

Equity Research Desk

ALPHA



Zinc and Silver of India



Founded: 1966
HQ: Udaipur, India



Global Leadership: World's largest integrated zinc producer | India's only primary silver producer



Mining Strength: 5 underground mines | 468.6 MT reserves | 25+ years mine life



Smelting Capacity: ~1129 Ktpa zinc & lead across Chanderiya, Dariba & Debari



Revenue Mix: Zinc (58%) | Silver (24%) | Lead (10%) | By-products



Ownership: Subsidiary of Vedanta Ltd with Govt. of India stake



Diversification: Potash, Tungsten & Rare Earth mineral blocks



Edge: Industry-leading scale + cost leadership + strong silver upside driving long-term growth

Subsidiaries



As of FY26, the company has 5 subsidiaries

Growth Strategies



Structural Cost Leadership

- Lowest zinc cost at ~\$903/MT in Q4FY26
- Full-year cost ~\$959/MT, below guidance
- Higher domestic coal usage + improved ore grades
- Rising renewable energy share driving further cost savings
- Strong margin buffer even in volatile zinc prices



Silver Upside Driving Earnings

- ~45% contribution to profitability
- Flexible production mix acts as natural hedge
- Potential to scale volumes beyond 700 MT
- Multiple triggers including new recovery projects & smelter expansion



Operational Efficiency & Cost Offsets

- By-product revenue (sulphuric acid, waste-to-wealth) supporting margins
- Consistent ability to beat cost guidance
- Strong execution across mining and smelting operations

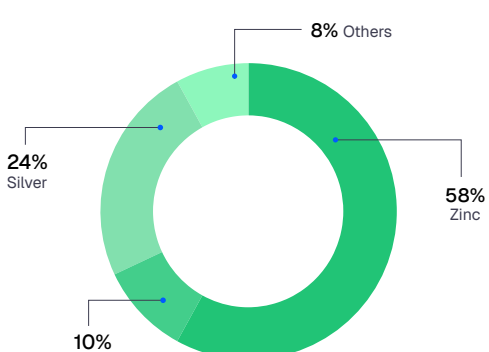


Long-Term Growth Visibility

- Industry-leading margins with strong cash generation
- Leveraged play on both zinc demand and silver upcycle
- Strong domestic demand support + global pricing flexibility

Revenue Breakup - FY26

Total Revenue (FY26) - ₹40,844 crore



Product Portfolio

Integrated Metals & Value-Added Solutions



Core Metals

- Refined Zinc
- Lead
- Silver



Value-Added Products

- Specialized zinc alloys
- Die-casting alloys
- Low-carbon green zinc



Emerging Segments

- Mineral exploration services
- Expansion into DAP/NPK fertilisers



Edge: Diversified metal mix + value-added offerings + evolving multi-metal strategy

Financial Highlights



Q4FY26

- Revenue: ₹13,544 Cr (↑ 49% YoY)
- EBITDA: ₹7,747 Cr (↑ 61% YoY)
- PAT: ₹5,033 Cr (↑ 68% YoY)



FY25

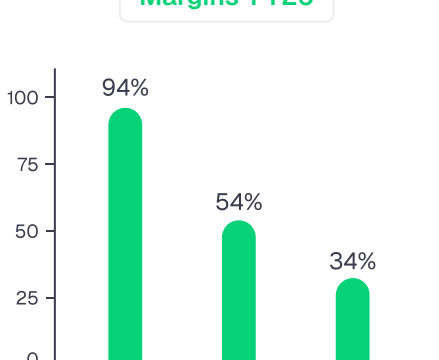
- Revenue: ₹40,844 Cr (↑ 20% YoY)
- EBITDA: ₹22,162 Cr (↑ 27% YoY)
- PAT: ₹13,832 Cr (↑ 34% YoY)
- **Highlight:** Strong margin expansion with ~54% EBITDA margin (+300 bps)



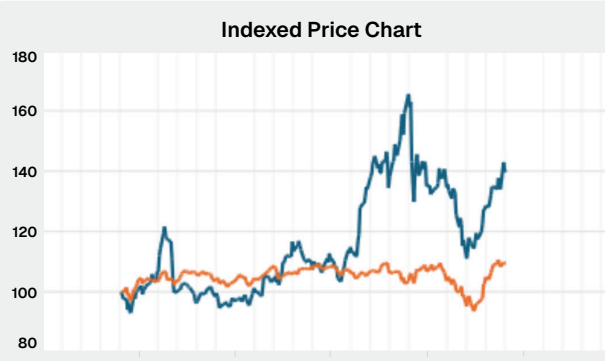
Financial Performance (3 Years)

- Revenue CAGR: ~6%
- Net Profit CAGR: ~10%
- TTM Growth: Revenue ↑ 20% | PAT ↑ 33%
- Debt-to-Equity: 0.39x
- Avg. ROE: ~69%
- Avg. ROCE: ~59%
- **Highlight:** Exceptional return ratios with accelerating earnings growth

Margins-FY26



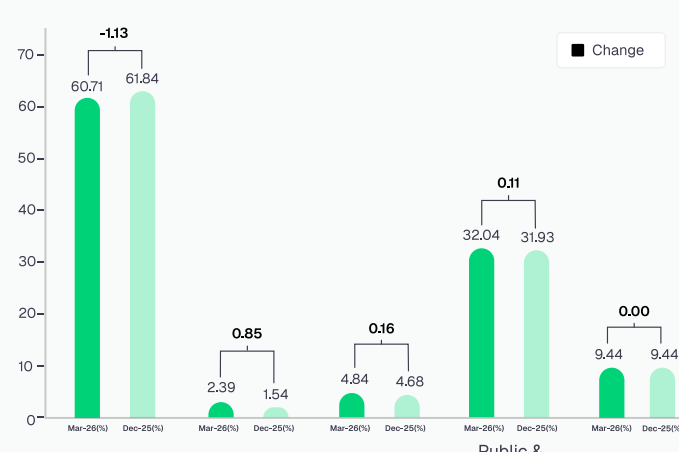
Indexed Price Chart



Market Data

CMP	₹596
Date	30-Apr-26
Target Price	₹702
Upside Potential	18%
52 Week High/Low	733/398
NSE Code	HINDZINC
Market Cap	Large
Sector	Metals & Mining
Rating	BUY

Shareholding Pattern



Ratios - FY26

ROE	77%
ROCE	70%
Div. Yield	1.86%
PE Ratio (x)	15.5
Face Value	2.00
EPS	32.45

Industry Outlook



Zinc Demand Growth

- Expected to double over next 5-10 years
- Driven by infrastructure & steel expansion



Steel-Led Demand

- India: 2nd largest steel producer
- Capacity target: 300 MT by 2030
- Steel demand growing ~10%



Lead Demand Support

- Driven by automotive batteries & industrial use



Silver Demand Tailwind

- Boosted by solar PV expansion
- Rising renewable energy capacity



Outlook: Strong multi-metal demand backed by infra, steel & energy transition

Growth Drivers



Steel & Infra Capex

- Steel capacity target: 300 MT by 2030
- Steel demand growing ~10%
- Infra outlay ↑ 11.1% to ₹11.2 lakh crore (FY26)
- Strong demand for galvanized zinc



Silver Demand from Renewables

- Renewable capacity moving toward 50%
- Solar PV driving silver consumption
- Supports high-margin realisations



Favourable Policy Support

- National Critical Mineral Mission boost
- MMDR Amendment improving mining ecosystem
- Increased investments in critical minerals



Tailwind: Strong policy + infra + energy transition driving multi-metal demand

Competitive Advantage



Peers: Hindalco Industries, Hindustan Copper

Category Leader

- India's only integrated zinc-lead-silver producer
- Strong positioning across the value chain

Superior Return Profile

- Avg. ROE ~69%
- Avg. ROCE ~59%

Operational Strength

- Industry-leading margins
- Strong cash conversion

Peer Analysis

Company	CMP	Mcap.	ROCE	ROE	3Yr Sales CAGR	P/E	EPS
Hindustan Zinc	596	251808	69.00%	77.00%	6.00%	18	32.45
Hindalco	1038	233262	15.00%	14.00%	7.00%	15	71.54
Hindustan Copper	535	51721	24.00%	19.00%	4.00%	78	6.90

Outlook



Capacity expansion driving growth



Self-funded capex with strong balance sheet



Scale-up to 2 Mtpa by FY30



Silver output supporting earnings mix



30% dividend policy adds income visibility



Multi-year earnings growth with strong visibility



BUY | Target: ₹702 (18x FY28E EPS)



Recommendation: BUY | Target Price: ₹702
Maintain 20% stop-loss from entry

SWOT Analysis



Strengths

- World's largest integrated zinc producer
- Among top 5 global silver producers
- 77% domestic zinc market share
- Long mine life (25+ years) with strong reserves



Weaknesses

- High dividend payouts by parent impacting minority interests
- Execution risks in new technology projects (HAL plant delay)



Opportunities

- 2x capacity expansion to 2 Mtpa by FY30
- Strong zinc demand from steel & infrastructure growth
- Diversification into critical minerals (Tungsten, Potash, REEs)



Threats

- Global zinc surplus may pressure prices
- Silver price volatility impacting earnings

Note: To read the Disclaimer and Disclosure, [click here](#)

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