

Hindustan Zinc plans foray into fertilizers, plant to be set up in Q1FY27

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Vedanta Group company Hindustan Zinc Ltd (HZL) will foray into fertilizers, with its ₹1,800 crore, 0.5 million tonne plant at Chanderiya in Rajasthan set for commissioning in the first quarter of FY27 (April-June of 2026).

The upcoming plant will manufacture DAP (di ammonium phosphate) and NPK (nitrogen, phosphorous and potassium) fertilizers, a source aware of the development said. The project is being funded through a mix of internal and external sources.

PRODUCTION BOOST

The next phase of expansion is expected to double production to 1 million tonnes, and will be spread over the next five year period.

The fertilizer foray and plant commissioning are being done through Hindustan Zinc Fertilizers Pvt Ltd, a 100 per cent subsidiary of HZL.

At its peak, this segment should generate a top line of ₹2,000-2,500 crore.



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The project, already in an advanced stage of construction, is a part of Vedanta's broader "2X growth strategy".

KEY RAW MATERIAL

A distinctive advantage for Hindustan Zinc is its ability to utilise sulphuric acid, produced in large volumes as a co-product of its zinc smelting operations, as a key raw material for fertilizer manufacturing.

"This integration improves sustainability, adds value to byproducts and makes the fertilizer business more cost-efficient," the

source said.

Hindustan Zinc is yet to respond to queries by *businessline*.

IMPORT DEPENDENCE

The foray comes at a time when India remains heavily import-dependent for critical crop nutrients.

The country imports nearly 60 per cent of its DAP requirements and 10-12 per cent of NPK.

"This move diversifies HZL beyond metals into an adjacently critical sector," the person in the know said.

The Vedanta-owned company plans to go beyond bulk fertilizers.

The subsidiary also plans to develop premium coated products, crop-specific blends and micro-nutrient formulations, the source said.

In addition, HZL has secured one of India's first potash mines during the critical minerals auction, providing a pathway to produce fertilizers of varied specifications.

Potash, used as a soil conditioner and nutrient, is currently another area of high import-dependence for India.