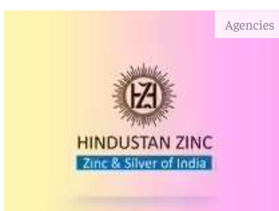
Rs 1 lakh to Rs 14 crore in 24 years! Hindustan Zinc delivers 1,400x returns since Vedanta's purchase

By Veer Sharma, ETMarkets.com Last Updated: May 07, 2026, 10:10:00 AM IST

Synopsis
Hindustan Zinc has delivered exceptional returns of 1,400 times since Vedanta acquired it in 2002. An initial investment of Rs 1 lakh has grown to Rs 14 crore over 24 years. The company's operational and financial performance has seen significant growth. Brokerages remain positive on its future prospects.



Hindustan Zinc, among the leading global silver producers, has delivered returns most investors can only dream of. Since the government's divestment in 2002, and the subsequent purchase by Anil Agarwal's company, Hindustan Zinc has generated a staggering 1,400x return over roughly 24 years.

To put that into perspective, an investment of Rs 1 lakh in 2002 would have grown to about Rs 14 crore today. "Since disinvestment, Hindustan Zinc has delivered total shareholder returns of over 1400X with a compounded annual growth rate of around 33%," Chairperson Priya Agarwal Hebbar said in a letter to shareholders.

The transformation began with the government's decision to divest a 26% controlling stake in March 2002 for Rs 445 crore to Anil Agarwal-led **Sterlite Industries**. This was followed by the sale of an additional 19% stake in November 2003 for Rs 324 crore under a call option granted to the private player.

"This level of value creation reflects a disciplined operating model that has performed consistently across cycles. This year, your company achieved a new milestone by entering the elite club of the Nifty 100 and Nifty Next 50 indices, along with ESG indices, reflecting both scale and quality of performance," Hebbar added.

The operational turnaround is evident in its financials. Revenue rose from Rs 22,600 crore in FY21 to Rs 40,800 crore in FY26, marking a growth of nearly 81%. Adjusted PAT increased 72% from Rs 8,000 crore in FY21 to Rs 13,800 crore in the fourth quarter of FY26.

The momentum has continued into recent quarters. Hindustan Zinc reported a 68% year-on-year jump in consolidated net profit at Rs 5,033 crore for the January–March quarter of FY26, compared with Rs 3,003 crore a year earlier. Revenue during the quarter climbed 49% year-on-year to Rs 13,544 crore.

Brokerages remain constructive on the outlook. "We remain positive on **HZL** given its presence in the lower end of the global cost curve facilitated by high grade captive mines sufficient to meet requirements for decades, 100% captive power plants, sizeable scale, diversified revenue stream with increasing contribution from silver sales," **JM Financial** said, maintaining a Buy call with a target price of Rs 765 per share.

The company has retained its FY27 volume guidance at 1,150 (+/-10) ktpa for mined metals, 1,100 (+/-10) ktpa for refined metals and 680 (+/-10) tpa for silver. It expects strong demand for silver, driven by growing industrial applications in solar and electronics.

Strategically, Hindustan Zinc plans to optimise its production mix by shifting toward lead and silver if zinc prices weaken while silver prices remain elevated, in order to maximise profitability. Renewable energy accounted for around 18% of its power mix in FY26 and is expected to rise to 30–35% by FY27E, with a target of nearly 70% by FY28E. This transition could lower costs by about $25 per tonne. In FY26, the sourcing mix comprised 53% domestic coal, 18% renewable energy and 28% imported coal.

Domestic brokerage Motilal Oswal said the company's expansion plans are aligned with its long-term goal of doubling capacity and improving earnings visibility. While near-term growth may be constrained by limited capacity headroom, LME and silver price trends remain key triggers for upside.

Looking ahead, Hindustan Zinc is positioning itself beyond its traditional identity. Hebbar said the company is evolving "from a zinc and silver company into a future-ready platform across multiple metals and critical minerals, for India and the world."

She highlighted India's need to reduce dependence on imports of critical minerals, noting that Hindustan Zinc is well placed to play a leading role. Over the past 24 years, she said, the company has built a reputation for decisive execution and a focus on opportunities.

Silver, in particular, has become an increasingly important part of the portfolio. From having no history of silver production in a country that once did not produce the metal, Hindustan Zinc has scaled up output to 627 tonnes. Hebbar described this as a point of pride, given silver's dual role as both a precious metal and a critical industrial input, especially in technologies such as solar cells.

She also recalled that India was once dependent on zinc imports prior to the company's privatisation in 2002. Today, the country is self-sufficient in the metal, which she described as essential for a high-performing economy. According to Hebbar, this transition offers a blueprint as the world moves toward a more mineral-intensive future.

NEXT STORY

Block deal rush sparks revival hopes in Indian stock market

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Synopsis
A surge in block trades is signaling a potential revival in India's equity capital markets after a sluggish start to 2026. Large deals, including stake sales in Adani Ports and