Hindustan Zinc doubles second quarter profit, cuts cost outlook

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Hindustan Zinc commands roughly three-fourths of India's primary zinc market, benefiting from higher global prices.

Hindustan Zinc posted a more than two-fold jump in quarterly profit on Monday, helped by higher metal prices, while cutting its annual zinc production cost forecast amid rising output and stronger by-product realisations.

The Vedanta group firm's zinc production cost forecast for fiscal 2027 now stands at $825 per tonne to $850 per tonne, compared with $975 per tonne to $1,000 per tonne earlier, chief executive officer (CEO) Amarendu Prakash said in a post-earnings call.

Higher zinc prices, supported by supply constraints and expectations of a global deficit, boosted earnings during the quarter, with the company expecting a global refined zinc supply deficit of about 180,000 tonnes in 2026 amid mine closures and declining ore grades.

Hindustan Zinc, which commands roughly three-fourths of India's primary zinc market, saw its consolidated net profit jump to ₹6,412 crore ($675.5 million) for the three months ended 30 September from ₹2,649 crore a year ago.

Zinc production costs fell 29% from a year earlier to $703 per tonne in the quarter, helped by higher output, better ore grades and stronger by-product realisations at the company's facilities.

Higher sulphuric acid prices also helped reduce reported production costs, although those benefits are cyclical.

Meanwhile, the firm benefited from import duties on silver, while demand for the precious metal in India remained fairly strong, the Hindustan Zinc CEO told *Reuters* in an interview. "We remain confident of meeting our fiscal 2027 silver production target of 680 tonnes." The company produced 321 tonnes of silver in the first half of the fiscal year.