenecking (e.g., Chanderiya expansion).

Accumulate on dips for 2-3 year hold: High FCF/ROE (profit Rs 11,691 Cr TTM), dividend yield appeal, and silver super-cycle exposure outweigh volume/price risks. Monitor Q4 silver volumes and metal prices for catalysts

Disclaimer: The information provided on this blog is for general informational purposes only and is not intended as financial advice. While we aim to provide accurate information, please conduct your own research before making any investment decisions. This content is for informational purposes only and should not be construed as financial advice. Always consult with a financial advisor before investing.

This blog may contain links to external websites for your convenience. We do not endorse the content or views expressed in these external sites and are not responsible for their accuracy or reliability.

By using this blog, you acknowledge that you have read and understood this disclaimer and agree to its terms.