

Hindustan Zinc gears up for mega expansion; Eyes ₹65k cr revenue



economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/hindustan-zinc-gears-up-for-mega-expansion-eyes-65k-cr-revenue/articleshow/123311388.cms

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August 14, 2025

SECTIONS

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By , ET Bureau

Synopsis

Hindustan Zinc Ltd. (HZL) aims for ₹62,000-65,000 crore in annual revenue by doubling its production capacity to 2 million tonnes. The Vedanta subsidiary anticipates an EBITDA of ₹34,000-36,000 crore and a production cost of \$1,000 per tonne at this expanded capacity. Silver production is also expected to rise to 1,500 tonnes.



[Hindustan Zinc Ltd.](#) (HZL), an integrated producer of zinc and silver, is targeting annual revenue in the range of ₹62,000 crore to ₹65,000 crore once its production capacity doubles to 2 million tonne, according to an investor presentation. The company, a subsidiary of Anil Agarwal-owned [Vedanta Ltd.](#), did not say by when it would double production capacity. It had recorded ₹34,083 crore revenue in FY25.

Earnings before interest, tax, depreciation and amortisation is likely to be in the range of ₹34,000 crore to ₹36,000 crore, while the cost of production is likely to be \$1,000 per tonne at double the capacity, the company said in its presentation.

The government holds a 27.92% stake in Hindustan Zinc.

For FY25, Hindustan Zinc clocked in an EBITDA of ₹17,465 crore, while its cost of production stood at \$1,052 per tonne.

At double output capacity, the production of silver is expected to rise to 1,500 tonne from around 700 tonne now. Silver is recovered as a by-product from the smelting and refining of zinc.

In June, the company had announced a capital expenditure of ₹12,000 crore to enhance capacity at its smelter in Debari by 250,000 tonne, taking it to a total of 1.38 million tonnes. This capacity is expected to come on board in 36 months after the expansion starts.

After its initial phase of expanding capacity by 250,000 tonne, Hindustan Zinc is eyeing a revenue of ₹40,000-42,000 crore, and an EBITDA of ₹21,000-22,000 crore.

Chief executive officer Arun Misra had told ET in June that the company would announce new expansion plans over the next few months.

On Thursday, shares of the company ended 0.8% lower on the BSE at ₹426.50.

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