Hind Zinc Eyes Lower Production Costs after Record Q2 Profit, Sales

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Mumbai: Hindustan Zinc is set to produce zinc at lower costs than previously anticipated, after the Vedanta Group company clocked in its highest-ever profit and sales for the September quarter as well as the first half of the fiscal.

"We are going to be in the range of $825-850 (per tonne) for the year," chief financial officer Amit Gupta told **ET**. In April, the company said it expects the cost of production for zinc to be in the range of $975-1,000 per tonne for 2026-27 (April-March).

"The benefits we are seeing are from by-product realisations, which are significantly high majorly on account of geopolitical disruption," he said. "But we have also had the negative impact of high energy prices, without which our costs would have been another $50 (per tonne) lower," Gupta said.

Hindustan Zinc is the world's largest integrated producer of zinc and its cost of production for zinc fell 29% year-on-year in the September quarter to $703 per tonne; it was down 23% on-year for April-September period to $776 per tonne.

The costs could, though, be higher in the second half of the year, Gupta said.

"There are two reasons. One, we expect that sulfuric acid prices will not continue at the same level. The second is inflation in input costs," he said. Gupta added that the $50/tonne hit on costs because of high energy costs could be slightly higher in the December and March quarters.



In the September quarter, Hindustan Zinc's consolidated revenue surged 77% on-year to an all-time high of ₹15,093 crore, while earnings before interest, tax, depreciation and amortization for the quarter more than doubled as compared to the previous year to ₹9,285 crore, also an all-time high.

Net profit for the period was ₹6,412 crore, up 142% compared to the previous year.

Its silver business accounted for 45% of overall profitability, with sales from the segment up 141% on-year.