

HZL/2026-27/SECY/16

April 28, 2026

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor Plot No., C/I, G Block
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Kind Attn: General Manager – Department
of Corporate Services

Kind Attn: Head Listing & Corporate
Communication

Scrip Code: 500188

Trading Symbol: "HINDZINC"

Dear Sir/Ma'am,

Sub: - Earnings call Transcript for the fourth quarter and year ended March 31, 2026

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the earnings call held on Friday, April 24, 2026, with regard to the financial performance of the Company for the fourth quarter and year ended March 31, 2026. The same is also made available on the Company's website at <https://www.hzlindia.com/investors/results-and-reports>.

You are requested to take the above information on record.

Thanking You,

Yours faithfully,
For **Hindustan Zinc Limited**

Aashima V Khanna
Company Secretary & Compliance Officer

Enclosed: as above



HINDUSTAN ZINC
Zinc & Silver of India

“Hindustan Zinc Limited
4Q & Full Year FY '26 Earnings Conference Call”
April 24, 2026



HINDUSTAN ZINC
Zinc & Silver of India



**MANAGEMENT: MR. ARUN MISRA – CHIEF EXECUTIVE OFFICER –
HINDUSTAN ZINC LIMITED
MR. SANDEEP MODI – CHIEF FINANCIAL OFFICER –
HINDUSTAN ZINC LIMITED
MS. RAKSHA JAIN – DIRECTOR, INVESTOR RELATIONS
– HINDUSTAN ZINC LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Fourth Quarter and Full Year FY '26 Earnings Conference Call hosted by Hindustan Zinc. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Ms. Raksha Jain, Director of Investor Relations of Hindustan Zinc. Thank you and over to you.

Raksha Jain: Thank you, operator, and good evening, ladies and gentlemen. Thank you for joining us today to discuss the fourth quarter and full year FY '26 results. In this call, we will refer to our investor presentation available on our company's website. Please note that today's entire discussion will be covered by the safe harbor clause mentioned on slide two of the presentation. Today we have Mr. Arun Misra, our CEO, and Mr. Sandeep Modi, our CFO. The management will be discussing the operational and financial updates for the quarter, followed by a Q&A session.

Now I would like to invite Mr. Arun Misra to present the results. Over to you, sir.

Arun Misra: Thank you, Raksha. A very good evening to all of you. Thank you for joining us today. Before we begin, it is with deep sorrow that I share an unfortunate incident at our Zawar mines on 25th of January 2026, wherein we lost an employee of our business partner due to an unexpected man-machine interaction. I extend my deepest condolences to the bereaved family and stand with them in this moment of profound grief.

We have provided them our unwavering support during this difficult time. Such incidents are deeply distressing and reinforce the critical importance of fostering a strong safety-first culture across our organization, something we continuously strive to strengthen. Following a thorough investigation, we are committed to disseminating learnings across the organization while implementing corrective measures and strengthening safety protocols to prevent such tragedies in future.

As part of our efforts to prevent such interactions through digitalization, we have launched a collision avoidance system at our Sindesar Khurd mine, covering underground equipment and personnel. We believe this initiative along with other safety interventions during this year will further strengthen our journey towards achieving our goal of zero harm.

This year, we set a new milestone by crossing 1.1 million tons of mined metal while sustaining over 1 million ton of refined metal production for the fourth consecutive year. This performance was further reinforced by a record-breaking fourth quarter with highest ever mined and refined metal production.

We also achieved record ore resources and reserves of 468.6 million tons with 25 years plus of mining life and recorded highest ever metal reserves of around 14 million tons and highest ever silver reserve of 10,900 tons since underground transition. On our journey to becoming a multi-metal enterprise, we have secured three critical mineral blocks: potash, tungsten, and rare earths.

We have established clear timelines with work now underway. Further details are available on Slide 11 of the presentation.

On sustainability front, I would like to share that Hindustan Zinc has been featured in the top 1% of the S&P Global Sustainability Yearbook for the ninth consecutive year, reflecting our strong commitment to sustainability and ESG leadership. We remain focused on our 2030 goals with progress across key areas, 18.0% renewable energy consumption, deployment of 180 LNG and 52 electric vehicles, improved water management, reduced waste to landfill, and enhanced gender diversity.

Further, I am proud to share a landmark achievement: our Chanderiya Lead Zinc Smelter has become India's first site to receive the Zinc Mark and Copper Mark certification, a testament to our commitment to responsible resource use, lower environmental impact, and industry-leading standards. Our CSR initiatives reached over 2.6 million lives across over 4,000 villages, with Nand Ghars in Rajasthan nearly doubling to 9,274. We remain committed to inclusive growth through focused interventions.

Moving to the market development, India continues to remain a standout among major economies with manufacturing PMI sustaining strong momentum above 55 levels during the year. The country's GDP growth for FY 2027 is expected to remain resilient at around 6.4% to 6.9% supported by continued government capex, infrastructure push, and robust domestic consumption.

Against a volatile global macroeconomic backdrop, base metal markets have remained relatively resilient. During the quarter, zinc prices touched a high of \$3,487 per ton with an average of \$3,241 per ton, while lead peaked at \$2,040 per ton, averaging at \$1,931 per ton. This performance reflects tight market conditions and steady demand from infrastructure, galvanization, and battery segments.

Silver, however, continues to stand out, maintaining strong momentum supported by robust industrial demand, particularly from solar and electronics, alongside continued investor interest. While prices have normalized from peak levels, the medium-term outlook remains constructive, driven by structural demand from energy transition and limited supply growth.

Turning to operational performance, we delivered a record-breaking quarter with mined metal production at 315 KT and refined metal production of 282 KT. This led to historic full year performance with mined metal at 1.1 million tons and second highest refined metal of 1,048 KT. The growth was driven by higher ore production and improved mined metal grades.

On the refined metal side, output was supported by debottlenecking at Chanderiya and Dariba, improved plant utilization, and enhanced operational efficiencies, resulting in higher throughput and better asset performance. On the cost front, despite a volatile geopolitical environment, we achieved the lowest quarterly zinc cost of production excluding royalty since underground transition at \$903 per ton, reflecting a decline of 9.0% year-on-year and 4.0% quarter-on-quarter.

The reduction was driven by a combination of factors: lower power cost, improved by-product realization, and operating leverage benefits from increased volume. On a full year basis, we delivered a five-year low cost of production at \$959 per ton, well below our guidance of \$1,000 per ton. This underscores the structural strength of our cost base and reinforces our position on the global cost curve.

Our quarterly silver production stood at 176 tons, up 11.0% sequentially. For the full year, silver production stood at 627 tons, impacted by change in mining sequence. Supported by strong silver prices, our precious metal portfolio achieved a milestone performance, contributing 45.0% to the overall profitability. Further, to capitalize on the favorable price environment and optimize inventory, we strategically sold 12,000 tons of lead concentrate during the quarter.

Including similar actions in the previous quarter, total silver equivalent sales amounted to 37 tons, effectively enhancing overall silver contribution towards the financial performance. This combination of lowest cost of production, strong output, and commodity tailwinds translated into all-time high financial performance both the quarter and full year. During the quarter, we delivered record revenue of INR13,544 crores, highest ever EBITDA of INR7,747 crores, and record net profit of INR5,033 crores, marking a new milestone for the company.

On the growth projects front, we are making steady progress for the 250,000 tons per annum integrated zinc smelter at Debari. Site mobilization is complete and detailed engineering is largely finalized. At Rampura Agucha, site work for the tailings reprocessing plant has commenced, with engineering completed. In parallel, we are accelerating exploration for our 2x growth plans with partners onboarded at Zawar and Rajpura Dariba.

On technology-led initiatives, we are advancing the Hot Acid Leaching process to unlock additional value for smelter waste through recovery of additional lead and silver. Given its complexity as a first-of-its-kind project in India, commissioning is now expected in 2Q FY '27. The fertilizer project is also on track for commissioning in early 2Q FY '27.

Looking into the year ahead, with a well-structured capex roadmap in place, we are confident in sustaining this strong performance in the year ahead with an expected mined metal production of 1,150 KTPA, plus or minus 10 KT, and a refined metal production of 1,100 KTPA, plus or minus 10 KT, with an expected refined silver production of 680 tons, plus or minus 10 tons. Hindustan Zinc is entering a defining phase of its growth, anchored in scale, cost leadership, and a relentless focus on excellence. With a strong balance sheet and a clear strategic roadmap, we are poised to invest decisively, expand our resource base, and unlock new avenues of growth.

As the world accelerates towards electrification, decarbonization, and energy security, we see a generational opportunity for metals. Our ambition is not only to participate in this transformation but to lead it by building future-ready capabilities, advancing sustainability, and delivering consistent long-term value. With this, I now hand over to Sandeep for an update on the financial performance.

Sandeep Modi:

Thank you, Mr. Misra, and good evening, everyone. The global macro environment continues to be marked by uneven growth and geopolitical volatility. In contrast, India remains relatively

resilient with FY26 GDP growth estimated at around 7.6%, moderating to 6.4% to 6.9% in FY27, supported by strong domestic demand, infrastructure-led capex, and political continuity.

Commodity markets remain sensitive in the near term. However, underlying metal fundamentals are increasingly constructive with energy transition accelerating zinc and silver demand structurally. While zinc demand remains stable supported by galvanization, lead continues to witness steady battery-driven demand, and silver stands out structurally with strong demand from solar and electronics driving a sustained deficit.

These fundamentals provide support to current price levels. Against this backdrop, our focus on cost leadership, operational excellence, and balance sheet strength positions us well for sustained value creation.

Turning to the performance, both the quarter and the full year marked milestone achievements. For the first time, we have crossed INR40,000 crores in the revenue and INR20,000 crores in EBITDA for the full year. This year's record volume and lower average cost undermine our margin resilience, showcasing our structural cost leadership, silver-led profitability upside, and disciplined growth capex, which position us well for sustained value creation across cycles.

In Q4 FY26, we delivered our highest ever quarterly revenue of INR13,544 crores, up 49.0% year-on-year and 23.0% quarter-on-quarter, driven by higher production, a supportive commodity environment, improved by-product realization, and rupee depreciation. Quarterly EBITDA stood at record INR7,747 crores, up 61.0% Y-o-Y and 27.0% quarter-on-quarter, with industry-leading EBITDA margin of 57.0%.

This performance was supported by higher revenue and the lowest ever quarterly zinc cost of production since underground transition at \$903 per ton. Key drivers included higher domestic coal usage at 64.0%, softened coal prices of imported ones, higher production, and strong by-product realization along with the better mine grades.

Reflecting the strong operating performance, we delivered our highest ever quarterly net profit of INR5,033 crores, up 68.0% Y-o-Y and 29.0% quarter-on-quarter. For the full year, we achieved record revenue of INR40,844 crores, EBITDA of INR22,162 crores, and a net profit of INR13,832 crores. Zinc cost of production for the FY26 stood at \$959 per ton, the lowest in last five years and well below our guided range.

Free cash flow before growth capex and renewable investment for the year was INR13,337 crores. For FY27, we have guided zinc cost of production excluding royalty at \$975 to \$1,000 per ton, reflecting prevailing global uncertainties. Planned capital expenditure for FY27 is in the range of \$500 million to \$600 million towards announced growth projects.

Our strong cash generation enabled us to close the year with a net cash position of INR5,594 crores as of March '26, compared to a net debt position of INR1,169 crores at the close of the last year. Our gross cash position is around INR14,000 crores as at March '26. During FY26, we also contributed around INR19,000 crores to national exchequer, including more than INR6,000

crores to the state of Rajasthan, underscoring our role as a significant contributor to the economy and the state.

We also made meaningful progress in long-term value creation. During the year, Hindustan Zinc was included in the Nifty 100, Nifty Next 50, and multiple Nifty ESG indices. We now rank among the top five Nifty metal companies and are among the top companies in the Nifty 100. Our market capitalization stood at approximately INR2,12,000 crores at the end of March '26, and we touched a peak market cap of INR3,10,000 crores during the year.

Overall, Q4 reflects the strength of our business model and execution, while FY26 marks a milestone year, setting new benchmarks across financial and operational metrics. Backed by technology, innovation, and strong sustainability framework, we remain well aligned with India's growth and energy transition priorities and are confident of delivering resilient growth and long-term value for all stakeholders. With this, I will now hand over to the operator for the Q&A session. Thank you.

- Moderator:** We'll take our first question from the line of Manav Gogia from Yes Securities India Limited.
- Manav Gogia:** So first of all, congratulations on the good set of numbers. My first question comes around -- would it be possible for you to give me what the hedge quantity across zinc and silver would be for both Q1FY27 and the whole year of FY27?
- Sandeep Modi:** For the Q1, for the zinc, it is a hedge at 20 KT spread between the April to June at a average price of \$3,100, and silver is hedged 25 tons at a average price of \$57. For the full year FY27, 71 KT is hedged at an average price of \$3,225 per ton and silver is hedged at 59 tons at a average price of \$60 per troy ounce.
- Manav Gogia:** And just continuing on this, I mean, for silver the presentation states that we plan to take the capacities up to 830 KT -- sorry, 830 tons by 2029. And this year's run rate has been roughly 622 to 630. So how should we see the run rate from here onwards? Could you give us some brief about that?
- Arun Misra:** Manav, this will also come along with the expansion of immediately 250 KT smelter that we are adding, right? So when that 250 KTPA smelter gets added, so that will come to about 1.1 plus 0.25, that is 1.35 to 1.4 million ton of metal, and for that the MIC would be about 1.5 to 1.55 million ton of MIC. Automatically that gives additional lead, which will focus, that is number one.
- Number two, we are commissioning the LGLC circuit which will produce additional silver. We'll be having the new smelter along with its own fumer. That will also add the silver, plus by that time some amount of tailings recycling will also come back. Altogether if you look, it will be crossing 800 tons of silver by that time.
- Manav Gogia:** But I mean during Q4 we did round about 176 tons for silver, so would it be safe to assume that we can maintain this run rate going ahead in Q1, Q2 and for the remaining part of FY27 then?

Arun Misra: So as of now, our guidance wise we have given 680 tons for the entire year, right? So we'll follow the similar pattern only, 680 tons, and if you consider last year we did the MIC sale in which 37 tons of silver equivalent was there. That 37 if you add to 627, we have already at 664 level, right? Compared to that we have only given a guidance of 680. We have got MIC in our hand.

And if the lead metal prices fall while zinc prices are up, which happened last year, then we'll tilt our production towards more of zinc, less of lead. And we will sell the lead MIC which is made surplus this way. And then produce silver whatever is possible through the zinc maximization route at the same time recover silver through the lead MIC sale.

Manav Gogia: No, that is helpful. So my second question comes, there's a 35.0% sequential jump in other expenses. What were the key reasons behind the same?

Sandeep Modi: Manav, I will address this. HZL has -- so you will see the similar jump in the other operating income as well, okay? So I will address the both parts. HZL has entered into the various agreements with -- we have set up the various ancillary business. So the ancillary business are basically with the third party where we provide them smelters residue which they convert from waste to wealth.

So as per this arrangement, HZL sells the smelter residue which is like the PF cake, which contains the zinc and cadmium and then after that it is also purchase back the finished goods or the WIP which then used by Hindustan Zinc in the other smelting processes or mining processes. So that's why as per the accounting, the transaction is accounted when the sale happens as other operating income and when the purchase happens, it is the part of the other expenditure. And the amount is around INR600 crores both sides.

Manav Gogia: Pardon, I could not get the number, sir. What was the amount?

Sandeep Modi: You will see on a -- around INR600 crores both side, other operating income as well as other expenditure for the full year basis.

Manav Gogia: Okay. And do we expect to continue this trend going forward then? I mean the agreement?

Sandeep Modi: Yes. This trend will continue to increase and you will see this INR600 crores going up to maybe INR1,200 crores to INR1,500 crores annually in the both side, other operating income and other expenditure.

Manav Gogia: Okay, got it. Sure, I mean, I have more questions, I'll join back the queue. Thank you so much.

Sandeep Modi: Thank you, Manav.

Moderator: Thank you. Next question is from the line of Pallav Agarwal from Antique Stock Broking. Please go ahead.

Pallav Agarwal: Yes, good evening, sir. Congratulations on the good set of numbers. Sir, first question was on the COP. So Q4 cost was pretty low at \$900 per ton, but for the full year we are giving a guidance

of about \$975 to \$1,000. So will there be such a steep increase or will we see \$975 in Q1 or that will be more towards the second half of the year?

Sandeep Modi:

So Pallav, I will address here. So see the cost of Q4 has been a significant benefit coming on account of the mining grade. So we had a mining grade of 7.9% in the Q4 and compared to the full year average of around 7.5%. And as I explained, 10 bps of the mining grade impacts the \$7.

So I think Q1 historically we have been around 7.3%, 7.4%, that should be there. Of course, we don't give guidance quarter-wise. At the same time, secondly, the current geopolitical environment where you see the input cost commodity coming impact of the diesel, propane gas, chemical, explosive.

So I think we need to factor those also on a year basis. So maybe we don't know about the war uncertainties, but we have factored certain portion of it. That put together, I think \$975 to \$1,000 is good enough. I'm sure we should be able to do much below than as the situation improves.

Pallav Agarwal:

Sure, sir. And also have we seen any impact, I mean, of this shortage of natural gas? Has it impacted our production in any aspect or led to higher costs in Q4?

Sandeep Modi:

It is a marginally higher cost in the Q4, maybe around \$11 per ton, but on the production point of view, no impact.

Pallav Agarwal:

Sure, sir. And lastly, if you could just give us the RE proportion of RE consumption FY26 and how much will that increase in FY27?

Sandeep Modi:

So FY26 we closed for the full year around 18% renewable energy and for the full year in FY27, we should be between 30% to 35%.

Pallav Agarwal:

Sure, sir. Okay, thank you. I'll join the queue.

Moderator:

Thank you. Next question is from the line of Ashish Kejriwal from Nuvama Wealth Management. Please go ahead.

Ashish Kejriwal:

Yes, hi. Good evening, everyone. Thank you for the opportunity and again many congratulations. Sir, two things from my side. One, obviously the cost of production which we have seen sharp fall, the by-product credits could have helped big way because we are seeing in our top line also revenue of others increased from INR783 crores to INR1,362 crores in this quarter for fourth quarter. So my only question is how much it one can contribute or work to the higher sulfuric acid prices or the benefits of that in terms of our cost of production?

Sandeep Modi:

So Ashish, sulfuric acid prices are basically a culmination of many things. One is the government also have their own control for the fertilizer, second are linked with the sulfur index. So by and large you can consider depending upon the sulfur index the prices would be. So the way input commodity prices are moving, similar way this prices are also moving.

So I think whatever we have seen in Q4 and we see the stable thing in the April as well. So I think whatever we have seen in the March should continue until this situation is there for the input commodity. So that is more like a offsetting for us. So if the input commodity increases, this prices increases and then we get offsets.

Arun Misra: Arun Misra here. I just wanted to add, look at it positively in the guidance. When we move from 1,048 KT metal to 1,100 KT metal, that means much more acid, more residues will be available to us. So this effort is sustainable and going forward the volumes are only increasing. So this other income going up and up every year, unless the prices crash, we see a good prospect of sustaining this kind of an earning.

Ashish Kejriwal: Yes, I agree, sir. That's the reason I was asking in terms of in a per ton basis or something if you can guide, how much it could be which could be sustainable in nature?

Sandeep Modi: Yes, I think we should leave it to the index. I don't think we can quantify on.

Arun Mishra: Only you can make a guess that quantities of material will keep on increasing along with the increase in more mined metal and more refined metal.

Ashish Kejriwal: Okay. Second question is on account of the next phase of expansion. We earlier said that in the first phase we are increasing capacity by 250,000 tons and obviously you have been giving us updates each quarter. But what is missing is the second phase which we discussed also when you announced that you are saying that in our next six months we will come out with the next phase of expansion plan also. So where we are or do we think that, no, first we will complete this and then only we will start or how to take it forward?

Arun Misra: No. So we are absolutely on the job. See, the change which has happened is earlier we were thinking we will make two or three different smelters in different locations. Then we had an idea instead of doing that, why not bring everything together in one place? Then we reworked the whole plan and now the designers have confirmed that in one location about a 600, 700 KTPA smelter can be put.

We plan to do that where we are putting the 250 KTPA smelter. That means in one location 1,000,000 ton smelter will come up. So that design has been finalized. Now the commercial process is going on. I see that another one month's time we should be able to place the order. And now last 2 months we are focusing on the mill portion because we have already placed order for mining.

Now the mills have to be expanded. I think mills order will also close sometime between the first week of June or second week of June. So although we wanted to clear out all the orders by January of this year, but we are slightly late, but it is worth it because putting everything together in one place will reduce the cost of the project also.

Ashish Kejriwal: And where they are putting, sir Rajasthan only or somewhere else?

- Arun Misra:** Rajasthan, all Rajasthan only and we want to bring it in the similar distances because we don't want to carry concentrate on far distances.
- Ashish Kejriwal:** Understood. And sir, lastly, obviously when we are very much keen on putting up this kind of smelter or capex, I'm sure that we have been given a sense from the government about the mines which is going to be renewed or expired in 2030. So we are very much comfortable on that, that's right?
- Arun Misra:** No, we are comfortable because we have the first right of refusal. So in any case we -- it's only a matter of how much premium we are ready to pay, but just by bidding people cannot take it away.
- Ashish Kejriwal:** Okay. Thank you, sir and all the best.
- Arun Mishra:** Thank you.
- Moderator:** Thank you. Next question is from Pinakin from HSBC. Please go ahead.
- Pinakin:** Yes, thank you very much. Sir, my first question is on the silver production guidance. It looks a bit underwhelming. So just trying to understand that when can we see silver production spike up sharply to 700-725 KT? Should we expect production to remain in this range 670-680 for the next 2 years only?
- Arun Misra:** I will give you the clue. That can happen when the zinc prices fall to say \$2,800 to \$3,000 per ton. If the zinc prices fall, then and silver remains at say \$60 at troy ounce, it will make much sense to produce more lead and silver than production of zinc. And when we do that, then we'll surely see the numbers going up to 700 tons plus.
- Pinakin:** Okay. So just trying to understand that as a company we cannot have higher silver prices and higher silver production. They are mutually exclusive.
- Arun Misra:** No, it' -- see ultimately our mines we produce --- our grades, with which we are proud of and which determines the cost is the grade of zinc. So it's a more zinc-rich ore. And when the zinc LME is so good, say 3,100, 3,200 on an average or picking up to 3,400, if you put the volumes, it is better than producing 30 tons additional silver if I put 30,000 tons of additional zinc, it brings me more money.
- Pinakin:** Got it. My second question is on the dividend payouts. It's a bit surprising that the quarter has just started and we've declared FY27 dividend. So what is the thought process behind this and also the brand fee/royalty fee, has that been paid out to the parent for this year and were there any changes over there?
- Arun Misra:** So just one thing I will correct you that we don't have anything called royalty fee. It is brand and strategic services fee. So I think let's keep it at that. There is no royalty.
- Sandeep Modi:** Brand license and strategic services fee. I will first come to the dividend. I think last year also Q1 in the June month we declared -- the company declared the Board approved a dividend for

the FY26 as a first interim dividend. And I think dividend is not dependent upon the -- this year profit. Dividend is out of the earnings which company has. So we have almost INR22,000 crores worth of the retained earnings.

And out of that, Board has approved the first interim dividend of INR11, which is around INR4,300 crores. I think that should be the case. And as far as the brand fee license and strategic services fees is concerned, that has been the paid as per the contract entered into the with Vedanta Limited for this year.

Pinakin: So what would be that amount be for this year versus last year?

Sandeep Modi: This year is around INR1,300 crores.

Pinakin: And FY27 and what was this in FY26?

Sandeep Modi: Similar kind of amount. INR1,100 crores.

Pinakin: Understood. Thank you very much.

Moderator: Thank you. Next question is from Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: Yes, thank you for the chance. Sir, my just continuing on the previous question, just want to know the contract for the brand fee when it is due for revision in terms of the percentage share?

Sandeep Modi: So brand and royalty strategic services fees contract is valid till 2030. So in between there is no renewal is there. It's valid till 2030.

Sumangal Nevatia: And the payout happens for the full year based on some estimate at the -- in the first quarter, is that right?

Sandeep Modi: Yes, yes.

Management: But it's settled at the end of the year.

Sandeep Modi: It's settled at the end of the year basis the annual accounts. So like for FY26, after the annual accounts audit, we have to pay INR100 crores pertaining to FY26.

Sumangal Nevatia: Okay, okay, understand. Sir, my second question is on dividend. So FY26 if we see we paid some INR21 which is a decline versus last year whereas profitability has gone up much more. So generally going forward given the massive tailwind on earnings given the commodity prices, what should we expect? Should -- I mean, is there now a plan to pile on cash given the upcoming capex or should we expect a high payout to continue?

Arun Misra: So we will continue to -- I think the Board will continue to balance between paying dividend and investing for the expansion. So that balance will continue and I don't think it is one or the other, both will continue.

Because when we declared expansion, the question put to me was will you be in a position to pay dividend? Now our operations are proving that we are able to maintain both, that we are able to pay dividend as well as we are continuing to invest in our assets.

Sumangal Nevatia: Okay. But conceptually so cash flows will be used for dividend and growth, we would not be using debt for our growth expansion, right?

Arun Misra: Ideally no, but cash timeline, you know, mismatch or if I get better earning by my own investment rather than and loan is much cheaper because of our balance sheet strength, then we would take those calls, but primarily we are earning enough to fund our growth. That is for sure.

Sumangal Nevatia: Understood, understood. Sir, second question is on the hedging strategy. Given the volatility in the prices both for silver and to some extent zinc as well, broadly what should we expect? I think currently we are around 10% hedged. So are we continuously monitoring the prices and then evaluating to increase or broadly 10% to 15% is what we expect and then rest leave it to the market?

Sandeep Modi: I think as we said in the earlier calls also, we will be our philosophy and policy has been to hedge between 10% to 20%. And at this point of time, we are comfortable with the 10%. We'll see if the prices spike, which we believe is not a sustainable kind of thing because of the war situation, then we can look at, but if you see in the last quarter we have not hedged anything. We'll continue to be comfortable at 10%.

Sumangal Nevatia: Okay. And generally how far can we do it based on liquidity? Are we also evaluating FY28 or only currently one or two quarters ahead?

Sandeep Modi: We will not be going beyond 12 months. That is very sure.

Sumangal Nevatia: Understood, understood. And just one last question. Can I ask one more question?

Arun Misra: Yes, yes, please go ahead.

Sumangal Nevatia: Okay. With respect to our half a million ton fertilizer plant, can you share what is the volume expectation, ramp-up schedule, economics, and are we facing any RM challenges there due to the ongoing conflict in Middle East?

Arun Misra: No, we have not started operations at all and another 3 months down the line we should be able to start our phosphoric acid plant, which is the first part. Then maybe 2026 end or '27 early, which is January, we will be able to start our DAP manufacturing plant. So right now there is no impact of rock phosphate and all that on our operations.

Sumangal Nevatia: Okay, all right. Okay, that's very useful. Thank you and all the best, sir. Yes.

Moderator: Thank you. Next question is from the line of Raashi from Citi. Please go ahead.

Raashi: Thank you. What was the revenue and the EBITDA from the lead concentrate sales during the quarter, please?

- Sandeep Modi:** Quarter 4 you must be asking?
- Raashi:** Yes.
- Sandeep Modi:** So quarter 4 the revenue was around INR500 crores and EBITDA was around INR330 crores. Hello?
- Moderator:** Raashi, does that answer your question?
- Raashi:** Yes, yes. I still have a follow-up question. So your EBITDA has actually declined sequentially on the sale of the lead concentrate?
- Sandeep Modi:** No, it depends upon the how much lead concentrate you are selling. We are not into the business of selling the concentrate. Since we were having the MIC production higher compared to the metal production, that's why we used it. And I don't think EBITDA has gone down.
- EBITDA in Q3 was around INR250 crores and this time INR330 crores. But of course it is not on account of the -- it is a function of the prices, USD-INR rate, at the same time TC/RC and the quantity which you sell.
- Raashi:** Got it, got it. On the hedging, what was the hedging loss in the fourth quarter?
- Sandeep Modi:** So hedging, I will not say it's a loss, it is a delta compared to the prevalent market prices, INR1,100 crores was.
- Raashi:** Sorry, how much?
- Sandeep Modi:** INR1,100 crores was the delta between the hedge price and what was the market price.
- Raashi:** This is for the fourth quarter. And for the full year what is this number?
- Sandeep Modi:** The delta was INR1,500 crores.
- Raashi:** Okay. On the capex, could you just break down the '26 capex into growth and maintenance? What was the actual number?
- Sandeep Modi:** Total capex was INR3,600 crores for the full year and growth capex was INR2,000 crores.
- Raashi:** 36 was maintenance, okay. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Jainam Shah from Indsec Securities & Finance. Please go ahead.
- Jainam Shah:** Am I audible, sir?
- Sandeep Modi:** Yes.

- Jainam Shah:** Yes, thank you so much for this opportunity and congratulations on the good set of results. So my question is related to what was asked before. So you've said that you'll be planning to take the renewable energy share to 32% to 35%. So could you just give us the timeline of how are we going to reach to 70%?
- Sandeep Modi:** 70% is by FY28 as we committed earlier as well as part of our sustainability goals. By FY28 we'll be 70% round the clock.
- Jainam Shah:** No, so my question is because at 18% we are at the zinc cost of production at 903. So while we reach to 32% to 35% and eventually to 70%, would this change our, you know, zinc cost of production estimate?
- Sandeep Modi:** So it will depend upon the own generation cost. So it is a function of the what is the imported coal prices at that point of time, what will be the domestic coal prices availability at that point of time. So at currently in this year we had a benefit of the lower coal prices and the domestic coal utilization.
- So we earlier said that every 2% renewable energy increase will have a \$1 cost reduction. We still stand by it given the long-term coal prices. So if we move from 20% to 70%, we can see the further potential of \$25 per ton cost reduction.
- Jainam Shah:** Okay, understood. And in terms of VAP share for FY26, if you could just share the number and also an adjoining question would be that we are planning to take it to 50%. With that in mind, how much realization would improve for us in the coming years?
- Sandeep Modi:** So, like earlier -- as I said earlier, VAP is not like a other businesses like in aluminum where the VAP commands a \$500 or \$1,000 extra incremental NEP. So it's not like that. Of course we are also into VAP, we have around 24% VAP in FY26.
- But in our in zinc case, VAP hardly commands \$50 to \$60 per ton over and above the normal what you say the SHG zinc. So it is not more on -- it is not on account of the profit, it is more on account of the supplying to the customers who requires in India. So this help us to increase the domestic market share in India.
- Jainam Shah:** And sir, when do we plan to come up with the final plan of 600 KT that we have mentioned in our Slide number 26, and detailed plan on how much the capex and revenue potential would be? That would be helpful.
- Sandeep Modi:** I think in some two to three questions then Mr. Misra explained about the whole thing that we are working on the 1 million ton smelter out of which 250 KT already started at within Rajasthan and by the quarter one end we should be ready with the complete conceptual plan and layout of the plant and engineering and then we can see in the July or some that time we can have a board announcement after the full feasibility.
- Moderator:** Thank you. Next question is from the line of Vikas Singh from ICICI Securities. Please go ahead.

Vikas Singh: Good evening, sir, and thank you for the opportunity. Sir, my first question pertains to our silver hedging strategy. I'm a little bit perplexed because silver prices in the last quarter have touched even \$100 plus. So, if we are hedging certain quantity as a -- every month certain quantity, our average should have been higher than what you have said in at the opening remark. So just wanted to understand, have we stopped hedging after certain point of time realizing our mistake and then the silver prices turned upside down? What happened actually?

Sandeep Modi: Vikas, just a humble request, I don't think anybody could say it's a mistake. Every company has a own policy of hedging the volume. So, we as earlier said 10% to 20% annual volume we will hedge and accordingly we hedge the 10% for this year and last year 20%. And we stopped hedged after the 10% hedging.

So, you are right, after the Q3 we have not hedged anything, but that is not on account of anything else, it is more on account of what company follows the strategy. Given that 58%, 59% kind of EBITDA margin of the company, we believe that and silver being a by-product, we believe that it's not worthwhile to experiment and do the hedging beyond 10%. And every company has a philosophy.

Either you have the Indian counterparts in the other metal business who has the 40% to 60% hedge for the many of the quarters. So, I don't think it is a mistake, it's more about the strategy. You always have a open position over 80% on which you can earn much better. For by the hedging, I would not say pray to the God that, prices should fall. Prices should always be increasing on the remaining portion.

Vikas Singh: Understood. No, but I mean that the you are talking about 10% hedging, but at the end of 2Q, your overall hedging for the remaining of second half FY '26 was almost 45%, 50% of the total silver which you are supposed to produce. So that's why I'm saying is there any is there any standardization that I will keep on hedging 10% or 15% on a rolling basis? How should we look at it?

Sandeep Modi: So, we are not following the policy of the rolling 12 months. However, at the same time, our philosophy that we will not go beyond 12 months and we'll be relooking whenever required 10% to 20%. If I'm a 10% there is no compulsion that I have to go up to the 20%. It is also not a compulsion that if I unwound the position, then I have to again increase to 10%.

Vikas Singh: Noted, sir. Sir, my second question pertains to our long-term target of 2 million ton. Assuming there would be a minimum of 25% kind of the, you know, additional premium which you might have to pay and the capex cost would also be higher. So any IRR estimates which we have done for the new projects if you could share with us?

Sandeep Modi: For 250 KTPA we have already done the IRR estimate and we don't declare the IRR, but as I said earlier, it's a double-digit IRR and much, much better than compared to industry benchmark and because it also reflects on account of our lowest cost of production in terms of opex and the in terms of capex also when we announce we say it's around \$2,600 per ton capex cost.

So, IRR is in the double digit. And for the 1 million ton we need to yet work because once we have the conceptualization, layout and everything engineering technology finalization, then only we can do, but of course I can confirm that it will be a double-digit IRR.

Vikas Singh: Noted, sir. Thank you for answering my question and all the best for future.

Raksha Jain: Thank you.

Moderator: Thank you. We'll take our last question from the line of Prateek Singh from IIFL Capital. Please go ahead.

Prateek Singh: Hi, thanks for the opportunity. The first question is just a clarification on the dividend. So I think in the past we had a stated dividend policy of a minimum of 30% of PAT. Given that the PAT or EPS last year was around INR30, so just to clarify, for FY '26 the dividend given was INR10, right? Not INR21. This INR11 will count in FY '27, is that correct?

Sandeep Modi: Yes, yes. INR10 was the dividend in FY '26.

Prateek Singh: Understood. And INR11 will count for '27. Understood. So and minimum 30% is the policy that that stays as of now regardless of capex?

Sandeep Modi: Absolutely.

Prateek Singh: Understood. Thanks. And the second question is largely on the other operating income increase. I'm not sure if it was covered in opening remarks, but we saw a decent increase in other operating income. What was that driven by? Was sulfuric acid sales part of it and how are we seeing the prices of acid sales vis-à-vis let's say 3Q or have they just started increasing in 1Q only?

Sandeep Modi: So other operating income consists of two main items. One is the as you said sulfuric acid and second is the by-products and various scrap and residue which we sell. Second as I say, we have entered into the agreement with the third party for setting up the ancillary businesses in which it's a waste to wealth where we provide them the residue, they process it and they provide the finished goods like cadmium or other metals which are further used in our processes.

So that as per the accounting, that goes that around INR600 crore for the whole year is part of other operating income as well as also part of the other expenditure. You see the other expenditure has also increased. So, it's a offsetting item, but accounting doesn't allow to do the offsetting, it has to capture into both other operating income and other expenditure.

From the costing point of view, two items come for the cost credit, one is the scrap and residue sales which is around for the whole year was around INR1,000 crore and the remaining is the sulfuric acid which is around INR1,400 crore.

Prateek Singh: Understood. And how are sulfuric acid prices right now, sir, versus 4Q?

Sandeep Modi: So, it is a link to the sulfur index. So, the sulfur index so and as the sulfur index moves, the prices also get quarterly reset.

- Prateek Singh:** Okay. And just one last question on the coal side. Again, I'm not sure if you covered it earlier. What was the coal sourcing mix and how are we seeing e-auction prices by Coal India given that, you know, there is gas shortage so people might be moving to coal?
- Sandeep Modi:** So during the whole year we were around 53% domestic coal materialization and 18% was the renewable energy. So overall around 70% from the -- this way and 30% was the imported coal. If you go for the Q4, around 64% was the domestic coal and 18% this and remaining was the imported coal.
- So we believe we have the linkage coal option where the prices are determined by the government of this Coal India. We have not seen any steep increase in the domestic coal given that as this point of time there is a huge delta between the imported and domestic coal almost around 40%. Domestic coal will always be cheaper for us.
- Prateek Singh:** So domestically we source only via linkage, not via e-auctions?
- Sandeep Modi:** Very marginally through e-auction.
- Prateek Singh:** Understood. Understood. Thanks. Thanks a lot for answering my questions. All the best.
- Moderator:** Thank you. I now hand over the conference to Ms. Raksha Jain for closing comments. Over to you.
- Raksha Jain:** Thank you, operator. Thank you, everyone, for joining us today on this call. If there are any follow-up queries or any clarifications required, please feel free to reach out to the Investor Relations team. Thank you.
- Moderator:** Thank you. On behalf of Hindustan Zinc, that concludes this conference. Thank you for joining us and you may now disconnect your lines.