

HZL/2025-26/SECY/149

January 22, 2026

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

Kind Attn: General Manager – Department  
of Corporate Services

Scrip Code: 500188

Dear Sir/Ma'am,

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: Head Listing & Corporate  
Communication

Trading Symbol: "HINDZINC"

**Sub: - Earnings call Transcript for the third quarter and nine months ended December 31, 2025**

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 Monday, January 19, 2026, with regard to the financial performance of the Company for the third quarter and nine months ended December 31, 2025. The same is also made available on the Company's website at <https://www.hzlindia.com/investors/reports-press-releases/>.

You are requested to take the above information on record.

Thanking You,

Yours faithfully,  
For Hindustan Zinc Limited

**Aashhima V Khanna**  
**Company Secretary & Compliance Officer**

Enclosed: as above



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CIN: L27204RJ1966PLC001208



“Hindustan Zinc Limited  
3Q & 9M FY '26 Earnings Conference Call”  
January 19, 2026



**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 Third Quarter and 9 Months 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. Please note that this conference is being recorded.

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 third quarter and 9 months results of FY '26. 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 2 of the presentation.

Today, we have our CEO, Mr. Arun Misra; and CFO, Mr. Sandeep Modi. 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 for the third quarter and 9 months FY '26 results briefing. Before we begin the presentation, with profound sadness and a heavy heart, I would like to share that during the quarter, we lost Kailash in an unfortunate incident at our Rajpura Dariba mine.

On behalf of the entire organization, I extend our deepest condolences to the bereaved family. We stand firmly beside them in these difficult times and assure them of our unwavering support. Such incidents are truly heartbreakingly, particularly as we continue to strengthen our safety-first culture.

Following a detailed investigation, we are implementing strong corrective and preventive measures with utmost urgency and the learnings are being disseminated through the organization. The safety and wellbeing of every individual remains paramount, and this incident serves as a reminder of the need of the constant vigilance and a continuous improvement.

The quarter has been one of our strongest. We achieved the highest ever third quarter mined metal production since the underground transition along with record third quarter refined metal production. This was delivered alongside the lowest zinc cost of production, including royalty in last 5 years, underscoring our structural cost leadership and operational discipline.

Advancing our sustainability journey, we flagged off 10 EV bulker trucks at our Debari smelter in collaboration with Enviiro Wheels Mobility Private Limited, which plans to scale the fleet to 40 vehicles. Further reinforcing our sustainability leadership, the company achieved a global milestone by securing number one ranking in the S&P Global Corporate Sustainability Assessment 2025 for the third year in a row in mining and metals sector with an industry-leading score of 90 out of 100.

This recognition reflects our consistent commitment to the highest global standards of sustainability. Our efforts in corporate social responsibility have also been recognized with the Best CSR in Private Sector Award at the Mining & Metals Excellence Awards 2025, acknowledging our sustained focus on creating a meaningful impact on local communities.

Moving to the market environment. India continues to stand out as one of the brightest spots globally with manufacturing PMI firmly above 56 throughout the quarter. The nation's GDP growth for FY 2026 is projected at around 7.4% by the Reserve Bank of India. Against a highly uncertain global macroeconomic backdrop, commodity prices have stayed buoyant, supported by strong fundamentals.

Zinc prices surged to around \$3,350 per ton, the highest level since early 2023, driven by tight physical supply. Silver prices, in particular, witnessed strong rally of around 75% year-on-year, even reaching an all-time high of over \$93 per troy ounce in January. The inclusion of silver in the U.S. critical minerals list and its relative undervaluation versus gold and strong festive demand from India attracted robust investor interest. Despite such strong rally, the outlook for silver remains bullish.

Turning to the operational performance. We delivered mined metal production of 276,000 tons, our best ever third quarter since the underground transition, taking 9-month production to a record 799,000 tons. We achieved highest ever third quarter refined metal production of 270,000 tons with second highest 9-month production of 766,000 tons.

With the successful completion of debottlenecking at Chanderiya smelter and the earlier commissioned debottlenecking at Dariba smelter, we added 21,000 tons to the overall refined metal capacity. Earlier this year, we completed the commissioning of 160,000 tons per annum roaster at Debari, which has improved the overall plant availability. With this, we are comfortable in delivering the refined metal production as committed.

Our saleable silver production stood at 158 tons, up 10% sequentially. The contribution of the precious metal portfolio has increased to 44% of the profits, making it uniquely placed to ride the silver wave and unlock full potential. We delivered silver production of 451 tons in 9 months. During the quarter, we achieved 5-year lowest zinc cost of production, excluding royalty, of \$940 per ton, better by 10% year-on-year and 5% sequentially.

This achievement was in line with record operational performances, higher domestic coal usage, softened coal prices, and higher byproduct realization, and this was partly offset by higher mine development cost. Zinc cost of production, excluding royalty for the 9 months, stood at its 5-year lowest of \$980 per ton, well within the guided level.

The combination of lowest cost of production and record output resulted in all-time high financial performance for the quarter and 9 months. During the quarter, we delivered record revenue of INR10,980 crores and the highest ever EBITDA of INR6,087 crores. The profit after taxes for the quarter surged 48% sequentially to INR3,916 crores, marking a new record for the company.

With respect to 2x growth projects of 250,000 tons per annum integrated zinc smelter at Debari and tailings reprocessing plant at Rampura Agucha, we have locked in key EPC partners and groundwork has started. Both the projects are set to be completed by second quarter of FY '29 and fourth quarter of FY '28, respectively.

As we advance into the next phase of our growth journey, Hindustan Zinc stands on a foundation of scale, resilience and disciplined execution. Our robust balance sheet, sustainably low cost of production, and best-in-class assets provide us with the confidence to invest through cycles and capture opportunities emerging from a favorable commodity environment.

Guided by an unwavering commitment to safety, sustainability and governance, we continue to strengthen our operational excellence while expanding our resource base and advancing strategic projects that will define our future growth.

As global prices increasingly shift towards electrification, decarbonization and energy security, our focused diversification into metals critical to the energy transition positions us well. With a clear strategy, proven execution capabilities and the dedication of our people, we remain firmly committed to creating enduring values for all our stakeholders.

With this, I now hand over to Sandeep for an update on the financial performance.

**Sandeep Modi:**

Thank you, Mr. Misra, and a very good evening, everyone. The global environment continues to see uneven growth and geopolitical-driven volatility. However, India remained a clear outperformer. The RBI has projected India's GDP growth at 7.4% for financial year FY '26, significantly ahead of global average, supported by strong domestic demand, sustained infrastructure-led capex and policy continuity.

While commodity prices are influenced by global macro sentiment, in the near term, underlying fundamentals remain constructive. The recent rally in commodities reflects tightening supply dynamics and resilient demand, and we believe this positive price trajectory is well supported.

Against this backdrop, our focus on cost leadership, operational discipline and balance sheet strength position us well to convert favorable macro and commodity trends into sustained value creation.

Before moving to the financial performance, I am pleased to share that our integrated annual report of FY '25 received Platinum Award at the prestigious LACP Spotlight Awards for the first time. We were the number one among the Indian companies and the only Indian company in the global top 10, securing the sixth position worldwide, reinforcing our commitment to strong governance, transparency and global best-in-class reporting practices.

Turning to quarterly performance. This quarter marked a new milestone with record financial performance. We delivered highest ever quarterly revenue of INR10,980 crores, up 28% quarter-on-quarter and 27% Y-o-Y, driven by higher production, a favorable commodity environment, higher byproduct realization and rupee depreciation.

We achieved record quarterly EBITDA of INR6,087 crores, up 36% quarter-on-quarter and 34% Y-o-Y, while maintaining our industry-leading EBITDA margin of 55%. The EBITDA growth was supported by record revenue and 5-year lowest quarterly zinc COP, excluding royalty, of \$940 per ton, driven by higher domestic coal usage, softened coal prices, increased production and high byproduct realization.

Importantly, this is the first time where we have also achieved the lowest third quarter zinc COP, excluding royalty, since underground transition, underscoring the strength of our assets, effective use of technology and our disciplined execution. In line with the strong operating performance and EBITDA, we delivered our best ever profit after tax of INR3,916 crores, up 48% quarter-on-quarter and 46% Y-o-Y.

On a 9-month basis, we delivered historic highs with record revenue of INR27,300 crores, the highest ever EBITDA of INR14,415 crores, and the best ever profit after tax of INR8,799 crores. Zinc cost of production, excluding royalty, on a 9-month basis stood at \$980 per ton, the lowest in last 5 years, well below guided levels.

Our free cash flow before growth capex and renewable energy investment for the quarter stood at INR3,413 crores, taking the 9-month free cash flow generation before capex and RE investment to INR7,225 crores. We achieved net cash position of INR329 crores at the end of December '25 in comparison to net debt position at the September end of INR2,547 crores.

It is prudent to note that in the last 9 months, we contributed over INR13,000 crores to the national exchequer, of which INR4,000 crores was contributed to the state of Rajasthan, reflecting our continued role as a significant economic partner to both the state and the nation.

Consistent with our track record, the company continues to deliver strong shareholder returns of 35% over 9 months, outperforming the Nifty 100 and Nifty Metal indices. As of December '25 end, we ranked third in the Nifty Metal Index and 33rd in the Nifty 100 with a market cap of around INR260,000 crores compared to INR195,000 crores at March '25 end. During the quarter, Hindustan Zinc delivered return 5x that of Nifty 100, reflecting our resilience, execution excellence and sustained value creation for all stakeholders.

Overall, the quarter underscores the strength and resilience of our operating model and the consistency of our financial performance, anchored by structural cost leadership and disciplined execution. Supported by technology-driven efficiency, continuous innovation and a robust sustainability framework, we are well-aligned with India's economic expansion and energy transition priorities. This positions Hindustan Zinc to deliver resilient growth and long-term value creation for shareholders, communities and the broader economy.

With this, I now hand over to the operator for Q&A. Thank you.

**Moderator:**

We'll take our first question from the line of Manav Gogia from Yes Securities.

**Manav Gogia:**

First of all, congratulations on the wonderful results for this quarter. Sir, my first question comes -- particularly wanted to understand how the premiums are working, especially for lead

and silver, because they have been higher than what historically has been seen. So could you throw some light on the same, because we have also had a good amount of volumes for silver, which were hedged at lower prices. So, what sort of changes happened here?

**Sandeep Modi:**

So as far as the premiums are concerned, this is a part of our net sales realization, and we separately don't report the premium over whatever we earn through the LME. But what we can say, the premiums are in line with the market, which we are getting in India. In case of lead, in a domestic primary lead market share, our market share is 90% plus. So that is the thing on the lead.

And silver, as you say, it is quite volatile in the Indian market as well. So, it has been over the MCX prices, it has been sometimes discount physical delivery, it has been sometimes premium as well. But we benchmark ourselves with the CRISIL, and we have been doing in line with whatever CRISIL has been publishing for the premium or discount for the month.

**Manav Gogia:**

Okay. And can we expect a similar sort of range to be in the upcoming quarters as well?

**Sandeep Modi:**

Yes, absolutely.

**Manav Gogia:**

Sure, sir. And sir, second question would be, could you give us the number of hedge quantities for Q3 FY '26?

**Sandeep Modi:**

So hedge quantity for the Q3 FY '26 was 47 kt for zinc, which got squared off, and 55 tons was the silver, which got squared off within the quarter 3.

**Manav Gogia:**

Got it. And are we trying to hedge further quantities for FY '27 at higher prices? Or are we looking for spot sales over there?

**Sandeep Modi:**

So Manav, let me give the perspective. Hedging is not like playing with the prices. In line with the global practices and Indian peers, our objective has been for last 2, 3 years to continue to follow the consistency in the strategic hedging for 10% to 20% of the volume. And that's for the whole year. So that's how we have been going on. And for FY '27, we are hedged by 66 kt of the zinc and silver by 56 tons at \$58 per troy ounce and zinc at \$3,170 per ton.

That is for FY '27. And FY '26, we are hedged at silver for 68 tons at the price of \$39 per troy ounce, because that is the more thing we hedged in the month of June and July itself. And for the quarter 4, we are hedged for zinc 53 kt at \$2,900 per ton. That is also the earlier hedged price only.

**Manav Gogia:**

Okay. Okay. That is quite helpful. Just one last question. I just wanted to know, would it be possible for you to give the targeted silver volumes for FY '27? And how will the silver volumes look in Q4? Because Q3 has seen a good pickup from the earlier first half.

**Arun Misra:**

Traditionally, we do our best in Q4. So I'm hoping that the same trend will continue because, one, of course, all shutdowns are cleared, and we'll have more availability of equipment running, as well as the weather and the ambient conditions are favorable for both mines as well

as smelter. So, you can expect better than what we have reported in Q3 kind of a number, if possible.

Second is, with the same, can we throw some light on next year? I think let us carry our business plan sessions first. That's what we are undergoing now. And I think by April or May Board meeting, we should be able to give you the guidance for the next year.

**Moderator:** Next question is from the line of Pallav Agarwal from Antique Stock Broking.

**Pallav Agarwal:** Congratulations on the good performance. So, a couple of questions. First one was on the COP. You gave some reasons for the low cost of production. So how much of this is sustainable? And going forward in Q4, can we expect a similar level of COP?

**Sandeep Modi:** So Pallav, Sandeep here. And this COP, if you see, the last quarter also we said it should be a sustained basis. As we said earlier, the sustained COP should be between \$950 to \$1,000. That is a sustained level which we can do.

On a quarter basis, it may be dependent bearing upon the volume, grade, or some of the byproduct realization, or any other items. But on a year basis, we should be assuming \$950 to \$1,000 on a sustained basis. Of course, this year, we expect to perform well below the guided range.

**Pallav Agarwal:** Sure, sir. Also, sir, now that we've probably reached a net cash position in Q3, so can we expect that March also should be a strong quarter? So, if there are no further dividends, then probably can we expect a net cash position at the end of Q4 as well? And if any maturity of debt is there in the fourth quarter?

**Sandeep Modi:** So Pallav, the maturity of debt is not very large, the INR1,300 crores in Q4. So that's not a big issue. And I'm sure with the current -- as Misraji had said, volume normally remains -- we delivered quarter 4 as the best quarter within the year, and also the bond prices and the structural cost reduction, we should be in this direction.

Only one thing, the growth capex, which is \$180 million till December, we have spent, as we move for the 2x, a lot of partners we have to lock in. So, we may be having around \$300 million total year growth capex. So that is something which you can factor for the full year, incremental, say, \$120 million extra spend in the growth capex.

**Pallav Agarwal:** Sure, sir. And what would be the maintenance capex?

**Sandeep Modi:** Maintenance capex is routine, which will be around \$90 million to \$100 million for Q4, and the whole year should be \$400 million.

**Moderator:** We'll take our next question from the line of Anirudh Nagpal from JM Financial.

**Anirudh Nagpal:** So, congrats on a great set of numbers for the quarter. So, my question was actually answered, but I just had another question. So, can you please tell us if you're maintaining the FY '26

guidance for mined metals and for silver? So, are we expecting any rise in the silver volumes in 4Q or 680 tons is the guidance for FY '26?

**Sandeep Modi:**

So, I think we revised the guidance in the October, 680 plus/minus 10 tons. We should be closer to the silver guidance. One thing which I would like to also highlight that during the quarter, the company also sold a concentrate of the lead concentrate given that there was a tightness in the market globally. And at the same time, the silver prices were quite higher.

So, it was a good strategy from getting the realization of the inventory and the realization of the EBITDA. So that we sold 21 tons equivalent to silver during the quarter 3. So, you will have to -- so from the guided EBITDA point of view, you should be adding that number in my view.

**Moderator:**

Next question is from the line of Pinakin from HSBC.

**Pinakin:**

My first question is, can you give us a sense of the cost of production without byproduct credits? I mean, we're just trying to understand how has the underlying COP moved ex of byproduct?

**Sandeep Modi:**

So, you should reduce around \$100, \$120 per ton from this thing, because if you have to compare from the historical past, then you will have to use different data. But at this point of time, if you have to compare like-to-like, you may have to reduce \$60 to \$70 reduction.

**Pinakin:**

Would the -- ex of byproduct realization, there would have been a similar reduction in COP?

**Sandeep Modi:**

Yes, yes, absolutely. And that's why I have said that on a constant basis, we should be assuming \$950 to \$1,000 cost of production.

**Pinakin:**

Understood. My second question is, and maybe I missed it during the call, so the cash profits were roughly INR5,000 crores in the quarter. How were they utilized in terms of spending?

**Sandeep Modi:**

So, we generated a free cash flow around INR3,400 crores, pre-growth capex, and out of which our growth capex was invested. So, I'm not able to understand what do you mean by cash profit?

**Pinakin:**

No, if I just add the net profit plus depreciation, right, that would be around INR4,700 crores, INR4,800 crores?

**Sandeep Modi:**

Yes. That comes to, yes, INR4,700 crores, out of which INR800 crores has been invested in the sustaining capex and INR500 crores has been invested in the growth capex.

**Pinakin:**

INR1,300 crores was invested out of that INR4,800 crores. So, there was a INR3,400 crores net cash accretion?

**Sandeep Modi:**

Absolutely.

**Moderator:**

Next question is from the line of Sumangal Nevatia from Kotak Securities.

**Sumangal Nevatia:** Sir, first question is, could you share what were the grades for this quarter versus last year, or some previous comparison?

**Sandeep Modi:** So, this quarter, the grade was 7.3%, and last quarter similar period was 7.4%. So grade overall for the 9 months, it has been 7.4%.

**Sumangal Nevatia:** Okay. Sir, the silver production guidance of 680 tons plus minus 10 tons, are we confident of achieving it, because the ask rate suggests some 230-odd tons of requirement in the fourth quarter. So, is the mining sequence and the sales what we are having a visibility now given 1 month we are into January mid, so are we confident of achieving it?

**Arun Misra:** So, if you look at silver now, since we are unable to utilize all the concentrate in our smelters for various reasons, so if you look at the silver number that way, we have sold silver through concentrate up to 21 tons, and we have produced silver actually 451 tons.

So, two together would be 470 tons -- 472 tons. So that is the number. If you look at that, and in quarter 4, normally, it is much better than quarter 3 and one of the highest in the year, so I think we'll be close to our guidance that we gave.

**Sandeep Modi:** And also, just want to add, historically, except the FY '18, we have been running every year some of the lead mode certain months. This year will be the full zinc and lead mode first year after 2018. In 2018, we delivered some 560 tons of the silver. And this year, whatever extra we are doing, that is with this zinc and lead mode. I think that is the operational efficiency, and the recovery and other parameters has been supporting us.

**Sumangal Nevatia:** Understood. Understood. Sir, and what would be the RE mix in terms of overall power contribution for this quarter, and your guidance was '27?

**Sandeep Modi:** So this quarter, we were 20% for the RE power, and we should be exiting at 25% as the wind power capacity getting installed. For the next year, we should be between 35% to 40%. And after the next year, 70%. That has been our statement earlier as well, because battery storage and wind is now getting commissioned.

**Sumangal Nevatia:** Okay. And sir, in terms of cost saving from, say, 25% this year to 75% in FY '28, so incrementally, 50%. What would be the cost saving in, say, rupee crores or something or dollar per ton?

**Sandeep Modi:** So, \$20 to \$25 per ton saving will be through RE power, but there will be -- like as we go deeper into the mines and grade differentiation also happens. So as I said, that's why we should be assuming between \$950 to \$1,000 per ton of the cost. But if you ask only from the RE power point of view, we should be saving annually, with this incremental, almost INR250 crores to INR300 crores annually.

**Sumangal Nevatia:** Understood. And just one last question on our hedging strategy. You said 10% to 20%. When did we -- I mean, have we been doing, since last 2, 3 years, hedging? I thought it will be more of a this year phenomenon.

**Sandeep Modi:** No. If you see the last 3 years, we have been doing this. Before that year and before that year also, we did it. And this has been consistently 10% to 20% of the hedging. Silver, we started hedging in the FY '25 itself.

**Sumangal Nevatia:** Okay. So, this is the second year, okay. And going forward...

**Sandeep Modi:** Yes. Zinc, it's the third year; silver, it's the second year.

**Sumangal Nevatia:** Understood. And going forward, this is the range we should expect, right? I mean, irrespective of whatever our view on commodity is, we would be maintaining 80% spot and 15% -- 10% to 20% hedge?

**Sandeep Modi:** 20%, we -- so wanted to give again the perspective. When we start the business planning internally from the Board approval and the consensus which is published by 25, 50 bankers, if we see that prices trading and which we are getting in the market are better than business plan and the consensus, that's how we did the hedging, and that's how we will be continuing.

Because the remaining, say, 80% to 90% volume will always remain available for the market to be anything. But more from our certain margin lock-in, this is the right strategy, we believe, and this is being done across the globe by the large peers.

**Sumangal Nevatia:** Understood. And if I may squeeze in one more, sorry. Can I ask one more question?

**Sandeep Modi:** Yes, yes. Please go ahead.

**Sumangal Nevatia:** No, I had a question on free cash, but it is covered.

**Moderator:** Next question is from the line of Tarang Agrawal from Old Bridge.

**Tarang Agrawal:** A couple of questions. One, while the zinc cost of production has been the lowest in the last five quarters, but if I look at overall cost of production, that's actually inched up. I think in the opening comment, Mr. Misra alluded to some mine development costs being higher. So say, on a year-on-year basis, what would that number be, incremental mine development cost?

**Sandeep Modi:** No, I think he was saying it's getting offset with the mine development rate, because there has been certain positives and there is certain -- as the mines go deeper, if you see, that will be always such kind of scenario. So, mine development Y-o-Y last year was 14 kilometers, this year, 15 kilometers.

**Arun Misra:** One kilometer additional mine development.

**Sandeep Modi:** So that impact will come. Then the inflation of the mine development rate. That also comes up. That is the operational excellence company continues to do. If there is one way cost is increasing, the other way is to decrease. So, the major cost reduction is happening in the power cost due to three things.

This year, we had -- this quarter, we had 58% domestic coal utilization; second, our imported coal prices were lower; and third, RE power share. So, all these things put together are offsetting the power cost, and our volume was also Y-o-Y better. That also gives the benefit of the better cost. So, these get offset, and then remaining comes to what we were saying, byproducts and other things.

**Tarang Agrawal:**

Sir, if I look at it on a year-on-year basis, I mean, employee costs, power and fuel, all of them are lower on a per ton basis, right? But mining royalties obviously increased because our realizations have inched up materially.

But there's this line item, which is other expenses, including manufacturing. That metric has inched up by almost \$150 on a year-on-year basis. So, I was just curious what are the factors that have contributed to this growth? And I'm talking on the delta, I'm talking on a per ton basis.

**Sandeep Modi:**

So, in other expenses, you will see one of the key reasons is the revenue since our brand fees are linked with the turnover. So, in case the turnover is increasing Y-o-Y, it will be also increasing. So, it remains 3% of the turnover, but in terms of absolute value, it will increase.

**Tarang Agrawal:**

Okay. And sir, you spoke of hedging. So, in Q3, did I get it right, almost 55 kt of silver was hedged?

**Arun Misra:**

Q3, 55 tons was hedged, which got squared off. Q4 is 68 tons.

**Tarang Agrawal:**

So, 55 tons was hedged at what price, sir?

**Arun Misra:**

\$37.

**Tarang Agrawal:**

Okay. But sir, against our general policy of 10% to 20%, 55 tons is almost 30% of our output. So, when you say 68 tons at \$39, it's cumulatively for FY '26, is it?

**Sandeep Modi:**

No, no, it's separately. When I say the 10% to 20% of the hedging, so silver was hedged for 20% of the total volume. That has to be seen on annual volume.

**Tarang Agrawal:**

Okay. So technically, if you are looking at about 680 tons, so to say, in FY '26, between Q4 and Q3, almost 125 tons is done, right? So basically, are we suggesting that most of the hedging actually happened only in Q3 and Q4? Is that the right way to look at it?

**Arun Misra:**

So, hedging was done in the month of June, July for the quarters of quarter 3 and quarter 4.

**Tarang Agrawal:**

Got it. Got it. And sir, last question. Sir, what is the net debt on books as on 31st December?

**Arun Misra:**

It's a net cash at INR329 crores.

**Moderator:**

Next question is from the line of Pallav Agarwal from Antique Stock Broking.

**Pallav Agarwal:**

Just want an update on the tailings project. What sort of progress have you made on that?

**Arun Misra:**

Tailings groundwork has started, which is ground clearing, setting it up for construction. So that has started. Also, we have to go through the various regulatory clearances. So basic work has started on the ground.

**Pallav Agarwal:**

Sure, sir. Also, on the 2x expansion, so specifically on the lead and silver portion, sir, how has the progress been over there?

**Arun Misra:**

No, we are not doing 2x in the form or lead and silver. It's all -- our mine is zinc and lead mine. And both are -- they are not separately lead mine and separately zinc mine. So, we'll be expanding. If you look at it, expansion-wise, expansion at RD mines and expansion at Zawar are the two big components.

They will add maybe some amount of silver, but the fact that the volume will double, automatically, the silver quantity, even if we say take even today's worth silver PPM, if I make it 650, then also we'll have 1,300 tons. And if we say at this current position, we can make up to 700 tons, then we are looking at 1,400 tons of silver just because of the volume impact.

**Pallav Agarwal:**

Sure, sir. So more on the lead smelting part. So, I think the silver would be a byproduct from there. So, I think there...

**Arun Misra:**

Yes, yes. Absolutely correct. So automatically, the silver -- our lead current 200 kt production will go up to 400 kt production. So automatically, the silver also -- our Pantnagar refinery is already capable of 800 tons of silver. Maybe we'll have to expand it by another 600, 700 tons there, or we can put up a 600 ton silver facility in our existing location.

**Pallav Agarwal:**

Sure, sir. Okay. So along with the smelting, even the silver output should go up?

**Arun Misra:**

Of course, of course.

**Moderator:**

Next question is from the line of Vikas Singh from ICICI Securities.

**Vikas Singh:**

Sir, just wanted to understand our strategy, where on one hand we are selling lead and silver concentrate in the market, and at the same time, you yourself said that at least one quarter you usually run at a lead-heavy pyro mode, which is not happening this time. So, didn't understand why we are doing so? Or is this something to do with grade?

**Arun Misra:**

We are currently running the pyro in the lead plus zinc mode, because we are having a very good zinc price as well. So, if I just go into lead mode, we do that when the zinc prices are, say, \$2,000 or \$2,200 a ton and the silver prices are around \$30 a troy ounce, then it makes a heavy sense not to produce so much of zinc, but produce more of silver, because lead quantity remains same in both the cases. So right now, with the zinc prices, there is no reason that why we should convert everything to lead mode only.

Second, what have we sold? The lead concentrate produced by the RD mill, which was in the beginning in the commissioning stage, they were lead concentrate, but the concentrate grade was poor. So, it is better that our smelter, as it is we are lacking in capacity, why would we over burden that smelter with this poor grade of concentrate. So that is the choice we made.

**Vikas Singh:** Noted. So, by that account means even at the current silver prices, the barter is more towards the lead production higher?

**Sandeep Modi:** No, it is zinc plus lead mode. That means we'll produce more zinc. At the same time, the due amount of silver.

**Vikas Singh:** Okay. So just let me rephrase this way. So given the current zinc prices, for next year also, the most likelihood of...

**Arun Misra:** We will continue in the lead plus zinc mode only, because we will have surplus MIC at the end of the year, zinc MIC, and we want to run through it in the month of April, May. And if the zinc prices have also remained stable at that \$3,200, \$3,300, then why should we not produce zinc.

We'll keep on producing zinc and try to see what debottlenecking of lead production facility we can do, so that we can increase silver production. That we are working on this business plan. And I think once the Board approves, then we will let you know what is that incremental facility in lead production we will do.

**Sandeep Modi:** Another thing to add that it is not like by choice we can do, because zinc and lead is a joint product which get produced as part of the mining. So, if I run the zinc-lead mode, then lead concentrate will get piled up. If I run on the lead mode, the zinc concentrate will get piled up.

And we are not in the business of selling the concentrate. It was only an opportunity which we got during this time where the lead -- silver prices were also better. But strategically and technically and operationally, we would like to run in the zinc and lead mode only.

**Vikas Singh:** Noted, sir. And sir, just one more thing. Any update on the fumers which...

**Arun Misra:** So current fumer is operating. So, we had some trouble after the Chinese visit and all that, but our engineers have got trained. And I think this year, in 9 months, we have added about 3 tons of additional silver only through running the fumer.

**Sandeep Modi:** So, in case of fumer, we have been running at a 60% capacity utilization.

**Arun Misra:** 8 tons, we have added in 9 months, and we will continue. As now shutdowns are over, then fumer will operate far better in Q4 as well.

**Moderator:** We'll take our next question from the line of Ashish Kejriwal from Nuvama Wealth Management.

**Ashish Kejriwal:** Many congratulations for the results. Sir, my question is on the volume guidance. You are not changing your guidance assuming that fourth quarter normally is a seasonally good quarter and we normally see higher volume.

But at the same time, if you look at -- we are not changing the lead-zinc mode, and obviously, then how -- I don't know how silver volumes will be higher as more than 200,000 tons, even if

I'm assuming lower end of the guidance as well as if I add 20,000 ton of lead concentrate, which you sold indirectly, if I'm putting that also.

So, from 158,000 tons to more than 200,000 tons without changing the zinc-lead mode, are we seeing any higher PPM in this quarter? Or how do we try to justify that? And secondly, even in terms of refined metal, asking rate is much higher than what we have seen earlier. So, what changes which we are making, which will make us comfortable for this volume?

**Arun Misra:** So, one of the debottlenecking which is pushing in higher current in the electrowinning processes at both Dariba as well as Chanderiya, they have been completed and they are stabilized, working absolutely to the capacity, which have got a capability of adding 25,000 tons per annum capacity.

So, we will use that. At the same time, of course, fourth quarter always sees better grades, in terms of which selectively we will ensure that we have to get more silver. And the silver recovery processes in the mills, we have already commissioned a graphite pre-float process in Agucha, which was not there in quarter 2 or first part of quarter 3.

So those initiatives are in place. At the same time, we are very confident of quarter 4 being exceptional numbers, and hence, we'll be meeting the guidance or may be close to the guidance on matters of silver.

**Ashish Kejriwal:** Okay. Okay. And sir, secondly, in terms of hedging for next year, as our policy of 10% to 20% of the volume we normally hedge. And as far as, even if we assume 720 kt for next year, we have hedged around 8% of the silver volume now. And now silver price is \$93 per ounce. So do you think that we are going to hedge more in next 1 or 2 months, so that at least FY '27, we will be comfortable with those numbers?

**Sandeep Modi:** Sandeep here. So, it will remain dynamic. So, we're also watching the market. We also have the in-house experts, who will keep advising us. So, depending upon that, we'll be hedging. And it's not like when we hedge, we hedge on the day 1 complete quantity. It's like a staggered manner. So whatever quantity I have said, this is what mostly for April to October. So remaining 5 months, we'll see when we move near to February and March.

**Ashish Kejriwal:** So, what's your view, sir, in terms of silver as well as zinc price? Do you think that these prices may sustain for a while also or may increase? Or do you think that it's the right price to hedge a little more?

**Sandeep Modi:** So, as I say that hedging is not for the purpose of this playing with the prices, it is more about having the locking-in margin when it is more than business plan or consensus prices. That's how we have been doing. So, I just want to make it clear, because it's being heard that hedging is being done at the right price.

No, there is no right price. So, price is only where we believe that, as a management, that margin should be locked in at certain level of the business plan or consensus prices. So especially on the silver, I unfortunately don't have any price cues. Given the volatility which is

going to the market, so many geopolitical tensions, one statement makes the prices down or prices up, I think it's very, very difficult to comment upon the silver prices.

Zinc, we believe that given the -- maybe a bit of the surplus maybe in the calendar year '26, but still, I think the prices should be in the range which is going on, \$3,000 to \$3,200.

**Moderator:** Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to Ms. Raksha Jain for closing comments. Over to you, ma'am.

**Raksha Jain:** Thank you, operator. Thank you, everyone, for joining us today on this call. If there are any follow-up questions 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.