HZL/2026-27/SECY/67

July 28, 2026

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

Kind Attn: General Manager – Department of Corporate Services

Scrip Code: 500188

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

Kind Attn: Head Listing & Corporate Communication

Trading Symbol: "HINDZINC"

Dear Sir/Ma'am,

Sub: - Earnings call Transcript for the first quarter ended June 30, 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, July 24, 2026, with regard to the financial performance of the Company for the first quarter ended June 30, 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**

AASHHIMA V KHANNA Digitally signed by AASHHIMA V KHANNA Date: 2026.07.28 17:01:35 +05'30'

Aashhima V Khanna
Company Secretary & Compliance Officer

Enclosed: as above

"Hindustan Zinc Limited Q1 FY27 Earnings Conference Call"

July 24, 2026

MANAGEMENT: **MR. ARUN MISRA – CHIEF EXECUTIVE OFFICER AND WHOLE-TIME DIRECTOR – HINDUSTAN ZINC LIMITED**
MR. AMARENDU PRAKASH – CHIEF EXECUTIVE OFFICER, DESIGNATE – HINDUSTAN ZINC LIMITED
MR. AMIT GUPTA – 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 First Quarter FY27 Earnings Conference Call of 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 this conference, 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, Ms. Jain.

Raksha Jain: Thank you, operator, and good evening, ladies and gentlemen. Thank you for joining us today to discuss the first quarter results of FY 2027. In this call, we will refer to our investor presentation available on the 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.

Before we go ahead, would like to update everyone that our Board of Directors has appointed Mr. Amarendu Prakash as the CEO and Whole-Time Director of Hindustan Zinc, with effect from 1st August 2026. Mr. Prakash is a steel industry veteran with over 30 years of experience at date. He served as Chairman and Managing Director of SAIL from 2023 to 2026. During his tenure, he spearheaded key initiatives in operational excellence, capacity expansion and digital transformation.

Today's call is joined by our CEO, Mr. Arun Misra; CEO designate, Mr. Amarendu Prakash; and our CFO, Mr. Amit Gupta, who will also be interacting with you during the call. As you would have seen from our earlier announcement, Mr. Amit Gupta has recently been appointed as the Chief Financial Officer of Hindustan Zinc. The management will be discussing the operational and financial update 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. We are pleased to begin FY27 with a strong quarter marked by solid operational and financial performance and continued execution of our strategic priorities. Our integrated business model, industry-leading cost competitiveness and disciplined approach continues to differentiate us and position us well for long-term value creation.

During the quarter, we also achieved a significant milestone in our diversification journey by securing a mining lease of a rare earth elements and Yttrium block in Gundlupet, Karnataka, further advancing our ambition of becoming a diversified multimetal enterprise and reinforcing our commitment to supporting India's critical mineral mission.

On the sustainability front, Hindustan Zinc continues to make strong progress against the performance expectations set by the ICMM. During the quarter following Chanderiya Lead Zinc Smelter, Rampura Agucha Mine became the first mine in India to receive the Zinc Mark certification, underscoring our commitment to responsible resource use and lower environmental impact.

Our renewable energy consumption increased to 22%. We deployed India's first 250 metric ton electric crane and strengthened our partnership with the Energy & Resources Institute through our 250-hectare natural forest development project at Chanderiya. We also signed MOUs with Advantek Associates LLP and Aero Eagle Automobile Pvt Ltd to advance the adoption of green hydrogen and other clean energy solutions.

I'm pleased to share that these industry-leading sustainability practices have led to Hindustan Zinc's inclusion in the Dow Jones Best-in-Class Emerging Markets Index for the first time, a testament to our unwavering commitment to sustainable value creation, responsible business practices and ESG excellence.

Our CSR initiatives continue to create meaningful impact across local communities through focused interventions in nutrition, health care, education and sustainable livelihoods, strengthening community resilience and emanating long-term source value. During the quarter, we added 1,869 Nand Ghars across Rajasthan, taking the cumulative total to over 11,000 Nand Ghars.

Moving to the market environment. India continues to remain one of the fastest-growing major economies despite an evolving global backdrop. Manufacturing activity remained in expansion territory during the quarter, supported by resilient domestic demand, sustained government capital expenditure and continued infrastructure investments.

Against a backdrop of geopolitical uncertainties and evolving trade dynamics, base metal markets remained relatively resilient during the quarter. Zinc averaged USD3,466 per ton, reaching a high of USD3,625 per ton, while lead averaged USD1,954 per ton. Market fundamentals remained broadly supportive, underpinned by constrained mine supply and steady demand from infrastructure, galvanization and battery applications.

Silver prices moderated during the quarter to USD73 per troy ounce compared with the strong levels seen in the previous quarter, reflecting broader macroeconomic and investor positioning factors. Nevertheless, silver fundamentals remain supported by robust industrial demand from solar, electronics and electrification applications alongside continued investment interest.

While near-term price movements may remain volatile, the medium-term outlook continues to be constructive, driven by structural demand from the energy transition and relatively constrained global supply growth.

Turning to operational performance. We delivered a strong start of the year with the highest-ever first quarter mine metal production of 268,000 tons for the fifth consecutive year, alongside refined metal production of 260,000 tons, which was up 4% year-on-year.

This growth was driven by better mine grades and the benefit from the 160,000 tons per annum roaster, which is now taking care of the additional calcine requirement during the maintenance activities. The output was further supported by debottlenecking at Chanderiya and Dariba despite the planned maintenance activities at the lead smelter.

On the cost front, despite the volatile geopolitical environment, we achieved the lowest quarterly zinc cost of production, excluding royalty, since underground transition to USD851 per ton, reflecting a decline of 16% year-on-year.

The reduction was driven by better grade, higher metal production, increased renewable power consumption and better by-product realization, partly offset by higher input commodity prices, especially energy prices in line with the geopolitical crisis globally. We achieved 149 tons of silver production in line with the lead production and our silver portfolio continues to contribute 46% to overall profitability.

With our continued focus on capitalizing on the favorable price environment and optimizing inventory during the quarter, we strategically sold 10,000 tons of lead concentrate. This combination of lowest cost of production, strong output and commodity tailwinds translated into an all-time high quarterly financial performance.

During the quarter, we reported highest ever EBITDA of INR8,074 crores, resulting into a record net profit of INR5,469 crores, making a new milestone for the company. On the growth projects front, we are making steady progress as planned. For the 250 KTPA integrated zinc smelter at Debari, mine development activities have started for matching the mining capacity.

For the tailings reprocessing plant, construction activities have started and site mobilization for the infrastructure development is completed. Our other 2 key projects, that is hot acid leaching plant at Dariba and fertilizer plant at Chanderiya are on track to be completed by the second quarter of the year.

Looking ahead, our strategy remains clear and consistent. We are committed to execute our growth projects with discipline, maintaining our industry-leading cost positions, strengthening our resource base and prudently allocating capital to maximizing long-term returns.

A strong start to FY27 reinforces our confidence in the execution of our strategy. As demand for zinc, silver and critical minerals continue to be supported by global megatrends, we believe Hindustan Zinc is going to deliver sustainable growth, resilient cash flows and long-term value creation for our shareholders.

As I conclude, I would like to express my heartful gratitude to our shareholders, employees, customers, business partners and all our stakeholders for their unwavering trust and support throughout my tenure. It has been an absolute privilege to lead Hindustan Zinc and be part of its remarkable transformation and growth journey.

As shared earlier, Mr. Amarendu Prakash will now take over the responsibility of leading Hindustan Zinc. Having worked closely with him, I am fully confident that his vision, deep industry expertise and proven leadership will guide the company to even greater heights.

On a personal note, it has truly been an honor to serve Hindustan Zinc. I leave with immense pride in what we have accomplished together and with great optimism for the company's future. I sincerely thank each one of you for your trust, encouragement and partnership throughout this journey. I wish Amarendu and the entire Hindustan Zinc team and all our stakeholders continued success in the year ahead.

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

Amit Gupta: Thank you, Mr. Misra, and good evening, everyone. The global macroeconomic environment continues to be influenced by geopolitical development, evolving trade policies and uneven economic growth. Despite these challenges, India remains one of the fastest-growing major economy, supported by strong domestic demand and infrastructure investments and a stable policy framework.

While commodity market may remain sensitive to global developments in the near term, the long-term outlook for our key metals remains positive. This demand continued to be supported by infrastructure development and galvanized steel connection, while lead fundamentals remain stable.

Silver is benefiting from accelerated adoption across solar, electronics and other energy transition applications, creating a strong structural demand outlook. In this environment, Hindustan Zinc focus on operational excellence, cost leadership, designated capital allocation and a strong balance sheet provides a solid foundation for sustainable growth and superior shareholder returns across commodity cycles.

I am pleased to share that we have started FY27 on a strong note, delivering record financial performance and crossing the INR8,000 crores quarterly EBITDA milestone for the first time. This performance reflects our focus on operational excellence and disciplined execution supported by the benefits of last year's debottlenecking projects, the commissioning of the additional roaster, higher operational efficiency and the lower zinc cost of production excluding royalty since our underground transition.

Silver continues to be a key earning driver during the quarter, contributing approximately 46% of overall profitability and reinforcing its strategic importance to our portfolio. During the quarter, we delivered our highest ever quarterly revenue from operations of INR13,747 crores, up 77% year-on-year, driven by higher metal production, supportive commodity prices, better byproduct realization, lead concentrate sales and a stronger dollar.

We have also delivered the highest-ever quarterly EBITDA of INR8,074 crores, up 109% year-on-year, with an industry-leading EBITDA margin of 59%. This performance was further supported by the lowest ever quarterly zinc cost of production excluding royalty, since our underground transition at USD851 per ton.

During the quarter, we also monetized 10 kt of lead concentrate equivalent to approximate 9 tons of silver and 6,000 tons of lead metal content. Reflecting this strong operating performance, we delivered our record quarterly net profit of INR5,469 crores, up 145% year-on-year.

Our ability to generate strong free cash flow of INR5,253 crores pre growth capex, demonstrate the resilience of our business model, industry-leading cost competitiveness and disciplined financial management. This robust cash generation enables us to fund our strategic growth projects, maintain balance sheet strength and create long-term value for our stakeholders.

We ended this quarter with a net cash position of INR5,572 crores, providing significant financial flexibility to pursue value-accretive growth opportunities while maintaining an attractive shareholder return profile. Our strong balance sheet, net cash position and disciplined capital allocation framework positions us well to fund future growth while continuing to reward shareholders.

Our capital allocation priorities remain unchanged: investing in high-return growth opportunities, maintaining balance sheet strength and returning surplus cash to shareholders. Reflecting our confidence in the business and strong cash generation, during the quarter, the company paid its first interim dividend of INR11 per share, reaffirming our commitment to delivering sustainable shareholder returns.

Beyond the value creation for shareholders, we remain committed to create meaningful value for the broader economy and society. During the quarter, Hindustan Zinc contributed approximately INR6,450 crores to the National Exchequer through taxes, royalties, duties and other statutory earnings, underscoring our role as a responsible corporate citizen and a significant contributor to India's economic development.

Looking ahead, our priorities remain clear, maintaining industry-leading core competitiveness; executing our growth projects safely and efficiently; preserving balance sheet strength and delivering superior returns through the cycle. As we progress on our 2x growth journey and capitalize on the long-term structural demand outlook for zinc and silver, we remain confident in our ability to create sustainable value for all stakeholders.

With that, I would like to thank all our stakeholders for their continued trust and support. I will now hand over the call to the operator for the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Pallav Agarwal with Antique Stock Broking.

Pallav Agarwal: Congratulations to Mr. Arunji and best wishes to the incoming management team. So I had a couple of questions. First one was on the power and fuel costs. So on a sequential basis, it has gone up despite metal production being lower, and I think the RE proportion of energy also was better compared to the fourth quarter. So any particular reasons for the increase in power and fuel cost on a sequential basis?

Amit Gupta: So the power and fuel cost during the quarter has dincreased majorly due to our materialization of linkage coal, which is slightly lower due to the various reasons, including the mine conditions from where we take coal. On top of it, there is an impact of imported coal, which is slightly at a higher cost as compared to earlier, although we have consumed more RE power. So this quarter is slightly higher on the power and fuel cost.

Pallav Agarwal: Okay. So what is the proportion of domestic coal in terms of linkages?

Arun Misra: 36% compared to -- it was 54% last year, 64% in quarter 4.

Pallav Agarwal: Sure, sir. Also, if you would just on, I think as a policy, we never used to sell concentrate earlier. So are we like doing this on a temporary basis still the smelting capacity...

Arun Misra: We still don't sell concentrate. We still have the same policy that we don't sell concentrate. However, if you recall, when we commissioned the 1 million ton capacity, new mill in RD mine. So in the initial days, during stabilization of the plant, we have produced lots of lead concentrate which were slightly inferior grade and unusable in our own smelters.

So we thought we would make good of that with the good grades that we'll produce later on. But looking at the price of silver and the good prices that we are doing, we do not want to use -- we don't want to lose the opportunity by derating the smelter by using inferior grade of concentrate. So that stock which we are carrying for a long time.

That's what we sold in the market taking opportunity of the high LME, and we realized almost silver equivalent of 9 tons through the sale and about 6 KT of metal through the sale. So that's how we have made good of the situation where the old stock we disposed off, creating value for all of us.

Pallav Agarwal: So has the stock been exhausted, sir? Or we still have some of that old inventory with us?

Arun Misra: Almost we are segregating, maybe some amount still be there, but we'll figure out if we can use it now. Now that the smelter shutdowns are over, capacities are back, and we wont like to keep the smelters empty. So we will not immediately sell unless we find that the mine production are at such a level that the smelters are not starving of any amount then and there only.

Pallav Agarwal: Sure sir. Also, if you could just share the absolute revenue number of the concentrate sales, sir?

Amit Gupta: So, INR315 crores in the revenue from concentrate.

Pallav Agarwal: Okay. So finally, just so are we expecting any production for the rest of year. We shouldn't have any further shutdown or a maintenance plan, right? So for the remainder of the year.

Arun Misra: So roughly, we have given a guidance of 1.1 million tons for the year, right? And we have done 260 KT just now. So yes, now everything is back, and we will -- we won't have any further shutdown, and we will deliver on our commitment of 1.1 million tons.

Moderator: Our next question comes from the line of Suman Kumar with PhillipCapital.

Suman Kumar: Congratulations on a really good set of numbers. So my first question is considering the kind of production for Q1, what we have achieved, what is the confidence that we will achieve the targeted production guidance? And would the management try to even revise or change the guidance for the year. That would be my first question.

Arun Misra: No, no. We have done 260 KT. Even on a straight line method, we are already at 1,040, right, and we have given a guidance of 1.1 million ton only. So it's only little -- so we are absolutely confident of producing typically quarter 2, quarter 3 as we go forward, the production numbers are the highest and quarter 4, normally, we touch even close to 280, 290 KT. So I don't see any reason why we will have any difficulty in reaching 1.1 million ton.

Suman Kumar: And second, sir, what is your expectation of what is the net cash position of which we will be exiting FY27?

Amit Gupta: So we are -- at this point of time, we are a net cash company and based on the volumes we have predicted and the prices which are going on in the market. So we believe that we are going to be net cash company.

Suman Kumar: Okay. Sir, just 1 more question. During the -- in the notes to accounts, specifically in point 5, there have been mentioned that SEBI had flagged a couple of observations on related party transactions. And although there has been no financial penalty or restriction or any kind of imposition on the group, but it has been mentioned that in line with SEBI directions, several corrective measures have been taken. So could you please throw a little bit of light on this, please?

Arun Misra: So it's -- the way it operates is all the related party transactions, we take a omnibus approval and staying with that limit we operate. Suppose an omnibus approval, I had say, INR300 crores per metal quantity of. I'm just giving a number of, say, 100,000 tons, right? So the operating people always focus on the 100,000 tons but now if the LME increases, the value crosses INR300 crores.

Then that is what perhaps now -- internally, the SOP, we will do is at the 80% level, alarms will be generated, that we are about to cross 80% of the value approval. So go back to Board and inform the Audit Committee and take that approval. Otherwise, there is no bridge as such.

Suman Kumar: I just have one more question that in the presentation, when we are mentioning that the zinc smelter and the lead smelter that is close to about plus 600 KT of metal capacity that is in conceptualization stage. So could we have a time line as in like once the Board approval happens, what is the time line or how many months are we looking at for this capacity to come online? And what would be the approximate capex outlay for this?

Arun Misra: So this capex outlay, we just can't -- because we are now going through the tendering process and maybe another 1 months' time, we would know exactly. But if I do a straight line method, for a 250 capacity, we see around INR12,000 crores.

So we can see, including mines, somewhere around 650 KT will be about 2.5x of that, so roughly about INR24,000-25,000 crores. But yet, I will wait for that tendering to be done. And second, we are estimating a time line of 36 months of construction period post approval by the board, which we expect by quarter 3 of this year, we will move for board approval.

Moderator: Our next question comes from the line of Manav Gogia with Yes Securities.

Manav Gogia: Congratulations on a good set of numbers.

Moderator: Sorry to interrupt, Manav, but your line seems to be slightly muffled, request to please check the mode that you're using.

Manav Gogia: Is it better now?

Moderator: Yes. Much better. Please go ahead.

Manav Gogia: Sir, my first question is in line with the previous participant on the operational guidance. So if you look at refined metal looks to be achievable for whatever guidance you had given for 1.1 million. But when we look at the volumes of silver, right, how should one look over the next 3 quarters?

Because if we have to attain the 680 tons target, then we'll have to average at about 175 tons a quarter now. So what would your view be on this considering that it has come down and now zinc prices are also quite attractive?

Arun Misra: If you look at the silver production, actually, the silver grade this quarter has been better, right? So in spite of a better grade, we have just produced 149 tons, so a rough estimate of 10 tons to 15 tons of silver would be in the -- locked up in the WIP. So it's not -- and one -- and if you take out the concentrate sale, then actually 158 tons of silver that we have -- value has been extracted.

Now going forward, typically, quarter 2, up till quarter 4, we ensure that the mine development is such will hit even better PPM ore for silver, and we maximize in quarter 4. So looking at that, we can surely say it will not be difficult to achieve the guidance numbers.

Manav Gogia: Okay. Understood. So second question would be, if you could let me know if there are any current hedges which are open for FY27? And how should one be looking at the hedging policy going forward?

Amit Gupta: So at this point of time, we have a 48 KT of zinc, which are open at the rate of USD3,162 per ton, and silver, 34 tons at the rate of 63 per ounce. As of now, we are not doing any hedging considering the volatility in the market and at the appropriate time, whenever we do, we will update.

Manav Gogia: Okay. So we did these hedges in Q1 or these carry forward from Q4?

Amit Gupta: No. No, this year, we haven't done any hedging.

Manav Gogia: We haven't done as of now. Okay. Sir, one last question I wanted to also ask was. So this is related to your DAP fertilizer plant. And I mean, since it is expected to commission in Q2, and we already out over in Q2. So can we get a definitive timeline on what is the targeted date or the month? Can you also shed some light on the unit economics is expected to look out of the same?

Arun Misra: No. So what will get commissioned in Q2 is the phosphoric acid portion of the of the fertilizer plant. So it is the phosphoric acid plant that should be commissioned. And if you note that for the fertilizer plant, we are yet to complete the whole construction because the environment clearance and other regulatory approvals are pending.

So once that is completed, then only we'll move to fertilizers. So as of now, in Q2, you can expect phosphoric acid plant to be completed and maybe some of that sulfuric acid will be converted to phosphoric acid for better realization in the market.

Manav Gogia: Okay. And what will be the time line for the fertilizer plant then?

Arun Misra: Fertilizer plant should come in place by quarter 1 of next financial year.

Moderator: Our next question comes from the line of Pratim Roy with 360 ONE Capital.

Pratim Roy: Congratulation on the strong quarter to the whole team. I have few questions. Firstly, there are several media articles on government of India selling the stake in Hindustan Zinc. So is there any update which can be shared on this regards? That is the first question.

Arun Misra: Yes, it is for the government to give the update. We really can't get any update on what government will do.

Pratim Roy: Okay, sir. Okay. And secondly, is there any change in the dividend policy after the demerger happened at Vedanta. So how should we see the dividend during this year?

Arun Misra: Dividend policy, there is no change.

Amit Gupta: There's no change in the dividend policy. We have a minimum 30% of our profit and 5% of reserves as per the policy we pay, and during the first quarter, we have paid INR11 per share already, and it's a matter of board. So at the appropriate time, whatever decision is being taken, we'll be updating it.

Moderator: Our next question comes from the line of Anirudh Nagpal with JM Financial.

Anirudh Nagpal: Congrats on a great set of numbers. So my only question is that recently, company won the REE block at Karnataka. So can you please share the action plan or the details of the block? And by when should we expect the production to come? So how shall we see the lead concentrate sales? And will it be coming in the coming quarters? So yes, that's the question.

Arun Misra: So this is REE and Yttrium block. And if you know that Yttrium is used mostly for various electronic purposes, like red LED lamps that we see. Red LED is made out of Yttrium, phosphor element in that red LED. Also is used for various other medical purposes as well. So it's a very important metal for India's development.

Now the question is, we have just got the block at G2 level. immediate task is exploration Typically, it would take 2 years to 3 years for exploration, establishing the reserve resource base and then doing the mine plan. You can see -- you can say the mining and then metalization will take at least anywhere between 5 to 6 years. So that means maybe 2031-32 would be the first time the production will come to the market.

Moderator: The next question comes from the line of Sumangal Nevatia with Kotak Securities.

Sumangal Nevatia: So first question is on the cost. So on the USD50 per ton reduction quarter-on-quarter, can we share some breakup as to what are the drivers and quantify?

Amit Gupta: So during the quarter, our COP is broadly in line with the guidance we have given, which is 975 to 1,000, and the additional benefit is because of the by-product realization, which is higher than this.

Sumangal Nevatia: Okay. Okay. So between, say, this quarter and last year, what would be the incremental delta from byproduct realization? Is it possible to explain?

Amit Gupta: So byproduct, we are selling in through the auction and whatever price we are realizing, it is getting offsetted in COP, cost of production. So based on that, the numbers which are there is reflecting in our financials.

Sumangal Nevatia: Sure sir. Second question is on the zinc processing plant. If you could just share some details as to what is the recovery expected on full utilization and what is the time for the ramp-up? And same with hot -- yes..

Arun Misra: Which zinc processing plant you are talking about? Is it tailing recycling plant?

Sumangal Nevatia: Yes, yes, tailing recycling.

Arun Misra: Are you talking about the tailing recycling plant. For tailing recycling, we have just started the construction. So it will be another 24 months before the facility can be constructed. And we expect about 30, 35 kt of zinc to be produced out of that.

Sumangal Nevatia: Okay. Okay. And does it take to ramp up or say, in 3 years' time we can get this output?

Arun Misra: Tailing reprocessing apart from in 1 mine in Australia, nobody has done. So of such capacity, I would expect it would have a ramp-up period of anywhere between 6 to 8 months.

Sumangal Nevatia Okay, understood. And just lastly, with the fertilizer plant, what is the total capex we spent till now, till 1Q?

Amit Gupta: Around INR500 crores we had already spent.

Moderator: The next question comes from the line of Tejas Pradhan with Citigroup.

Tejas Pradhan: Just wanted to recheck on the hedge number. You -- I missed the quantity for zinc. The price, I think, was 3,162, right?

Amit Gupta: So zinc quantity is 48,000 tons, 48 KT.

Tejas Pradhan: 48 KT. And silver was 34 tons at USD63, right?

Amit Gupta: Right.

Tejas Pradhan: Okay. Okay. Understood. Just on the first quarter, I mean, what would be the hedge losses?

Amit Gupta: So the hedge losses are to the tune of INR200 crores.

Tejas Pradhan: INR200 crores. And the full year capex guidance and the capex spent in 1Q?

Amit Gupta: So the guidance for the year is on the growth project is around USD500 million to USD600 million we are expecting. And during the quarter, we have spent around INR800 crores.

Tejas Pradhan: INR800 crores.

Moderator: We will now take one last question, which will be from the line of Pinakin with HSBC.

Pinakin: So just trying to understand the sulfuric acid prices have been very, very strong. I mean, they are up 200% on a year-on-year basis and prices have again recovered. So is it fair to say that the cost of production because you report cost of production net of byproduct realizations would further reduce in the second quarter?

Arun Misra: I guess in the second quarter, we have just done 260 KT of metal. In second quarter, if I had to meet 1.1 million ton guidance should cross around 280 KT, right? So that means more mining has to happen. And in that case, automatically on the input side, the cost will go down.

And if you produce more metal and more acid will be produced. And if the prices remain at current level, the cost is supposed to be better unless we are struck by higher input commodity prices, which is also a likelihood.

Pinakin: Sure. And just a clarification. If I take royalty as a percentage of revenues, it is at multi-quarter lows. This will essentially be because of higher sulfuric acid revenues, right, where you don't have to pay a royalty?

Arun Misra: Your voice is muffled. I'm unable to hear probably.

Pinakin: No. So my point was that the royalty as a percentage of revenues is at a multiyear low. This would essentially be because of sulfuric acid revenues being booked under revenues where you don't pay a royalty. Would that be correct?

Arun Misra: Which royalty? You were talking about mineral royalty?

Pinakin: Mineral royalty, as the P&L item, the percentage of revenues?

Arun Misra: Sulfuric acid, there is no royalty as per law because it's not any mineral product. It's something has to be produced because of environmental concerns, you cannot get sulfur -- sulfur dioxide out in the environment. right? So -- but the mineral royalty for other is a percentage of the price that is the LME that is set. So automatically, it becomes a percent, not revenue in absolute terms, but in the price in absolute terms.

Moderator: Thank you. I would now like to hand the conference over to Ms. Jain for closing comments. Over to you, ma'am.

Raksha Jain: Thank you, operator, and thank you all for joining today's call. Before we conclude, I would also like to take this opportunity to express our sincere gratitude to Mr. Arun Misra for his outstanding leadership and invaluable contribution to Hindustan Zinc's growth journey.

Under his leadership, the company achieved several significant milestones and further strengthen its position as a global leader in the zinc industry. On behalf of entire Hindustan Zinc family, we thank him for his guidance and wish him continued success in his future endeavors.

Further, we are pleased to share that we have published our fourth integrated Annual Report which provides a comprehensive overview of our strategy, financial and operational performance, sustainability initiatives and long-term value-creation journey.

As always, our complete reporting suite is available on our website. We welcome your feedback and suggestions as we continue to enhance the quality of our disclosures. Should you have any further questions or require additional information, please feel free to reach out to the Investor Relations team. Thank you, and have a great day.

Moderator: Thank you. On behalf of Hindustan Zinc, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.