

# Hind Zinc Plans to Pare Debt to ₹2K cr in FY25

**Nikita Periwal**

**Mumbai:** Hindustan Zinc plans to pare its debt by a third by the end of this financial year bolstered by additional cash flows after a likely relatively robust performance in the October to March period.

The country's largest producer of zinc, lead and silver expects to reduce its debt to about ₹2,000 crore by March-end from about ₹6,000 crore at the end of the September quarter, chief financial

officer Sandeep Modi told analysts after the company's quarterly earnings.

upon our project IRRs being a very, very high basis," he said. The company plans to invest about \$2.5 billion to expand its production capacity to two million tonne from a little over one million currently, chief executive officer Arun Misra told **ET** in September.

In May, the company had guided that it will be spending \$270-\$325 million in capital expenditure for projects in FY25 and has maintained the guidance.

While Hindustan Zinc, a subsidiary of Vedanta, generated ₹7,000 crore of free cash flow in the fiscal first half, it spent ₹12,000 crore on dividends. It paid a dividend of ₹10 per share in May, following it up with a dividend of ₹19 per share in August.

"And on a steady basis, we will always be net cash," Modi said.

Hindustan Zinc has been a cash-rich company, but has been upstreaming dividends to Vedanta, which, in turn, is helping its parent Vedanta Resources partly trim its debt obligations.

Vedanta, which held a 63.42% stake in Hindustan Zinc as on September-end, has paid three dividends so far this fiscal, totalling ₹35 a share. The company recently cancelled a board meet to consider its fourth interim dividend for the year.

## ₹7,000 CR

**FREE CASH FLOW GENERATED IN H1,  
NORMALLY H2 REMAINS BETTER**

officer Sandeep Modi told analysts after the company's quarterly earnings.

"...we have already generated free cash flow of ₹7,000 crore in H1, and normally H2 remains better. So, I think it's only a timing difference," he said.

While Hindustan Zinc has been largely cash positive, it may look to raise debt to pursue capacity expansion, Modi said.

"...as we go for two million tonne' expansion, we may look for some debt equity, depending