

Hindustan Zinc initiates \$2.5-b plan to double metal output

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Hindustan Zinc, owned by Vedanta, has initiated a \$2.5 billion (₹30,000 crore) capex plan to double its metal production to over 2 million tonnes over "at least a five-year period".

The company, in the coming weeks, will be engaging global contractors who would look at mine expansion and development.

The zinc capacity will be doubled to 2 mt, lead and silver from 800 tonnes to 2,000

tonnes. The company recently roped in a couple of international consultants — two Australian mine-planning and mine-contracting entities. It has also engaged a consultant to work on expanding zinc smelting capacity, a mix of greenfield and brownfield diversification.

According to Arun Misra, CEO, Hindustan Zinc, the mines have to be developed in a particular manner to make adequate ore for 2 million tonnes.

"So for that, we are having discussions with mining contractors who are global play-

ers. The mines have to be expanded. And around November-end or so, we should be able to fix the global contractor, whom we will appoint for starting the mine development," he told *businessline* during an interaction.

"Investments will be around \$2 - 2.5 billion or so, and it will be a through a mix of internal accruals and debt. We are working out the details and will be presenting it before the Board soon. However, these investments will be spread over a few years," Misra added.

For FY25, the company has guided for a mined metal production of 1.2 mt and in H1, its production was around 0.52 mt.

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"So we are on course with our guidance. And sequentially mined metal capacities will be upped, say from 1.2 mt to 1.3 mt in the following year and so on," he said.

The FY25 guidance also includes 1.075 -1.1 mt refined metal, and 750-775 tonnes saleable silver, with mined metal target of 1.2 mt to be achieved in FY26.

During the recent analyst call, the Hindustan Zinc's top brass said, expansion of capacity (mined metal) includes working out on the logistics of how to transport the material out of the mine and then the concentrator expansion.

The company has however not shared how the production will be split across its existing mines. It operates six mines, all of which are located in Rajasthan. It has three smelters.

Zinc smelting alone accounts for over 9,13,000 tonnes per annum.