



# Powering Progress with Energy Transition Metals

**Dear Shareholder,**

India holds a unique place in the history of metallurgy as the first civilisation to produce zinc on an industrial scale. The Zawar region in Rajasthan, dating back to the 9th century CE, is recognised as the world's oldest known zinc smelting site. Here, ancient Indian metallurgists pioneered a remarkable downward distillation technique to extract pure zinc from ore - which was later adopted globally by scientists.

At Hindustan Zinc, we proudly carry forward this legacy of innovation and leadership. We always strive for excellence. It is our constant endeavor to be the best-in-class, whether in scale, sustainability or stakeholder impact. Today, we are the largest integrated zinc producer in the world. We are the largest producer of silver in India. We are ranked the world's most sustainable metals and mining company by S&P Global CSA. With a market capitalization of INR 1.95 lakh crore, we are among the top 3 in the Nifty Metal Index. Our social impact initiatives have touched almost 25 lakh lives in over 2,300 villages.

In today's global economy characterized by turbulence, we need to be resilient and have the capacity to be nimble. Among the many uncertainties, there lie huge opportunities for Hindustan Zinc. For example, it is absolutely certain that we will maintain our global leadership in production, sustainability and costs. We remain firmly committed to protecting our margins and seizing new avenues for growth. Zinc and silver are recognized as critical transition metals, with demand set to grow exponentially. Global supply chains may shift and adapt, but we will remain plugged-in and future ready.

Our biggest strength is that we are an Indian company. By all indicators, India will continue to be the fastest-growing major economy in the world. If any country can transform today's headwinds into tailwinds, it is India. The future of the world economy is being scripted here, and we are proud to be an integral part of this growth story. The best is yet to come.

## **Sustainability and ESG Leadership: The Core of Our Strategy**

This year, we made strong and consistent progress on our clean energy goals. Renewables now power 13% of our operations, and we're firmly on track to raise this to 70% by FY28. At Rampura Agucha, the world's largest underground zinc mine, we launched a 4,000 KLD Zero Liquid Discharge plant, setting a new standard in responsible water management.

Innovation is embedded in our DNA. Through our flagship startup aggregator program, Vedanta Spark, we've partnered with over 80 ESG-driven startups and rolled out more than 120 cutting-edge solutions focused on safety, sustainability, and operational excellence. Many of these harness the power of automation and smart technology, ensuring quicker decision making and real time monitoring in our underground mines.

We're also investing in our people. We are building strong in-house teams in data science, AI, and ESG analytics through regular training and the adoption of online modules that have been made available to all our employees and business partners through the Vedanta Academy for Sustainability (VEDAS). These capabilities are becoming central to how we mine, monitor, and make decisions - with young talent driving this transformation.

## **Delivering Record Operational and Financial Performance**

FY25 was a year of historic milestones. Mined metal production reached 1,095 KT, refined metal 1,052 KT, and our market share in India's primary zinc market rose to 77%. Revenue grew 18% to INR 34,083 crore, EBITDA 28% to INR 17,465 crore, and PAT 33% to INR 10,353 crore. We also reduced our cost of production by 6% YoY to \$1,052 per tonne, reinforcing our position among the world's lowest-cost producers. Our goal is to further reduce this to \$1,000 per tonne - maintaining our position as a global cost leader.

## **Scaling for the Future: Capacity, Consumption, and National Growth**

Zinc plays a vital role in our everyday lives and in the technologies of the future. It's essential for galvanizing steel, supporting clean energy infrastructure like solar and wind, and enabling manufacturing of electric vehicles. But its importance goes even further - zinc is now being used in cutting-edge solutions like zinc-air batteries, 3D-printed automotive parts, and UV-resistant coatings for modern buildings. It also supports public health, with zinc oxide nanoparticles used to purify water and create germ-resistant cleaners for hospitals.

Despite its growing importance, India's per capita zinc consumption is just 0.5 kg - one-fourth of the global average. However, as per estimates by the International Zinc Association India's zinc consumption is projected to exceed 2 million tonnes over the next decade. At Hindustan Zinc, we see this as a huge opportunity. With our planned expansions in mining and smelting, we're ready to double our production and meet this rising demand.

## **Silver: The Strategic Metal for a High-Tech, Low-Carbon Future**

Silver is no longer just a precious metal - it's a strategic resource powering a low-carbon, high-tech world. From advanced semiconductors and electronics to 5G networks, silver is at the heart of innovation. It's also driving breakthroughs in solar technology, especially with silver-based perovskite cells. Global demand for silver continues to rise, while supply has remained in deficit for five consecutive years. As India's only primary silver producer - and one of the top five globally - Hindustan Zinc is strategically positioned. Over the past two decades, we have scaled silver production by 20X. Today, silver accounts for 38% of our EBIT, and we see its role growing even further within our portfolio.

## **Diversification Through VAP and New-Age Agri Solutions**

Diversification is central to our growth strategy. Last year, we commissioned a 30 KTPA zinc alloy plant, significantly expanding our value-added products (VAP) portfolio. Including alloys, VAP now contributes 22% to our business. We are also entering the fertiliser segment, with a DAP/NPK plant expected to be operational by FY27. These initiatives will diversify our revenue streams and enhance margins.

## **Looking Ahead: Building a Multi-Metal, Green Future**

As we focus on the future, our foray into exploration of critical minerals will redefine us. Through our wholly owned subsidiary, Hindmetal Exploration Services, we are pursuing high-potential exploration blocks across India for copper, lithium, nickel, cobalt, potash, gold, and more. These minerals are critical for EVs, semiconductors, and clean technologies. We will evolve from a zinc and silver company into a multi-metal, future-enabling enterprise. We are totally aligned with India's critical mineral security vision.

We are a company of engineers and environmentalists, of thinkers and doers - blending the strength of a rich legacy with the agility of a start-up. Together, let us march into a future of opportunity and growth, for our company and our nation.

**Sincerely,**  
**Priya Agarwal Hebbar**  
**Chairperson, Hindustan Zinc Limited**

