

HZL bets on critical minerals as part of co's ₹50k cr expansion plan

DIPAK MONDAL @ New Delhi

HINDUSTAN Zinc Ltd (HZL) is sharpening its focus on critical minerals as part of its long-term diversification strategy, with the company planning to enter rare earth magnet manufacturing while pursuing domestic production of potash and tungsten, its top management said at the company's 60th annual general meeting.

The company eyes capital expenditure of ₹40,000-₹50,000 crore over next a few years. The board has already approved ₹17,000 crore for the first phase in FY26. The Vedanta Group company said it is participating in auctions under the government's Critical Mineral Mission and has secured mineral blocks for rare earth elements in Uttar Pradesh, potash in Rajasthan and tungsten, positioning itself beyond its core zinc and silver businesses.

"We are aggressively participating in all the auctions. Depending upon the block and our

assessment of the business potential, we bid selectively and have been fortunate to emerge as winners in several auctions that align with our strategic direction," Chief Executive Officer Arun Misra said while responding to shareholders' queries.

Misra said the company has signed the mining agreement for the rare earth block in Uttar Pradesh and sees the asset as a stepping stone towards manufacturing permanent magnets.

"The monazite block in Uttar Pradesh has the potential to produce neodymium, which is one of the most important rare earth elements required for manufacturing magnets. Hindustan Zinc will also participate in the government's auction for producing magnets in India because that is the future. More electric vehicles mean greater demand for electromagnets, and India currently has no domestic production of the minerals required for them," he said.

