

## Silver Play and Good Dividend Yield; Initiate with Buy

We initiate on HZ with Buy rating and Rs660 PT, 22% upside incl. 4% dividend yield. HZ is a big beneficiary of rising silver and zinc prices with first-decile zinc mining cost. Despite modest volume growth, we expect EPS to rise at strong 22%/29% in FY26/FY27 and 7% in FY28E, along with robust cash flows and ROE; our FY26-28E EPS are 9-31% above street. Its 9.2x FY27E EV/EBITDA is above long-term average of 7.3x, but justified by rising share of silver in EBIT.

**Leading zinc & silver producer:** Hindustan Zinc (HZ) is world's largest integrated zinc producer with 1.12mtpa refined metal capacity, and is among top-5 in silver with 800t capacity. Zinc and lead formed 62% of FY25 EBIT while silver contributed 38%. In zinc, HZ is in first-decile of mining and first-quartile of smelting cost curve.

**Silver boost to EBITDA:** Silver price has doubled in 2025 to \$62 at spot. HZ expects global silver market to remain in deficit in 2025; we assume silver prices of \$56-60 in 2HFY26-FY28 (3-10% below spot). With HZ hedging 37% of its 2HFY26 silver volumes at \$37, the full price benefit will come in FY27, providing a big EBITDA boost.

**Global zinc market remains tight:** 2025 has been a tale of two halves for zinc with global price falling 14% to \$2,541 over Jan-Apr but then rising 33% to \$3,376 at spot. As per JEF global team, zinc price should be range-bound as market is tight with low inventory(Report). We assume zinc prices of \$3,225-3,250 in 2HFY26E-FY28E (~4% below spot).

**New capacity starts in FY29:** HZ is expanding its refined metal capacity by 34% to c.1.5mtpa and silver capacity by 4% to 830tpa by 2QFY29; it is targeting 2mtpa refined metal and 1,500t silver by 2030. With new expansions still sometime away, we expect HZ's metal sales to grow at just 2% CAGR over FY25-28E.

**Costs under control:** HZ's reported zinc cost of production, ex. royalty, has declined from a peak of \$1,257 in FY23 to \$1,002 in 1HFY26 on better metal grade, higher domestic coal usage, lower global coal prices and rising share of renewable energy. HZ expects costs to stay range-bound over FY26-28E as rising share of renewable power and efficiency gains should offset pressures from deeper mining and grade variability.

**Strong cash flow and ROE:** Over FY21-25, HZ generated average FCF of Rs105bn and ROE at 45%. It has a healthy balance sheet with FY25 net-debt/EBITDA at just 0.1x. We expect strong FCF at Rs80-148bn/year and 69-85% ROE over FY26-28E.

**Initiate with Buy:** We expect HZ's EPS to rise at strong 22%/29% in FY26/FY27, and then by 7% in FY28; our FY26-28 EPS are 9-31% above street. Despite recent rally, HZ stock has lagged most of its global zinc and precious metal peers CYTD. Its 9.2x FY27E EV/EBITDA is above last 10Y average of 7.3x, but justified by rising share of silver in EBIT. We initiate with Buy and Rs660 PT (at 10x Sep-27E EV/EBITDA), 22% upside incl 4% dividend yield. Key risks are lower silver/zinc prices and mine grades, mine renewals post 2030, and adverse related party event.

FY (Mar)	2025A	2026E	2027E	2028E
Rev. (MM)	340,830	385,831	453,770	480,770
EBITDA (MM)	173,880.0	207,809.5	260,646.3	278,645.1
Net Profit	104,086.1	127,053.6	164,180.2	175,789.3
EPS	24.63	30.07	38.86	41.60

### INITIATING COVERAGE

RATING BUY

PRICE INR561.35\*

PRICE TARGET | % TO PT INR660 | +18%

52W HIGH-LOW INR567.50 - INR378.65

FLOAT (%) | ADV MM (USD) 8.7% | 41.31

MARKET CAP INR2.4T | \$26.2B

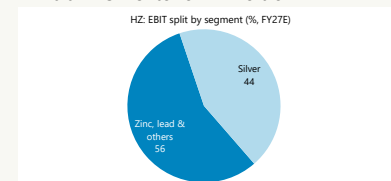
TICKER HZ IN

\*Prior trading day's closing price unless otherwise noted.

FY (Mar)	CHANGE TO JEF		JEF vs CONS	
	2026	2027	2026	2027
REV	NA	NA	+5%	+13%
EPS	NA	NA	+9%	+26%

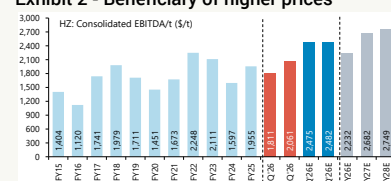
2026 (INR)	Q1	Q2	Q3	Q4	FY
EPS	--	--	--	--	30.07
PREV					

### Exhibit 1 - Silver to form ~45% of FY27E EBIT



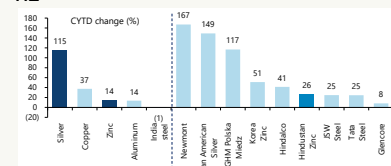
Source: Company data, Jefferies estimates

### Exhibit 2 - Beneficiary of higher prices



Source: Company data, Jefferies estimates

### Exhibit 3 - Silver rally to drive further upside in HZ



Source: Bloomberg, Jefferies

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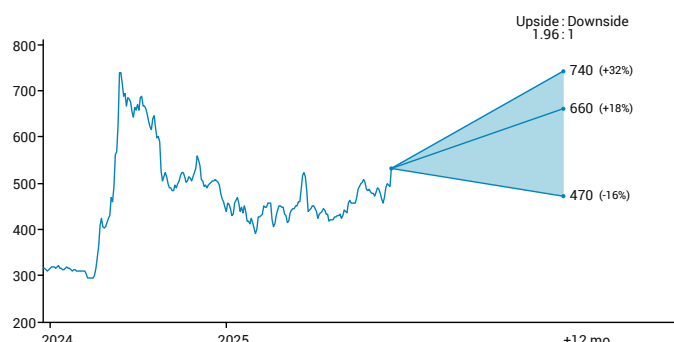
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# The Long View: Hindustan Zinc

## Investment Thesis / Where We Differ

- HZ is world's largest integrated zinc producer and among top-5 silver producers. Zinc and lead formed 62% of HZ's FY25 EBIT while silver contributed 38%.
- HZ is among the lowest-cost zinc producers globally, positioned in the first decile of the global zinc mining cost curve.
- HZ is benefiting from rising silver and zinc prices.
- HZ generates strong cash flow and offers a good dividend yield.

## Risk/Reward - 12 Month View



## Base Case, INR660, +18%

- Refined metal sales of 1,059kt/1,080kt/1,102kt in FY26-28E.
- Silver volumes of 648t/667t/680t in FY26-28E
- Zinc price of \$2,979/ \$3,225/\$3,250 in FY26-28E
- Silver price/toz of \$46/\$58/\$60 in FY26-28E
- EBITDA/t of \$2,232/\$2,682/ \$2,749 in FY26E/27E/28E
- EBITDA to rise to Rs208bn/Rs261bn/ Rs279bn in FY26E/27E/28E.
- EPS of 30/39/42 in FY26-28E.
- PT of Rs660 based on Sep-27E EV/EBITDA multiple of 10x.

## Upside Scenario, INR740, +32%

- FY27-28E zinc prices 5% higher than base case.
- FY27-28E silver prices 5% higher than base case.
- FY27-28E EBITDA higher by 7% over base case.
- FY27-28E EPS higher by 8% over base case.
- PT of Rs740 based on Sep-27E EV/EBITDA multiple of 11x.

## Downside Scenario, INR470, -16%

- FY27-28E zinc prices 5% lower than base case.
- FY27-28E silver prices 5% lower than base case.
- FY27-28E EBITDA lower by 7% over base case.
- FY27-28E EPS lower by 8% over base case.
- PT of Rs470 based on Sep-27E EV/EBITDA multiple of 8x.

## Sustainability Matters

**Top Material Issue(s):** **1)** Emissions: With a rising focus on decarbonization globally, emissions are a key ESG metric for HZ. **2)** Energy management: Mining is usually an energy intensive process, with energy accounting for a large portion of costs. **3)** Factors such as human rights & community relations, air quality, and employee health & safety are other important ESG metrics.

**Company Target(s):** **1)** HZ aims to reduce its Scope 1 & Scope 2 emissions by 50% and Scope 3 emissions by 25% by 2030, on track to reach net-zero emissions by 2050 or earlier **2)** HZ targets a 50% reduction in freshwater consumption from 2020 baseline **3)** HZ commits to 100% ESG-risk assessment of suppliers and embeds ESG expectations (including responsible sourcing and modern-slavery safeguards) into procurement and partnerships.

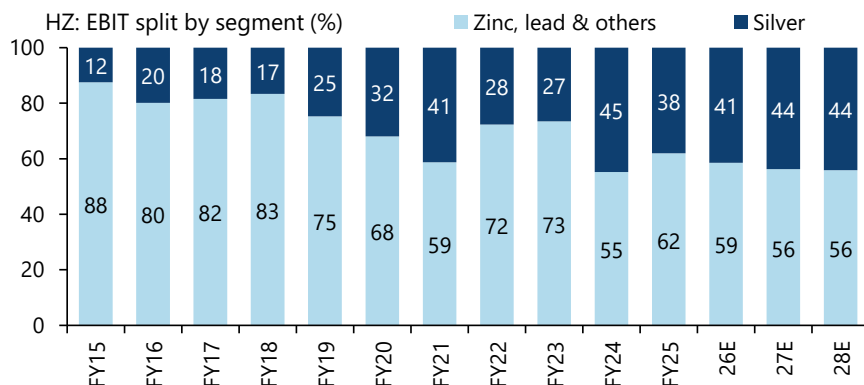
**Qs to Mgmt:** **1)** How do you plan to sustainably meet water needs in water-stressed regions while reducing groundwater dependency? **2)** What long-term tailings and hazardous waste management safeguards do you have beyond regulatory compliance? **3)** How is ESG performance integrated into executive KPIs and capital allocation decisions?

## Catalysts

- Rising silver and zinc prices
- Higher silver sales

## Key investment thesis

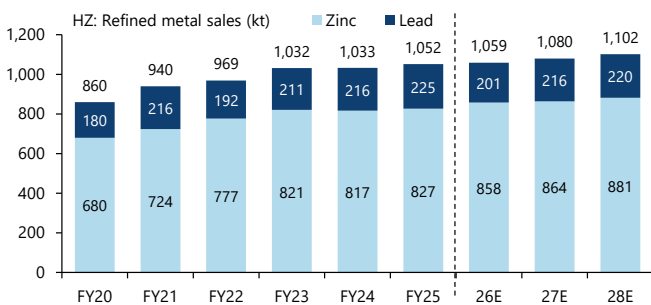
Exhibit 4 - HZ offers an attractive exposure to rising silver prices



Source: Company data, Jefferies estimates

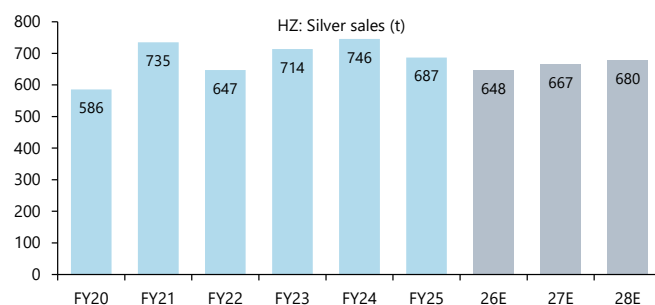
Zinc and lead formed 62% of HZ's FY25 EBIT while silver contributed 38%; we expect silver to contribute 44% of EBIT by FY27E.

Exhibit 5 - Expect 2% CAGR in refined metal sales over FY25-28E



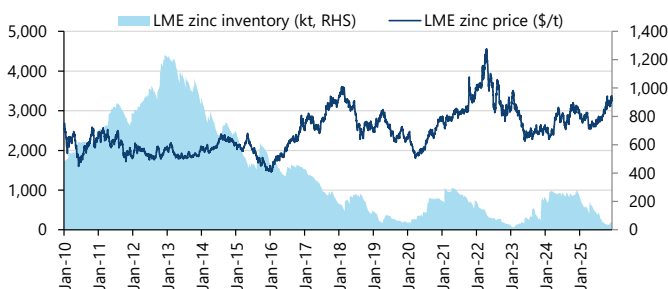
Source: Company data, Jefferies estimates

Exhibit 6 - Silver sales to fall in FY26E but grow in FY27-28E



Source: Company data, Jefferies estimates

Exhibit 7 - Zinc prices are up 33% since Apr-25



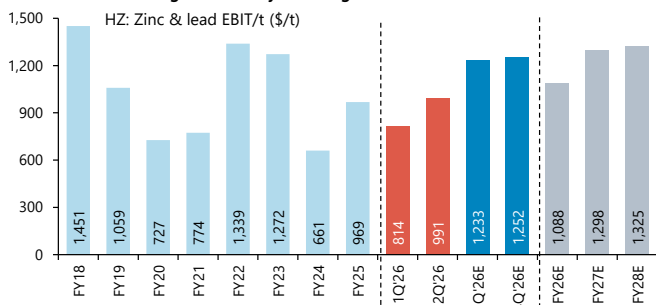
Source: Bloomberg, Jefferies

Exhibit 8 - Silver prices have more than doubled in 2025



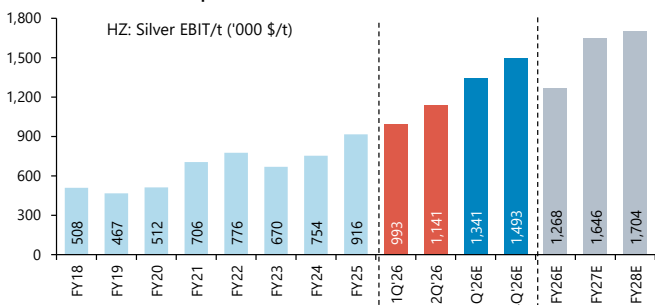
Source: Bloomberg, Jefferies

Exhibit 9 - HZ is a big beneficiary of rising zinc...



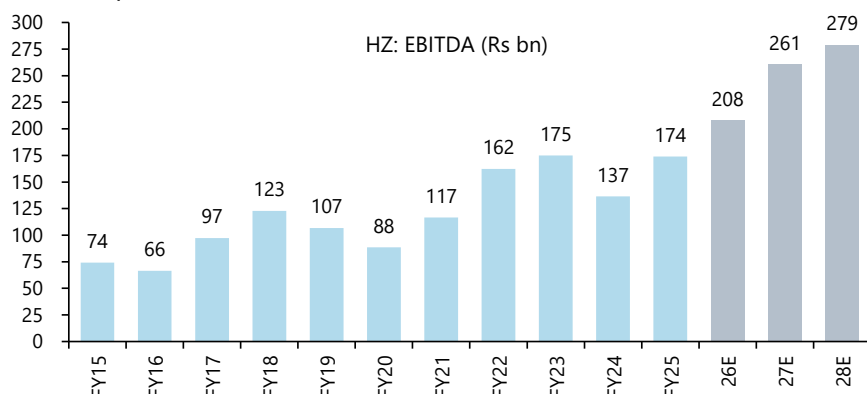
Source: Company data, Jefferies estimates

Exhibit 10 - ...and silver prices



Source: Company data, Jefferies estimates

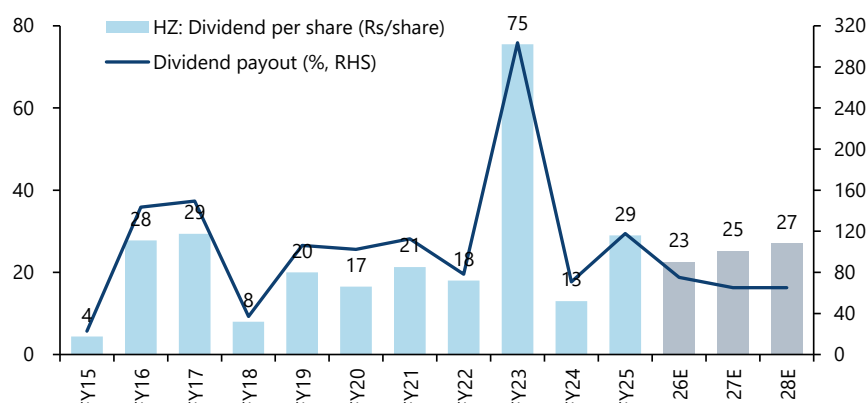
Exhibit 11 - Expect HZ's EBITDA to rise 20%/25% in FY26/27E



We see a 22%/29% growth in HZ's EPS in FY26E/FY27E but growth moderating to 7% in FY28E.

Source: Company data, Jefferies estimates

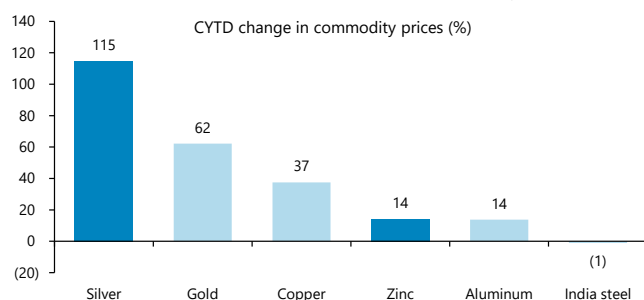
Exhibit 12 - We expect a 4% dividend yield for HZ



We expect strong FCF at Rs80-148bn/year over FY26-28E, which should support dividend payments.

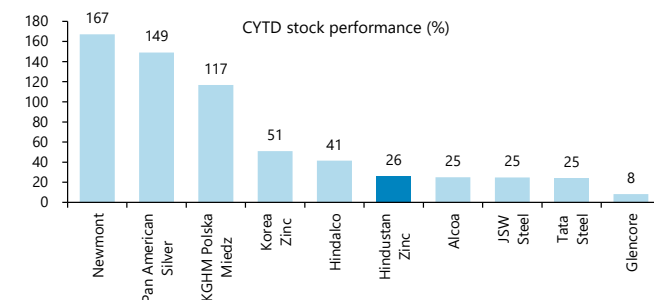
Source: Company data, Jefferies estimates

Exhibit 13 - Silver has been one of the best commodities this year...



Source: Bloomberg, Jefferies

Exhibit 14 - ...which should drive further upside in HZ stock price



Source: Bloomberg, Jefferies

Exhibit 15 - Valuation matrix

	M-Cap		PE (x)			EV/EBITDA (x)			PB (x)			RoE (%)		
	(US\$ bn)	(US\$ mn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Tata Steel	24	49	20	13	12	9.0	7.3	6.8	2.2	2.0	1.7	12	16	16
JSW Steel	30	22	39	18	16	13	9.5	8.9	3.2	2.7	2.4	9	17	16
Hindalco	21	49	11	9	9	6.7	6.3	6.0	1.4	1.2	1.1	14	14	12
Hindustan Zinc	26	31	19	14	13	11	9.2	8.7	14.4	10.7	8.4	85	85	69
Vedanta*	23	59	12	10	9	5.5	4.8	4.4	4.5	3.8	3.3	41	44	41
Fresnillo PLC*	29	36	26	19	20	11.4	8.8	8.8	6.9	6.1	5.4	27	33	28
KGHM Polska Miedz*	14	53	19	8.3	8.2	6.0	4.5	4.2	1.5	1.3	1.1	8.3	16	15
Newmont*	108	945	15	12	11	8.4	6.7	6.2	3.1	2.6	2.2	22	23	19
Pan American Silver*	21	232	23	14	14	12	7.1	6.3	3.0	2.7	2.4	15	NM	NM
Glencore*	60	129	31	15	12	6.8	5.3	4.7	1.6	1.5	1.4	4.4	10	13
Teck*	23	214	27	26	21	8.5	7.1	6.1	1.2	1.2	1.1	4.6	4.8	5.6
Korea Zinc*	20	48	41	37	33	23.4	22.1	20.2	3.8	3.6	3.4	10	10	10

Source: Company data, Jefferies estimates: Note: Uncovered companies are based on Bloomberg estimates. Global companies are on calendar year estimates.

## A leading zinc and silver producer

Hindustan Zinc Limited (HZ) is the world's largest integrated zinc producer and ranks among the top-five silver producers globally. The company operates eight mines across five locations in India in the ore-rich state of Rajasthan; it has three smelters near its mining operations alongside a zinc-lead-silver metal refinery. These integrated operations are also supported by captive power plants.

Zinc and lead formed 62% of HZ's EBIT while silver contributed the balance 38% EBIT in FY25. The company remains among the lowest-cost zinc producers globally, positioned in the first decile of the global zinc mining cost curve and the first quartile of the global zinc smelting cost curve. This cost leadership is a key competitive advantage that underpins its strong profitability and resilience across commodity cycles.

The company has underground mining capacity of 1.18mtpa and smelting capacity of 1.123mtpa comprising 913ktpa of zinc and 210ktpa of lead capacity. The company also has silver refining capacity of 800tpa. This is supported by a large reserve and resource (R&R) base of 453mt in ore terms with an average zinc-lead grade of c.7%, translating to 29.6mt of zinc-lead metal and 25kt of silver. This resource base provides a mine life of more than 25 years at current production rates.

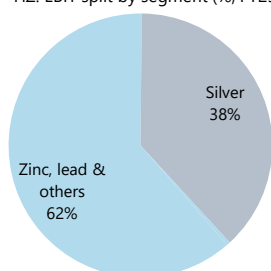
**HZ is the world's largest integrated zinc producer and ranks among the top-five silver producers globally.**

**Zinc and lead formed 62% of HZ's EBIT while silver contributed the balance 38% EBIT in FY25.**

**HZ has mining capacity of 1.18mtpa, smelting capacity of 1.123mtpa and a silver refining capacity of 800tpa. It has mine life of more than 25 years.**

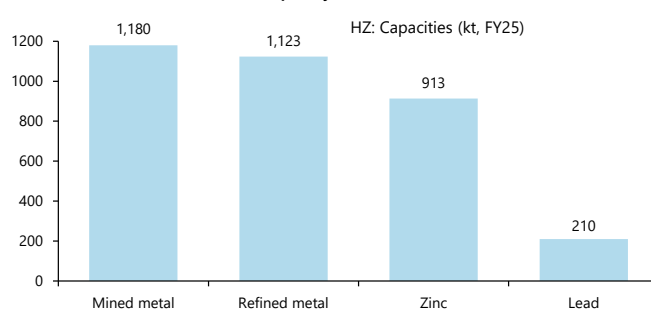
**Exhibit 16 - Silver formed 38% of HZ's EBIT in FY25**

HZ: EBIT split by segment (%; FY25)



Source: Company data, Jefferies

**Exhibit 17 - Total mined metal capacity stands at 1,180kt in FY25**



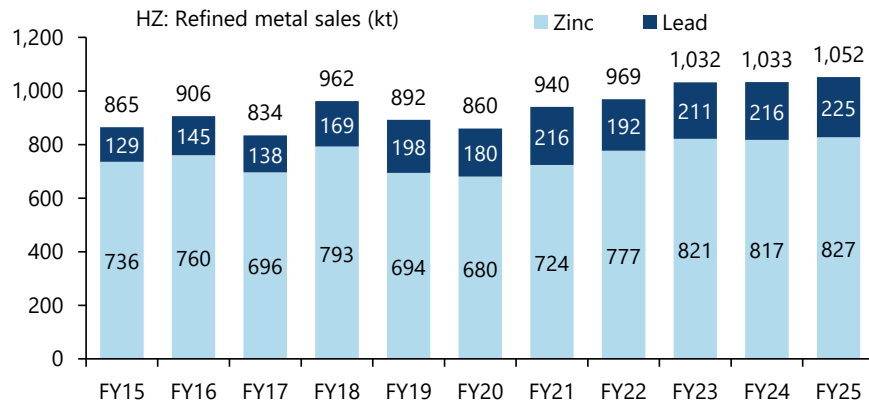
Source: Company data, Jefferies

Refined metal sales remained range-bound for HZ over FY15-20 as the company transitioned from open-cast to underground mining but have grown at a 4% CAGR over FY20-25. HZ has maintained its mine life above 25 years by adding to its metal reserves and resources to offset annual production. Silver sales for HZ rose at 20% CAGR over FY15-19, but have been flattish since.

**HZ has maintained its mine life above 25 years by adding to its metal reserves and resources to offset annual production.**

**Exhibit 18 - Refined metal sales have grown at 4% CAGR in the last five years**

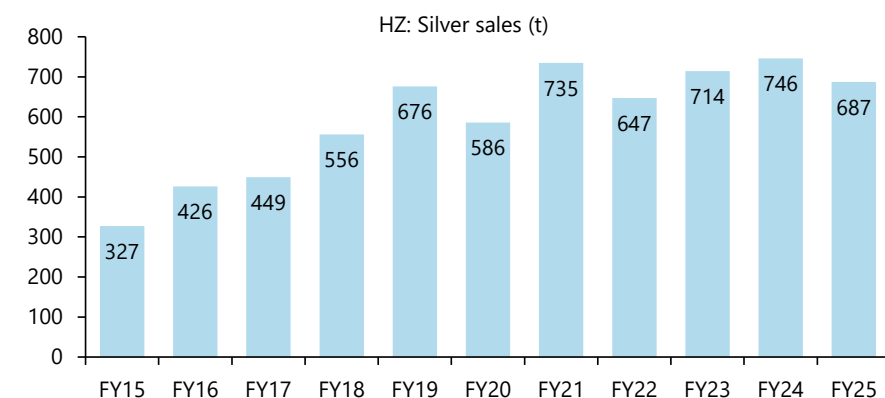
HZ: Refined metal sales (kt)



Source: Company data, Jefferies

**Refined metal sales remained range-bound for HZ over FY15-20 as the company transitioned from open-cast to underground mining.**

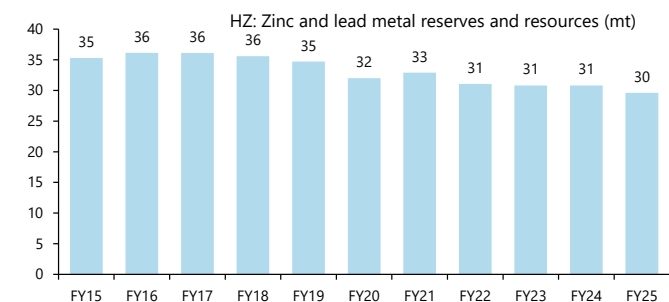
Exhibit 19 - Silver sales rose at 20% CAGR over FY15-19, but flattish since then



Source: Company data, Jefferies

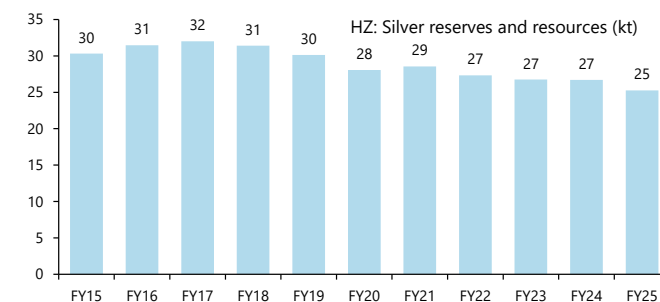
HZ's silver production has been impacted by weakening grade.

Exhibit 20 - HZ has maintained its mine life...



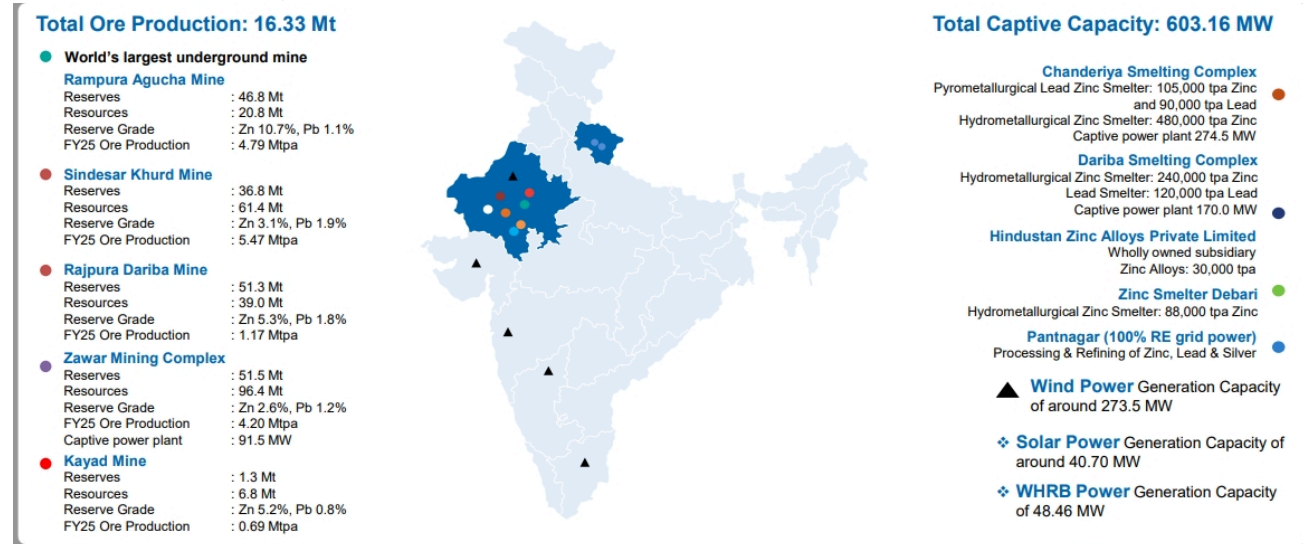
Source: Company data, Jefferies

Exhibit 21 - ...above 25 years



Source: Company data, Jefferies

Exhibit 22 - Hindustan Zinc at a glance



## Silver boost to EBITDA

2025 has been a good year for silver with prices doubling to \$62/toz CYTD. Significant deliveries into Chicago Mercantile Exchange vaults amid tariff-related concerns, along with macro and geopolitical risks, strengthened investment demand for silver, partly offsetting weaker consumption.

As per HZ, global silver demand is expected to decline 2% YoY in 2025, yet the market will remain in deficit for the fifth consecutive year. HZ expects global silver production to fall beyond 2025 as multiple mines approach end-of-life. Mexico, the world's largest silver producer, is projected to see output peak at 5.9kt in 2025 before declining to 5.3kt by 2029 as per HZ.

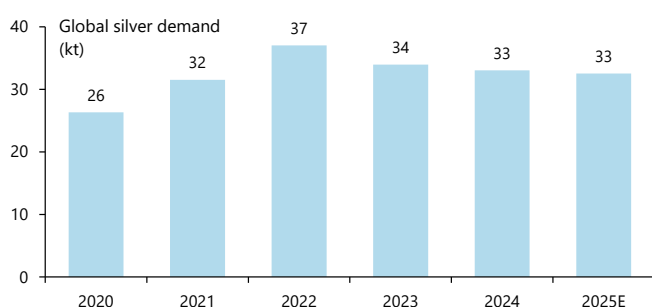
We factor in silver prices of \$56/58/60 in 2HFY26/FY27/FY28E (3-10% below spot) but note that HZ has hedged 131t (37% of its 2HFY26 silver volumes) at \$37/toz and hence the full benefit of higher prices will flow-through HZ's financial from FY27 onwards.

Exhibit 23 - 2025 has been a good year for silver



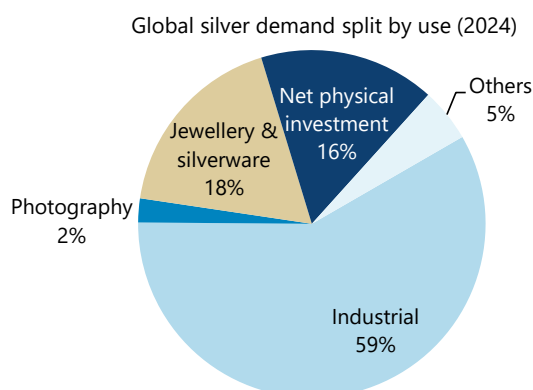
Source: Bloomberg, Jefferies

Exhibit 24 - Global silver demand has moderated in last few years



Source: Company data, Jefferies

Exhibit 26 - Industrial use forms ~60% of silver demand



Source: Company data, Jefferies

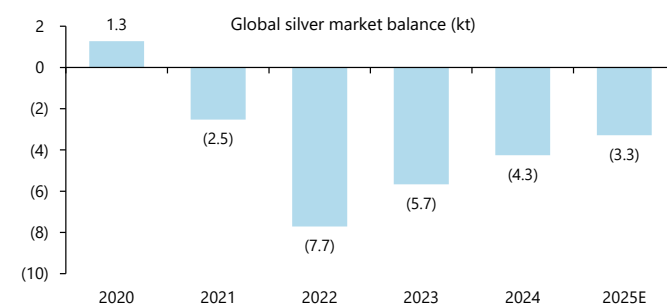
2025 has been a good year for silver with prices doubling to \$62 CYTD.

Global silver market expected to remain in deficit in 2025 - fifth consecutive year of deficit.

We factor in silver prices of \$56-60 in 2HFY26-FY28E (3-10% below spot).

HZ expects global silver production to fall beyond 2025 as multiple mines approach end-of-life.

Exhibit 25 - Silver expected to stay in deficit for fifth consecutive year



Source: Company data, Jefferies

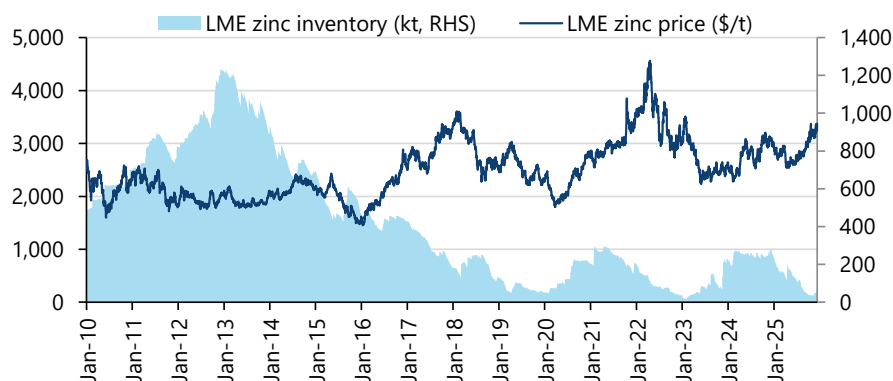
Heightened macroeconomic and geopolitical risks have strengthened investment demand for silver, partly offsetting weakness in traditional consumption segments in 2025.

## Global zinc market remains tight

2025 has been a tale of two halves for zinc prices with prices falling 14% to \$2,541 over Jan-Apr before rebounding 33% to \$3,376 at spot. As per JEF global metals team, zinc prices are expected to remain range-bound as the market remains tight supported by low inventories. However, risks are mounting as China's property downturn and fading policy support weigh on demand, while Europe shows a gradual recovery. Demand from galvanized steel for construction/autos remains muted but is offset by steady pull from grid upgrades, renewables hardware and selective infrastructure in India & South East Asia ([Report](#)).

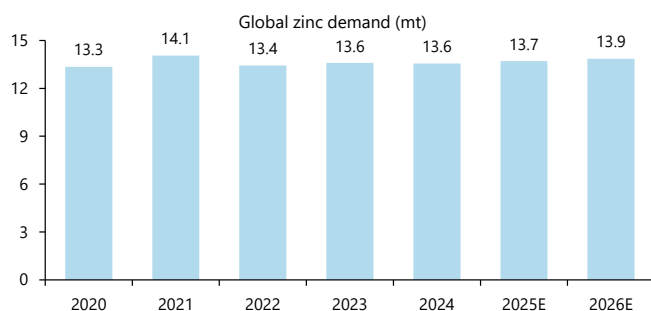
The International Lead and Zinc Study Group (ILZSG) projects a surplus of refined zinc metal of 85kt in 2025 and 271kt in 2026. We assume zinc prices of \$3,225-3,250 in 2HFY26-FY28 in our estimates (c.4% below spot). HZ has hedged 87kt (19% of its 2HFY26 zinc volumes) at \$2,872, and the full benefit of these prices will flow-through HZ's financial from FY27 onwards.

**Exhibit 27 - Zinc prices are 18% above Sep quarter average**



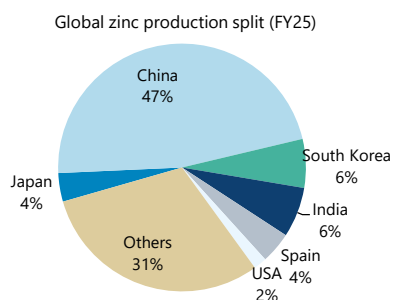
Source: Bloomberg, Jefferies

**Exhibit 28 - ILZSG expects global zinc demand to rise by 1% in 2025/2026**



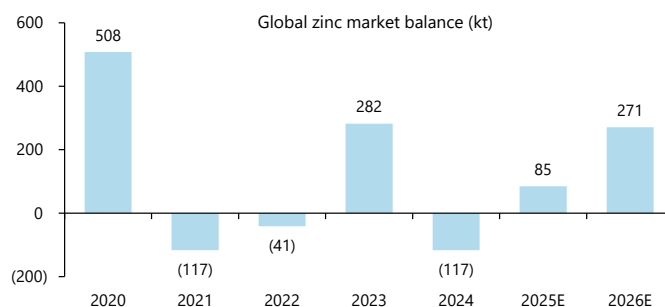
Source: ILZSG, Jefferies

**Exhibit 30 - China leads globally in both zinc production ...**



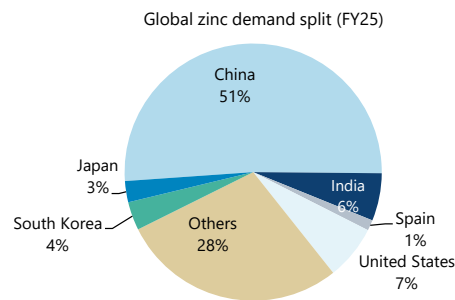
Source: Company data, Jefferies

**Exhibit 29 - ILZSG expects zinc surplus to rise in 2026**



Source: ILZSG, Jefferies

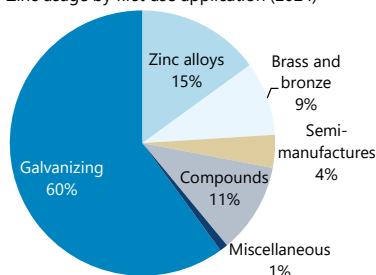
**Exhibit 31 - ... and demand**



Source: Company data, Jefferies

**Exhibit 32 - Galvanizing is the largest use-case for zinc**

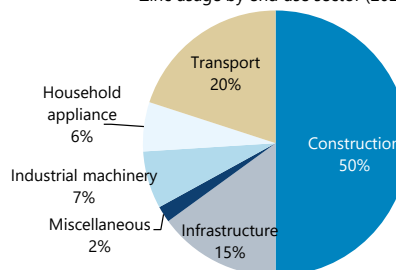
Zinc usage by first use application (2024)



Source: ILZSG, Jefferies

**Exhibit 33 - Construction is the largest end-use segment for zinc**

Zinc usage by end use sector (2024)



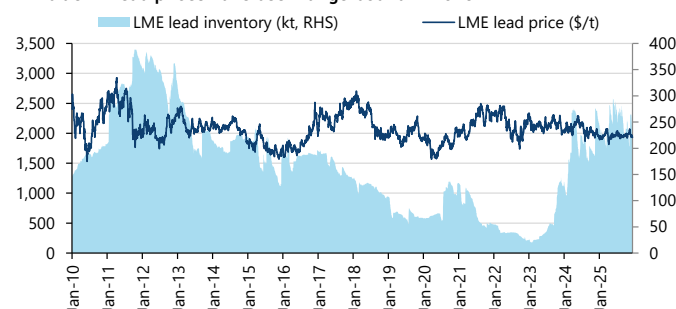
Source: ILZSG, Jefferies

## Lead prices have been range-bound

Lead prices have remained largely range-bound between \$1,850 - \$2,050 in 2025, with spot at \$1,940. JEF global team expects lead prices to remain range-bound and market broadly balanced in 2026. Lead demand is dominated by lead-acid batteries for auto and backup power, which is low-growth and facing structural risk from electric vehicles ([Report](#)). ILZSG forecasts a surplus of refined lead metal of 91 kt in 2025 and 102 kt in 2026. We assume lead prices of \$1,960-1,975 in 2HFY26-FY28E (1-2% above spot).

According to JEF global metals & mining team, lead prices remain range-bound and the market remains broadly balanced in 2026.

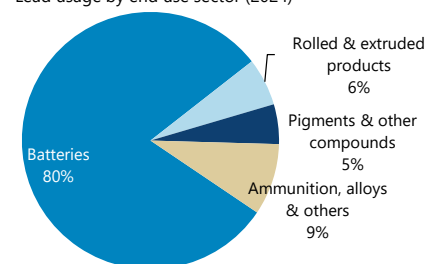
**Exhibit 34 - Lead prices have been range-bound in 2025**



Source: Bloomberg, Jefferies

**Exhibit 35 - Batteries are the largest use-case for lead**

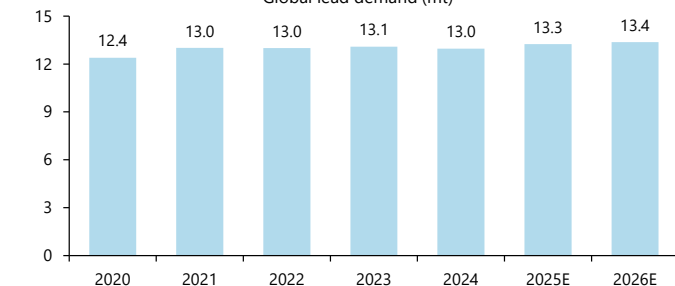
Lead usage by end use sector (2024)



Source: ILZSG, Jefferies

**Exhibit 36 - ILZSG expects lead demand to rise 2%/1% in 2025/2026**

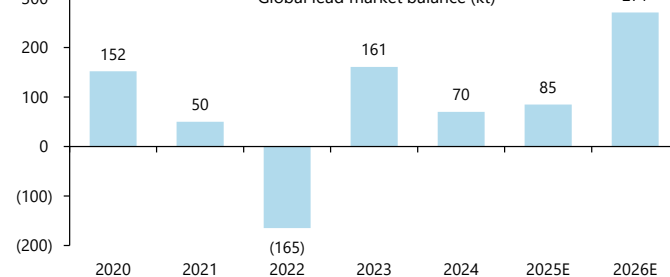
Global lead demand (mt)



Source: ILZSG, Jefferies

**Exhibit 37 - ILZSG expects lead surplus to rise in 2026**

Global lead market balance (kt)



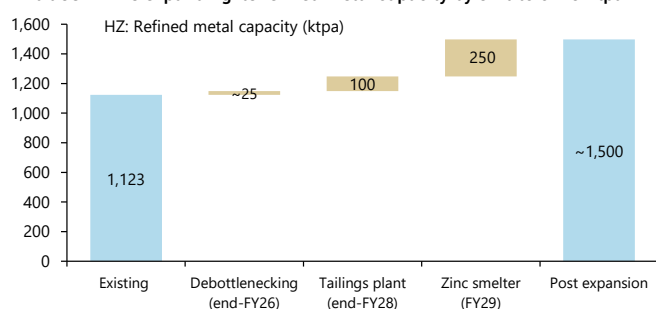
Source: ILZSG, Jefferies

## New capacity starts in FY29

HZ's ongoing capacity expansion plans will increase its refined metal capacity by 34% to c.1,500ktpa by FY29. These initiatives include debottlenecking projects, a zinc tailings reprocessing plant, and a new zinc smelter. The debottlenecking projects and tailings reprocessing plant will also generate additional silver concentrate, improving utilization of HZ's silver refinery. The company also plans to expand its silver refining capacity by 4% to 830t by FY29. The company is eventually targeting refined metal capacity of 2mtpa and silver output of 1,500t by 2030.

**HZ plans to increase its refined metal capacity by 34% to c.1,500ktpa by FY29.**

**Exhibit 38 - HZ is expanding its refined metal capacity by 34% to c.1.5mtpa**



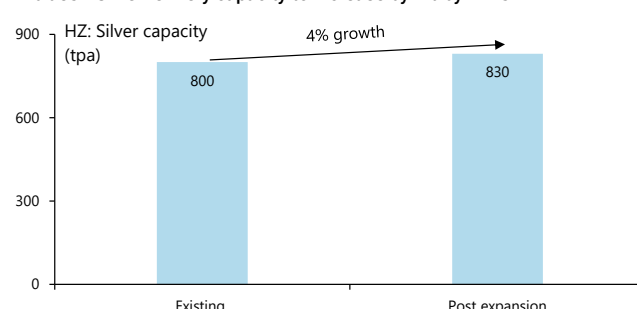
Source: Jefferies, Company data

The 250ktpa zinc smelter expansion will include associated mining and milling scale-ups across multiple locations. This project will also add 25-30t of silver capacity and is scheduled for commissioning by 2QFY29. The total investment for this phase is estimated at Rs120bn, with Rs62bn allocated for smelter capex and Rs58bn for mining capex.

In addition, HZ is investing Rs38bn in a zinc tailings reprocessing plant at its largest mine, Rampura Agucha, with a capacity of 10mtpa. Expected to be commissioned by 4QFY28, this facility will add 100ktpa of zinc capacity and recover 20-25t of silver without fresh mining.

Several debottlenecking projects are also underway to unlock incremental capacity in the interim. A 160ktpa roaster at Debari was commissioned in 2QFY26, which should reduce the impact of maintenance shutdowns. A 21ktpa cell house debottlenecking initiative is in progress and is expected to be completed by end-3QFY26. Together, these initiatives are expected to add 25-30ktpa of refined metal capacity. On the silver side, HZ is implementing a hot acid leaching plant, scheduled for commissioning in 4QFY26, which will enable recovery of 25-30t of silver from smelting waste.

**Exhibit 39 - Silver refinery capacity to increase by 4% by FY29**



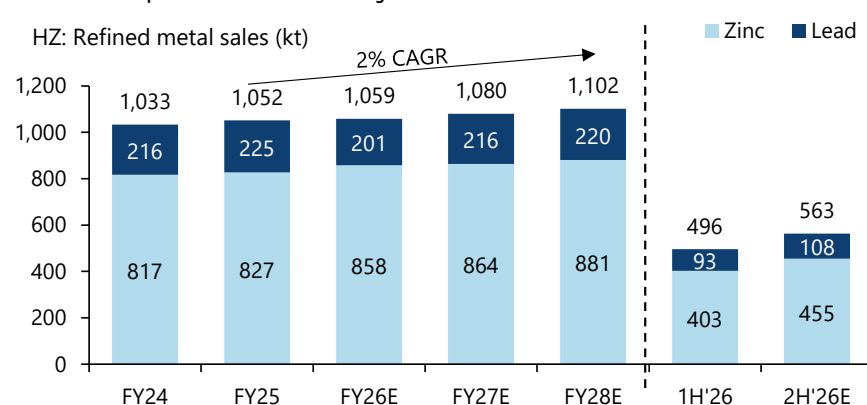
Source: Company data, Jefferies

**HZ plans to spend Rs120bn for Zinc and silver capacity expansion.**

**HZ is also investing Rs38bn in a zinc tailings reprocessing plant.**

**Several debottlenecking projects are also underway to unlock incremental capacity in the interim.**

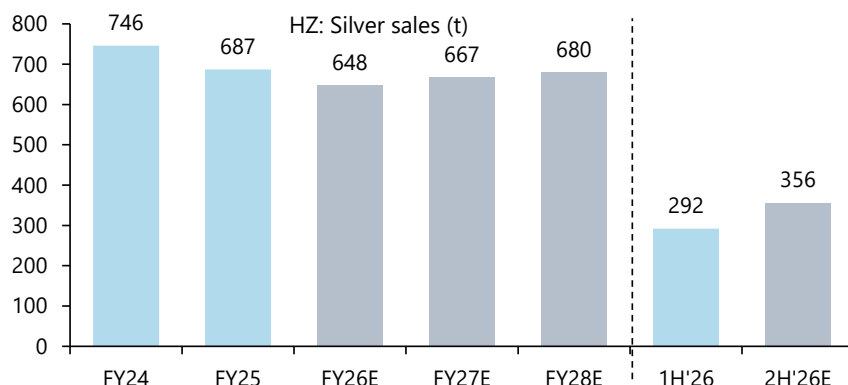
**Exhibit 40 - We expect refined metal sales to grow at a 2% CAGR over FY25-28E**



Source: Company data, Jefferies estimates

For FY26E, HZ expects refined metal production of ~1,075kt and silver production of ~680t. We expect HZ's refined metal sales to grow at a modest 2% CAGR over FY25-28E, supported by debottlenecking projects. Silver sales are expected to decline 6% to 648t in FY26E but grow at 2% CAGR over FY26-28E on rising mined metal output.

**Exhibit 41 - We expect silver sales to decline in FY26E**



Source: Company data, Jefferies

HZ is also pursuing a series of initiatives, including new mine development, expansion into value-added products, forward integration into fertilizer plant and entry into critical minerals, to augment its growth profile and diversify earnings.

## New mine under development

HZ is developing its Bamnia Kalan mine, located near the Sindesar Khurd Mine in the state of Rajasthan. Bamnia Kalan has R&R of 41mt and is projected to deliver reserve metal grades of c.4%. Site work commenced in June 2024, with the peripheral boundary wall completed and portal excavation currently in progress. As per the company, ~45% of the development work has been completed, and the mine is expected to become operational between late 2026 and early 2027.

## Expansion into value-added products

Value-added products contributed 22% of HZ's sales in FY25, and the company aims to increase this share to 50% by FY30. This will be achieved through ramping up alloy production and introducing new offerings such as zinc-aluminium-magnesium products, toning alloys. In line with this strategy, HZ commissioned a 30ktpa zinc alloy plant last year. The plant produced 10kt of alloys in FY25 and delivered an EBITDA of Rs930mn. On full ramp-up, the company expects EBITDA from this facility to double from FY25 level, reinforcing its focus on higher-margin, value-added products.

## Forward integration into fertilizer plant

Further, HZ is setting up a 510ktpa fertilizer plant, as a forward integration of its bi-product sulphuric acid. The company has budgeted a Rs18bn capex for this project and expects to generate incremental EBITDA of Rs4-4.5bn on full ramp-up. This plant is expected to be commissioned by 1QFY27.

## Entry into critical minerals

HZ is also looking to build a presence in India's emerging critical minerals ecosystem as well. Through its wholly-owned subsidiary, Hindmetal Exploration Services Private Limited, the company is pursuing exploration and development of high-potential mineral blocks across India, including copper, lithium, nickel, cobalt, potash, rare earth elements, and gold. It has secured three composite licenses for critical minerals - a tungsten block in Andhra Pradesh in FY25, followed by potash in Rajasthan and rare earth elements in Uttar Pradesh in May 2025. These projects remain in the exploratory stage and will take time before contributing meaningfully to financials.

**For FY26E, HZ expects refined metal production of ~1,075kt and silver production of ~680t.**

**Silver sales are expected to decline 6% to 648t in FY26E but grow at 2% CAGR over FY26-28E on rising mined metal output.**

**HZ is developing its Bamnia Kalan mine, which HZ expects to become operational between late 2026 and early 2027.**

**HZ aims to increase share of value added products from 22% in FY25 to 50% by FY30.**

**HZ is setting up a 510ktpa fertilizer plant, as a forward integration of its bi-product sulphuric acid.**

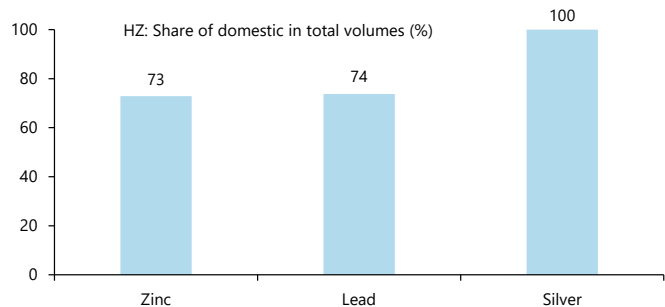
**HZ is pursuing exploration and development of high-potential mineral blocks across India, including copper, lithium, nickel, cobalt, potash, rare earth elements, and gold.**

## Beneficiary of rising demand in India

HZ is uniquely positioned to benefit from the structural increase in commodity demand driven by India's economic expansion. The company commands a dominant 77% share of the domestic primary zinc market and caters primarily to Indian customers, with 73% of its zinc sales in the domestic market. The remaining 27% is exported to South East Asia, the Middle East, and other regions. HZ also holds a 74% share in India's lead market, selling 74% of its lead domestically and is the only primary silver producer in the country, with nearly all of its silver sold within India.

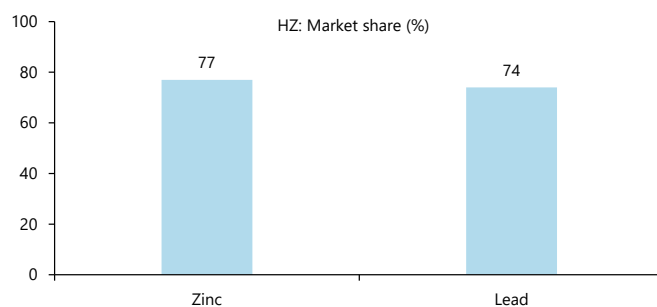
**HZ commands a dominant 77% share of the domestic primary zinc market, holds a 74% share in India's lead market and is the only primary silver producer in the country.**

**Exhibit 42 - Hindustan Zinc has a significant share of domestic sales...**



Source: Company data, Jefferies

**Exhibit 43 - ... and it owns majority of the domestic zinc and lead market**



Source: Company data, Jefferies

India's zinc consumption has grown at a healthy 7% CAGR in the last 5 years, reaching 851kt in FY25, supported by robust manufacturing activity and infrastructure investment. HZ expects this trend to sustain, with domestic zinc demand projected to rise by 6-7% in FY26 to 875-925kt, supported by urbanisation, rising disposable incomes, and sustained government spending on infrastructure. Finished steel consumption in India surged to 150mt in FY25, reflecting the strength of end-use sectors such as construction and automotive and is expected to continue to grow at 7% ahead. Higher steel output directly drives zinc demand for galvanisation, which remains the largest application for zinc.

**Rising steel production in India should drive zinc demand as galvanisation remains the largest application for zinc.**

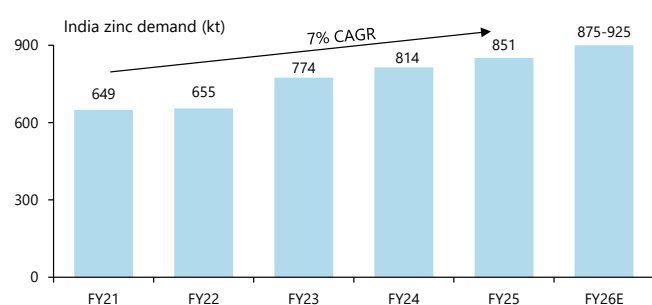
Lead demand in India remains healthy, supported by growth in automotive production, battery manufacturing, and infrastructure development. Primary lead consumption increased by 6-7% in FY25 while the broader battery sector expanded by 6-8% YoY, supported by automotive replacements, telecom backup systems, and solar off-grid installations. The industry is undergoing a structural shift toward secondary supply, which now accounts for more than 60 percent of total lead availability due to cost advantages, a trend reinforced by the removal of customs duties on lead scrap in the FY26 budget. Rising adoption of lithium-ion batteries also signals a gradual moderation in long-term demand for lead-acid batteries, although near-term growth remains healthy.

**Rising adoption of lithium-ion batteries also signals a gradual moderation in long-term demand for lead-acid batteries, although near-term growth remains healthy.**

Silver demand in India is largely met through imports, which have moderated over FY23-25. Silver imports into India were 7.5x HZ's silver production in FY25, making import substitution a key lever for volume growth in the company's silver business.

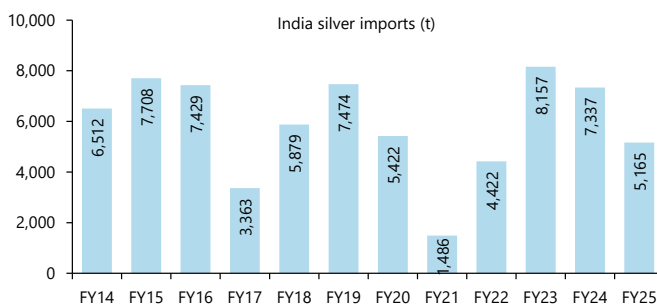
**Silver demand in India is largely met through imports.**

**Exhibit 44 - India's zinc demand has grown at a 7% CAGR from FY21-25**



Source: Company data, Jefferies. Note: HZ expectation for FY26E

**Exhibit 45 - Silver imports into India were 7.5x HZ's silver production in FY25**



Source: CMIE, Jefferies

## Costs to remain range-bound

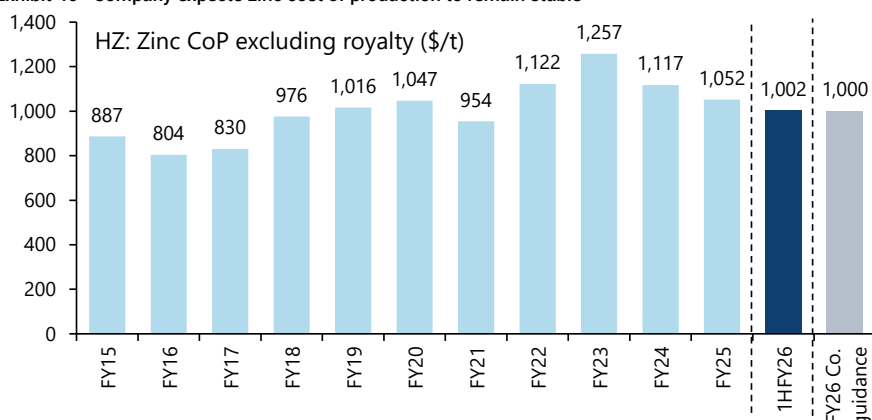
HZ's reported zinc cost of production (CoP), excluding royalty, rose from \$887 in FY15 to \$1,257 in FY23 as the company transitioned from open cast to underground mining. This rise was driven by worsening metal grades and higher international thermal coal prices, particularly in 2022. Since then, costs have declined to \$1,052 in FY25 and further to \$1,002 in 1HFY26, supported by improving grades, greater use of domestic coal (which is priced at a discount to international coal), softening global coal prices, and a rising share of renewable energy (RE) in the power mix.

Looking ahead, HZ expects its CoP to decline further to \$950-975 by 4QFY26 but aims to maintain its CoP at ~\$1,000 over the next few years despite structural challenges associated with deeper mining. As mining operations progress to lower levels, grade variability, additional infrastructure requirements and enhanced safety measures will exert upward pressure on costs. However, HZ plans to offset these pressures through efficiency improvements and higher renewable energy contribution.

**HZ's reported zinc cost of production (CoP), excluding royalty, has declined from \$1,257 in FY23 to \$1,052 in FY25 and further to \$1,002 in 1HFY26.**

**Looking ahead, HZ expects its CoP to decline further to \$950-975 by 4QFY26 but aims to maintain its CoP at ~\$1,000 over the next few years.**

**Exhibit 46 - Company expects zinc cost of production to remain stable**



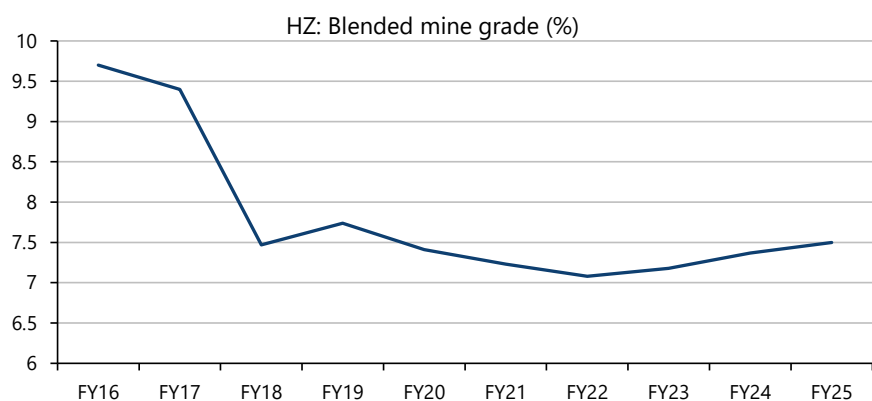
Source: Company data, Jefferies

**HZ plans to offset cost pressures associated with deeper mining through efficiency improvements, higher renewable energy contribution and operating leverage from increased volumes.**

Metal grades, which had deteriorated from 9.7% in FY16 to 7.1% in FY22, have started to recover, reaching 7.5% in FY25. This improvement reflects higher production from Rampura Agucha - the highest-grade mine in HZ's portfolio - and grade enhancement within the mine itself.

**Metal grades have inched up over FY22-25.**

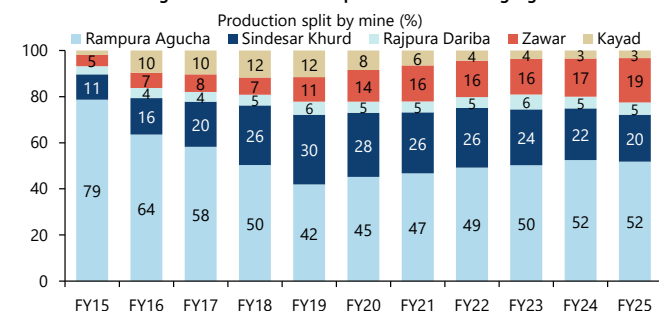
**Exhibit 47 - Blended mine grade improving slightly since FY22...**



Source: Company data, Jefferies

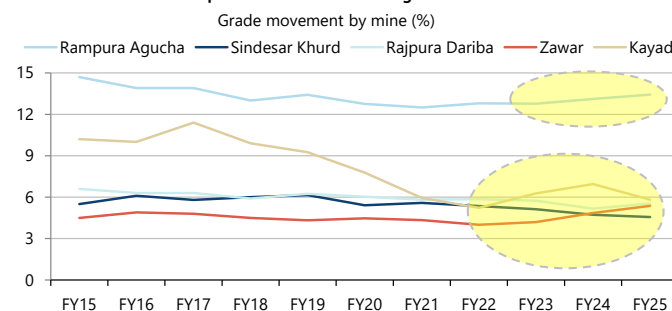
**Improvement in mine grade has helped HZ control costs.**

**Exhibit 48 - Through increased share of production from high-grade mines...**



Source: Company data, Jefferies

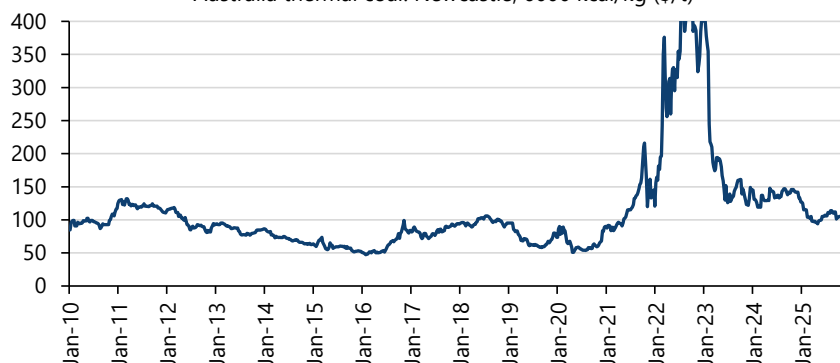
**Exhibit 49 - ...and an improved individual mine grade**



Source: Company data, Jefferies

**Exhibit 50 - International thermal coal prices have been range-bound in 2025**

— Australia thermal coal: Newcastle, 6000 kcal/kg (\$/t)

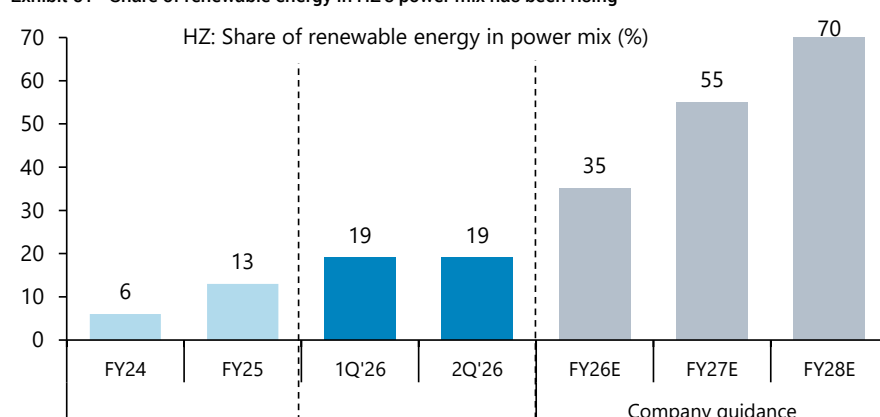


Source: Bloomberg, Jefferies

**Softening global coal prices have helped HZ control costs.**

Share of RE rose to 13% of HZ's power mix in FY25 and has risen further to 19% in 2QFY26. The company aims to increase this to 70% by FY28, supported by agreements for 530 MW of renewable capacity with Serentica Renewables India Pvt. Ltd. HZ estimates that every 2% increase in renewable share in the power mix will reduce by power costs by \$1-1.5/t.

**Exhibit 51 - Share of renewable energy in HZ's power mix has been rising**



Source: Company data, Jefferies

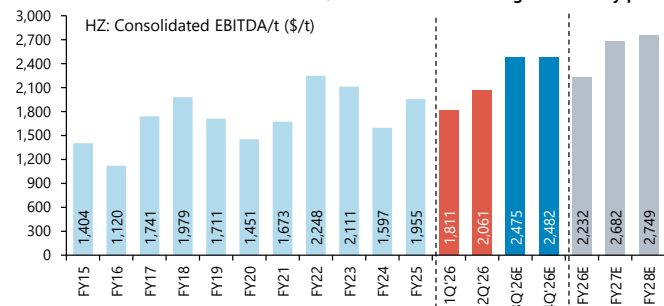
**Share of renewable energy in HZ's power mix has risen.**

**HZ estimates that every 2% increase in renewable share in the power mix will reduce by power costs by \$1-1.5/t.**

We expect HZ's consolidated EBITDA/t to expand to \$2,480 in 2HFY26 vs \$2,061 in 2Q on higher commodity prices and further to \$2,682 in FY27E as the impact of hedged volumes goes away in FY27E. This is expected to drive a 20%/25% growth in EBITDA in FY26E/27E but the growth to rate to moderate to 7% in FY28E. We see silver contributing 40-45% of HZ's EBIT over FY25-28E.

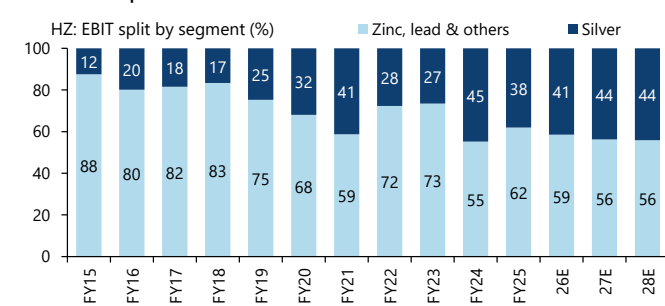
**The full benefit of commodity prices will flow through in FY27E as the impact of hedges goes away.**

**Exhibit 52 - HZ's consolidated EBITDA/t to benefit from rising commodity prices**



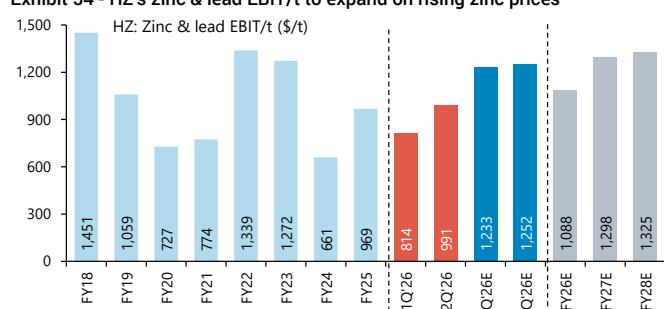
Source: Company data, Jefferies estimates

**Exhibit 53 - Expect silver to contribute 40-45% of HZ's EBIT**



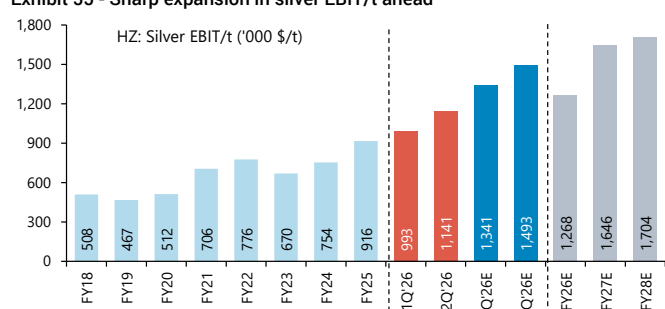
Source: Company data, Jefferies estimates

**Exhibit 54 - HZ's zinc & lead EBIT/t to expand on rising zinc prices**



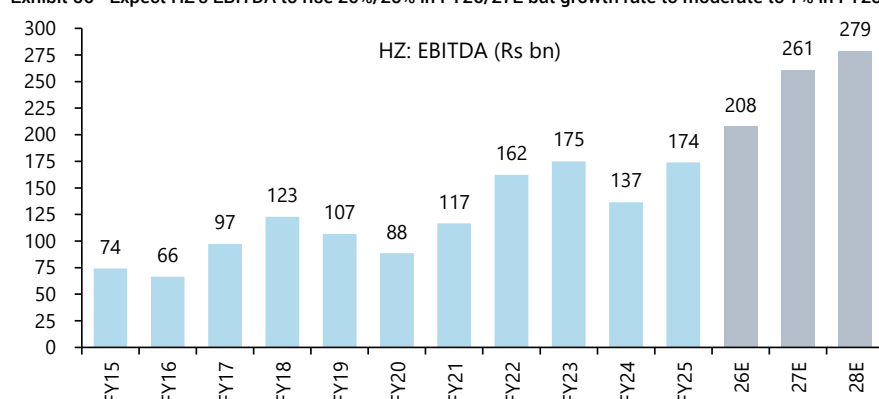
Source: Company data, Jefferies estimates

**Exhibit 55 - Sharp expansion in silver EBIT/t ahead**



Source: Company data, Jefferies estimates

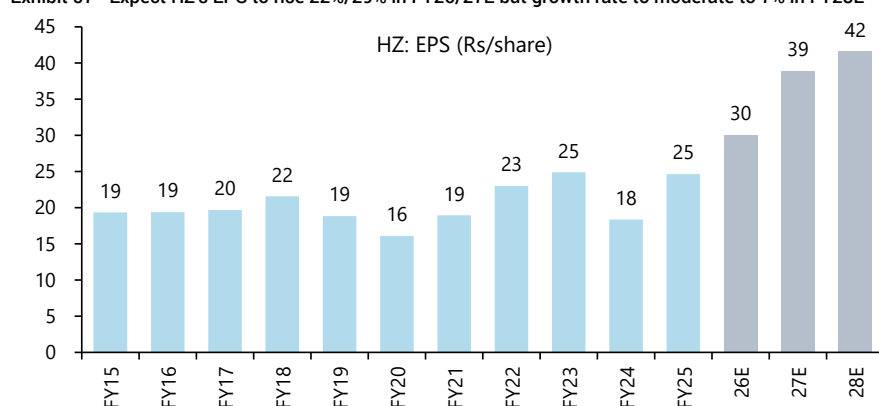
**Exhibit 56 - Expect HZ's EBITDA to rise 20%/25% in FY26/27E but growth rate to moderate to 7% in FY28E**



Source: Company data, Jefferies estimates

We see a strong 25% growth in HZ's EBITDA in FY27E on higher commodity prices and impact of hedging going away.

**Exhibit 57 - Expect HZ's EPS to rise 22%/29% in FY26/27E but growth rate to moderate to 7% in FY28E**



Source: Company data, Jefferies estimates

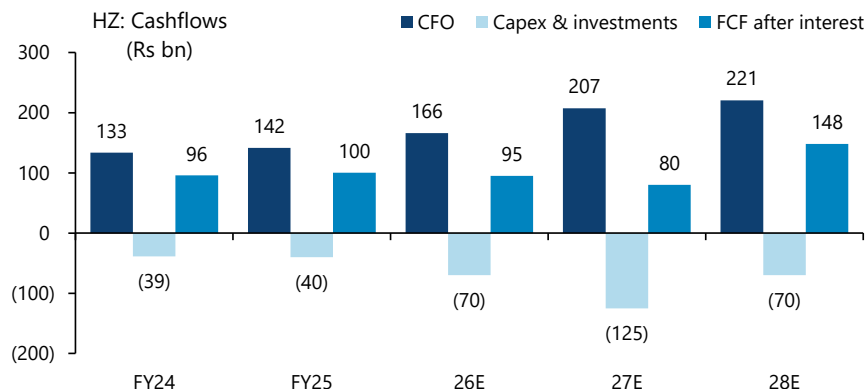
We see growth rates moderating in FY28E.

## Strong cash flows, RoE and dividend yield

Over FY21-25, HZ generated average FCF of Rs105bn and ROE of 45%. It has a healthy balance sheet with FY25 net-debt/EBITDA at just 0.1x. We expect strong FCF at Rs80-148bn/year and 69-85% ROE over FY26-28E.

**HZ generates strong cash flows and ROE.**

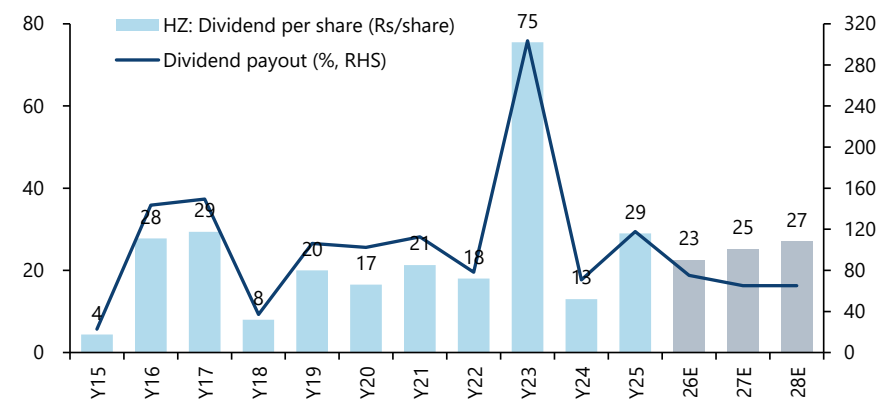
**Exhibit 58 - We expect free cash flow generation to remain strong over FY26-28E**



Source: Company data, Jefferies estimates

**Capex to rise over FY26-28E vs last few years due to ongoing capacity expansion.**

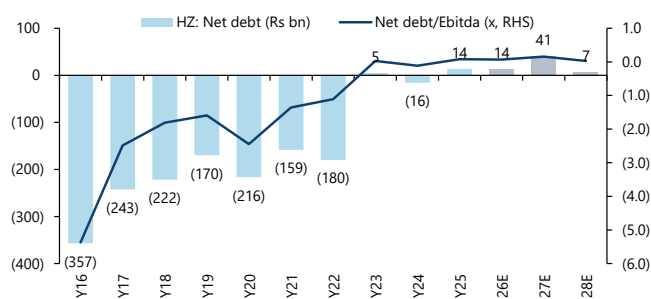
**Exhibit 59 - We expect a 4% dividend yield for HZ**



Source: Company data, Jefferies estimates

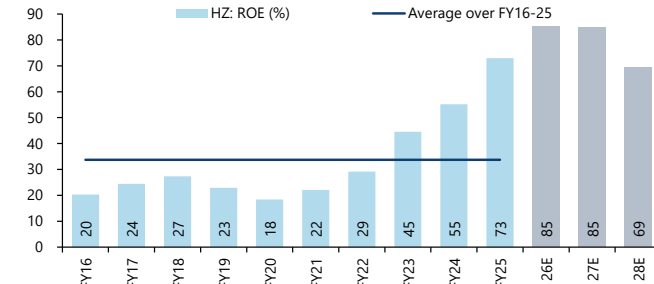
**Strong cash flow generation to support dividend payments.**

**Exhibit 60 - Healthy balance sheet**



Source: Company data, Jefferies estimates

**Exhibit 61 - Strong ROE generation**

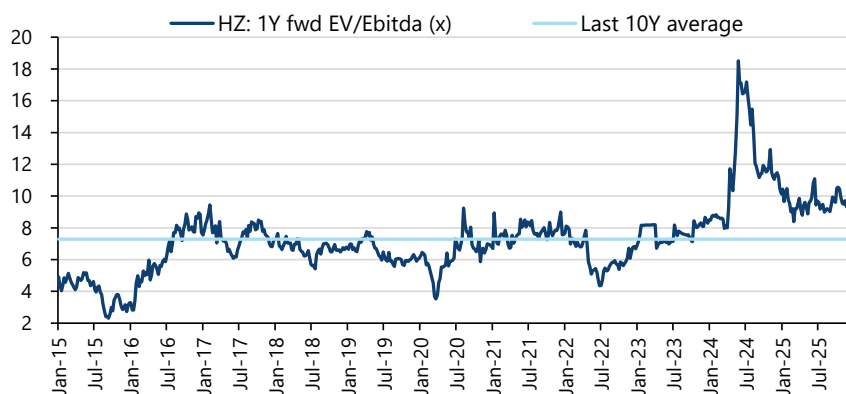


Source: Company data, Jefferies estimates

## Initiate with Buy

HZ, in our view, offers an attractive exposure to rising silver and zinc prices along with a good 4% dividend yield. We expect HZ's EPS to rise at strong 22%/29% in FY26/FY27, and then by 7% in FY28; our FY26-28 EPS are 9-31% above street. Despite the recent stock rally, HZ has lagged most of its global zinc and precious metal peers CYTD. Its 9.2x FY27E EV/EBITDA is above last 10Y average of 7.3x, but should sustain given rising share of silver in profits. We initiate with Buy and Rs660 PT, based on 10x Sep-27E EV/EBITDA. We prefer steel (JDLSL, TATA & JSTL) over HZ though.

Exhibit 62 - Hindustan Zinc trades at 9.2x FY27E EV/EBITDA

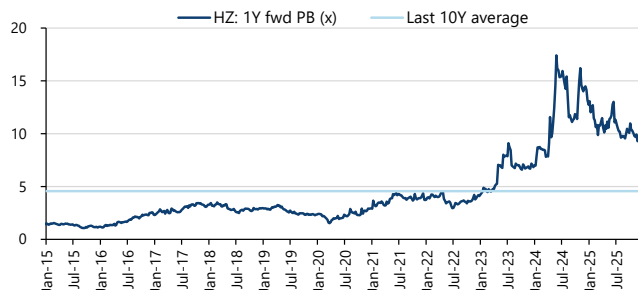


Source: Company data, Jefferies

**HZ offers an attractive exposure to rising silver and zinc prices along with a good 4% dividend yield.**

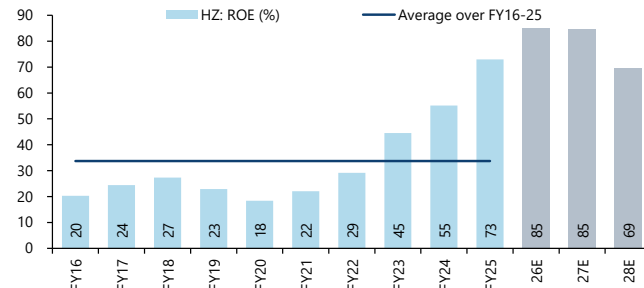
**We initiate with Buy and price target of Rs660, based on 10x Sep-27E EV/EBITDA, implying TSR (total shareholder return) of 22% including 4% dividend yield.**

Exhibit 63 - Trading above long-term average PB ...



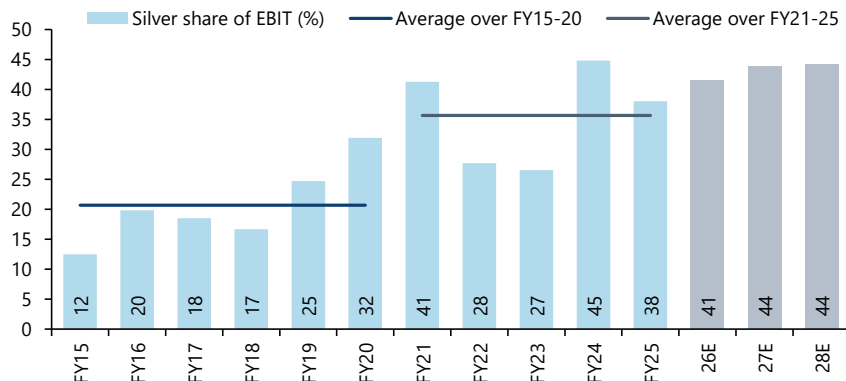
Source: Bloomberg, Company data

Exhibit 64 - ... for higher ROEs



Source: Company data, Jefferies estimates

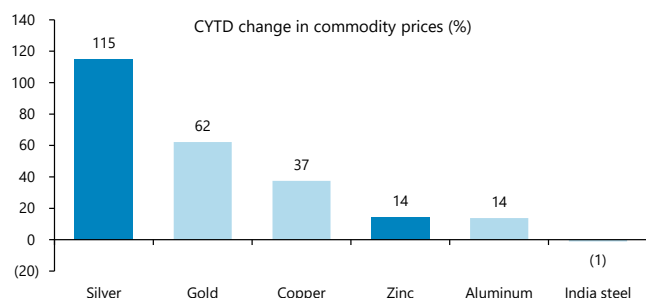
Exhibit 65 - Share of silver in HZ's EBIT has risen in the last 5 years



Source: Company data, Jefferies estimates

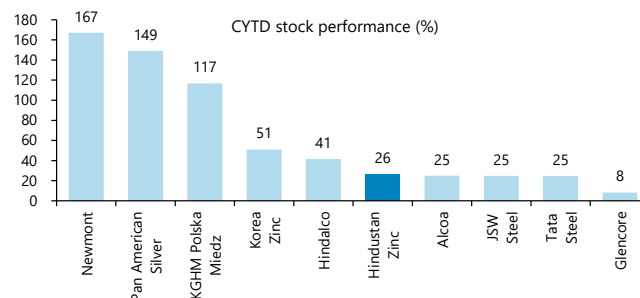
**Valuation at 9.2x FY27E EV/EBITDA is above long-term average of 7.3x, but should sustain given rising share of silver in profits.**

Exhibit 66 - Silver has been one of the best performing commodities...



Source: Bloomberg, Jefferies

Exhibit 67 - ... which should drive further upside in HZ stock price



Source: Bloomberg, Jefferies

Exhibit 68 - Valuation matrix

	M-Cap	ADV	PE (x)			EV/EBITDA (x)			PB (x)			RoE (%)		
	(US\$ bn)	(US\$ mn)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Tata Steel	24	49	20	13	12	9.0	7.3	6.8	2.2	2.0	1.7	12	16	16
JSW Steel	30	22	39	18	16	13	9.5	8.9	3.2	2.7	2.4	9	17	16
Shyam Metals	2.3	2.1	21	18	15	9.4	8.6	7.1	1.9	1.8	1.6	10	10	11
Jindal Stainless	7.1	5.4	21	17	14	13	10	8.9	3.3	2.8	2.4	17	18	18
India ferrous average			25	16	14	11	9.0	8.0	2.7	2.3	2.0	12	15	15
Hindalco	21	49	11	9.4	9.1	6.7	6.3	6.0	1.4	1.2	1.1	14	14	12
Hindustan Zinc	26	31	18.7	14.4	13.5	11.5	9.2	8.7	14.4	10.7	8.4	85	85	69
Vedanta*	23	59	12	10	9	5.5	4.8	4.4	4.5	3.8	3.3	41	44	41
India non-ferrous average			12	10	9.7	7.1	6.1	5.8	5.6	4.4	3.6	42	42	37
Fresnillo PLC*	29	36	26	19	20	11.4	8.8	8.8	6.9	6.1	5.4	27	33	28
KGHM Polska Miedz*	14	53	19	8.3	8.2	6.0	4.5	4.2	1.5	1.3	1.1	8.3	16	15
Newmont*	108	945	15	12	11	8.4	6.7	6.2	3.1	2.6	2.2	22	23	19
Pan American Silver*	21	232	23	14	14	12	7.1	6.3	3.0	2.7	2.4	15	NM	NM
Glencore*	60	129	31	15	12	6.8	5.3	4.7	1.6	1.5	1.4	4.4	10	13
Teck*	23	214	27	26	21	8.5	7.1	6.1	1.2	1.2	1.1	4.6	4.8	5.6
Korea Zinc*	20	48	41	37	33	23.4	22.1	20.2	3.8	3.6	3.4	10	10	10
Global non-ferrous average			26	19	17	11	8.8	8.1	3.0	2.7	2.5	13	16	15

Source: Company data, Jefferies estimates: Note: Uncovered companies are based on Bloomberg estimates. Global companies are on calendar year estimates.

Key risks include lower silver/zinc prices, worsening metal grades, mine renewals post 2030 and any adverse related party event.

**Key mines renewal in 2030:** HZ's mines at Rampura Agucha, Rajpura Dariba and Zawar , which form ~75% of its mined metal production, will come for renewal in 2030; Sindesar Khurd and Kayad mines have lease extending until 2048. The company expects to retain these mines beyond 2030, as any new entrant would require significant time to establish mining infrastructure and ramp up production, leading to potential revenue loss for the state. However, HZ acknowledges that higher royalty rates may apply upon renewal.

**Brand fees to Vedanta:** In FY23, HZ approved payment of strategic services and brand fees to its promoter Vedanta Limited (VEDL IN, NC) at 2% of consolidated turnover, effective October 1, 2022, for a three-year period. Subsequently, the fee was increased to c.3% until the end of FY27, after which the rate may be revised further. According to the company, this arrangement reflects the benefits derived from Vedanta's global brand positioning as a leading resource company and the strategic services provided, including management assurance system services, which justify the fee.

**A potential increase in royalty rates during mine renewals post-2030 could weigh on profitability over the medium to long term.**

**A further hike in brand fees payable to Vedanta is another risk.**

Exhibit 69 - HZ: Key assumptions

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Refined metal sales</b>								
Zinc (kt)	724	777	821	817	827	858	864	881
Lead (kt)	216	192	211	216	225	201	216	220
<b>Total refined metal sales</b>	<b>940</b>	<b>969</b>	<b>1,032</b>	<b>1,033</b>	<b>1,052</b>	<b>1,059</b>	<b>1,080</b>	<b>1,102</b>
YoY (%)	9	3	7	0	2	1	2	2
Silver (t)	735	647	714	746	687	648	667	680
YoY (%)	25	(12)	10	4	(8)	(6)	3	2
<b>Commodity prices</b>								
LME Zinc (\$/t)	2,422	3,257	3,319	2,475	2,875	2,979	3,225	3,250
LME Lead (\$/t)	1,868	2,285	2,101	2,122	2,046	1,959	1,950	1,975
Silver (\$/toz)	23	25	21	24	30	46	58	60
USD-INR	74	74	80	83	85	88	90	92

Source: Company data, Jefferies estimates

Exhibit 70 - HZ: Consolidated P&amp;L statement

P&L (Rs bn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Revenues</b>	<b>226</b>	<b>294</b>	<b>341</b>	<b>289</b>	<b>341</b>	<b>386</b>	<b>454</b>	<b>481</b>
Raw material costs	2	(3)	(1)	(2)	(1)	(1)	0	0
<b>Gross profit</b>	<b>224</b>	<b>297</b>	<b>342</b>	<b>291</b>	<b>341</b>	<b>386</b>	<b>454</b>	<b>481</b>
Staff costs	8	7	8	8	9	8	9	9
Other expenses	100	128	159	146	159	170	184	193
<b>Ebitda</b>	<b>117</b>	<b>162</b>	<b>175</b>	<b>137</b>	<b>174</b>	<b>208</b>	<b>261</b>	<b>279</b>
Depreciation	25	29	33	35	36	37	39	42
<b>Ebit</b>	<b>91</b>	<b>133</b>	<b>142</b>	<b>102</b>	<b>137</b>	<b>171</b>	<b>221</b>	<b>237</b>
Other income	18	12	14	11	10	9	9	9
Interest	4	3	3	10	11	11	11	12
<b>PBT before exceptionals</b>	<b>106</b>	<b>142</b>	<b>153</b>	<b>103</b>	<b>136</b>	<b>170</b>	<b>219</b>	<b>234</b>
Extraordinary items	0	(1)	0	0	(1)	0	0	0
<b>PBT</b>	<b>106</b>	<b>141</b>	<b>153</b>	<b>103</b>	<b>136</b>	<b>170</b>	<b>219</b>	<b>234</b>
Tax	26	45	48	25	32	43	55	59
<b>Reported PAT</b>	<b>80</b>	<b>96</b>	<b>105</b>	<b>78</b>	<b>104</b>	<b>127</b>	<b>164</b>	<b>176</b>
<b>Recurring PAT</b>	<b>80</b>	<b>97</b>	<b>105</b>	<b>78</b>	<b>104</b>	<b>127</b>	<b>164</b>	<b>176</b>
<b>EPS (Rs)</b>	<b>19</b>	<b>23</b>	<b>25</b>	<b>18</b>	<b>25</b>	<b>30</b>	<b>39</b>	<b>42</b>
<b>Key metrics</b>								
Revenue growth (%)	9	3	7	0	2	1	2	2
Ebitda growth (%)	32	39	8	(22)	27	20	25	7
<b>EPS growth (%)</b>	<b>18</b>	<b>22</b>	<b>8</b>	<b>(26)</b>	<b>34</b>	<b>22</b>	<b>29</b>	<b>7</b>
<b>Ebitda/ton (\$)</b>	<b>1,673</b>	<b>2,248</b>	<b>2,111</b>	<b>1,597</b>	<b>1,955</b>	<b>2,232</b>	<b>2,682</b>	<b>2,749</b>
Ebit/ton (\$)	1,310	1,844	1,718	1,191	1,546	1,836	2,278	2,340
Net profit margin (%)	35	33	31	27	31	33	36	37
Num of share (mn units)	4,225	4,225	4,225	4,225	4,225	4,225	4,225	4,225

Source: Company data, Jefferies estimates

Exhibit 71 - HZ: Consolidated balance sheet

Balance sheet (Rs bn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY27E
Net fixed assets	187	195	199	198	212	245	331	360
Investments in subs/associates	0	0	1	3	6	6	6	6
Other non-current assets	24	12	5	8	8	8	8	8
<b>Non-current assets</b>	<b>212</b>	<b>207</b>	<b>205</b>	<b>210</b>	<b>226</b>	<b>259</b>	<b>345</b>	<b>373</b>
Inventories	14	20	19	19	19	21	25	27
Trade receivables	4	7	4	2	1	1	2	2
Cash & financial investments	223	208	114	103	96	98	103	108
Other current assets	4	5	13	5	3	3	3	3
<b>Current assets</b>	<b>246</b>	<b>240</b>	<b>150</b>	<b>129</b>	<b>119</b>	<b>123</b>	<b>132</b>	<b>140</b>
<b>Total assets</b>	<b>457</b>	<b>447</b>	<b>355</b>	<b>339</b>	<b>345</b>	<b>382</b>	<b>477</b>	<b>513</b>
Networth	323	343	129	152	133	165	222	284
Gross debt	65	28	119	87	110	112	144	116
Non-current liabilities	12	22	36	34	38	38	38	38
Trade payables	15	23	24	25	28	31	37	39
Other current liabilities	42	30	47	40	36	36	36	36
<b>Total equity &amp; liabilities</b>	<b>457</b>	<b>447</b>	<b>355</b>	<b>339</b>	<b>345</b>	<b>382</b>	<b>477</b>	<b>513</b>
<b>Key metrics</b>								
RoE (%)	22	29	45	55	73	85	85	69
RoCE (%)	23	35	46	42	57	66	69	62
BVPS (Rs/sh)	76	81	31	36	32	39	53	67
Net debt (Rs bn)	(159)	(180)	5	(16)	14	14	41	7
<b>Net debt per share (Rs/sh)</b>	<b>(38)</b>	<b>(43)</b>	<b>1</b>	<b>(4)</b>	<b>3</b>	<b>3</b>	<b>10</b>	<b>2</b>
Net debt/Ebitda (x)	(1.4)	(1.1)	0.0	(0.1)	0.1	0.1	0.2	0.0

Source: Company data, Jefferies estimates

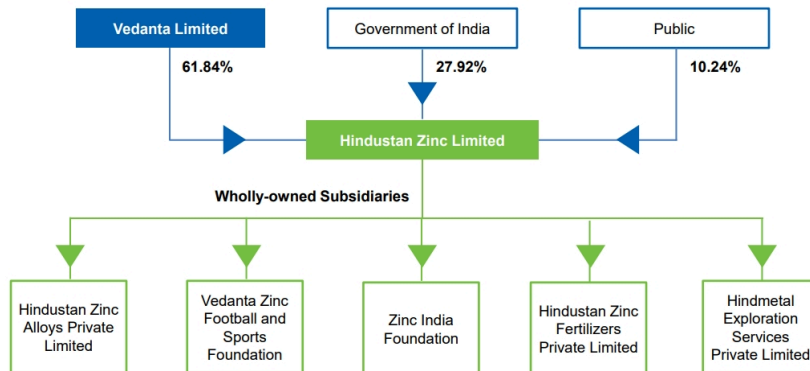
Exhibit 72 - HZ: Consolidated cash flow snapshot

Cash flows (Rs bn)	FY21	FY22	FY23	FY24E	FY25E	FY26E	FY27E	FY28E
Operating cash flow (OCF)	106	127	151	133	142	166	207	221
Capex & investments	(25)	(30)	(36)	(39)	(40)	(70)	(125)	(70)
<b>Free cash flow (FCF)</b>	<b>81</b>	<b>97</b>	<b>116</b>	<b>95</b>	<b>102</b>	<b>96</b>	<b>82</b>	<b>151</b>
Net interest income	15	9	10	1	(1)	(1)	(3)	(3)
<b>Free cash flow to equity (FCFE)</b>	<b>95</b>	<b>106</b>	<b>126</b>	<b>96</b>	<b>100</b>	<b>95</b>	<b>80</b>	<b>148</b>
<b>Key Metrics</b>								
OCF as % of sales	47	3	8	10	11	7	8	8
Capex as % of sales	11	3	4	7	6	6	2	2
FCF as % sales	36	1	4	3	5	1	5	6
FCF as % of Ebitda	69	4	42	27	49	14	48	51
FCF per share	19	4	18	13	23	8	31	38

Source: Company data, Jefferies estimates

## Appendix 1: Company structure

Exhibit 73 - Vedanta owns 62% stake in HZ while the government of India owns 28%



Source: Company data

Exhibit 74 - HZ has five wholly owned subsidiaries

Hindustan Zinc Alloys Private Limited (HZAPL)	Vedanta Zinc Football & Sports Foundation (VZF)	Zinc India Foundation (ZIF)	Hindustan Zinc Fertilisers Private Limited (HZFPL)	Hindmetal Exploration Services Private Limited (HESPL)
Engaged in manufacturing zinc alloys aimed at meeting domestic demand and expanding our value-added portfolio.	Operates all our sports initiatives, including Zinc Football Academy, an AIFF 3-star Elite Academy, and community schools to nurture local talent along with education.	Our not-for-profit arm for implementing community development and environmental projects, with a focus on tribal villages.	Establishing a 510 ktpa DAP/ NPK fertiliser plant to utilise in-house sulphuric acid and reduce India's import dependency.	Focuses on identifying and developing high-potential mineral assets through advanced exploration technologies to enhance our long-term resource growth.

Source: Company data

## Appendix 2: Management profile

Exhibit 75 - Management profile

Name	Designation	Brief Profile
Priya Agarwal Hebbar	Non-Executive and Non-Independent Chairperson	Priya joined in January 2023 and has a degree in psychology and business management from the University of Warwick, UK. She is involved in the ESG transformation and people practices across the Vedanta Group.
Arun Misra	Chief Executive Officer & Whole-time Director	Arun has 37 years of experience in the metal and mining industry. Previously, serving as the Chairman of International Zinc Association (IZA) and Chairman of Confederation of Indian industry, Rajasthan, he has also been recognised in the Top 30 CEOs of India list by StartupLanes.
Sandeep Modi	Chief Financial Officer	Sandeep has two decades of work experience in metals & mining and power industry. He also anchors commercial, marketing, legal and IT functions at Hindustan Zinc. He has been recognised among top CXOs in India at various platforms.
Kishore S	Chief Operating Officer	With over 27 years of extensive experience in the metals & mining industry, Kishore was involved in the transition of Rampura Agucha Mine and Zawar Group of Mines into underground operations. He holds a degree in mining from Bangalore University.
Vijay Murthy	Chief Marketing Officer	Vijay has 21 years of experience in finance, procurement, sales & marketing and corporate strategy. He has served in leadership roles across the Group's zinc and copper business in South Africa and India. He has also held leadership positions in cement and chemicals industry.

Source: Company data, Jefferies

We would like to thank Vinamra Hirawat, employee of Evalueserve Inc., for providing research support services to our preparation of this report.

## Company Description

### Hindustan Zinc

Hindustan Zinc is an integrated producer of zinc, lead and silver, and is a subsidiary of Vedanta Limited (VEDL IN). HZL is the world's largest integrated zinc and among the top-5 silver producer globally. It is one of the lowest cost producers of zinc globally, falling in the first decile of the zinc mining cost curve. The company was established in 1966 and is headquartered in Udaipur, India.

## Company Valuation/Risks

### Hindustan Zinc

We value HZ at 10x Sep-27E EV/EBITDA, which is above last 10Y average of 7.3x, but justified by rising share of silver in EBIT. Key risks include lower silver/zinc prices, worsening metal grades, mine renewals post 2030 and any adverse related party event.

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Recommendation Published December 14, 2025 17:19 P.M.

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- Hindalco Industries Limited (HNDL IN: INR852.30, HOLD)
- JSW Steel Limited (JSTL IN: INR1,124.80, BUY)
- Jindal Stainless Ltd (JDSL IN: INR785.20, BUY)
- Newmont (NEM: \$98.14, BUY)
- Pan American Silver (PAAS: \$49.73, HOLD)
- Shyam Metalics & Energy Ltd (SHYAMMET IN: INR800.75, BUY)
- Tata Steel Ltd. (TATA IN: INR171.90, BUY)
- Teck Resources Limited (TECK/B CN: C\$59.40, BUY)

Rating and Price Target History for: Hindustan Zinc Ltd (HZ IN) as of 12-12-2025



## Distribution of Ratings

			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	2153	61.03%	382	17.74%	119	5.53%
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