# Volumes should continue to grow even if prices soften: Hindustan Zinc CEO

Q&A The world's largest integrated zinc producer Hindustan Zinc, a subsidiary of Vedanta Ltd, aims to raise the share of value-added products in its portfolio to 42 per cent from 22 per cent now. Chief Executive Officer **Amarendu Prakash**, in an interaction with **Saket Kumar**, said two more rare-earth blocks owned by the company are set to enter the exploration phase in the second half of the year. Edited excerpts:

**How much of the company's profitability growth came from higher zinc and silver prices, and how much from increased production and lower costs?**

■ It is a combination of both, and the market has also been supportive. Refined metal production grew 7 per cent year-on-year (Y-o-Y), while silver production was 10 per cent, higher than last year. These volume increases contributed to performance. The cost of production also declined, supported by by-product sales and the company's own efforts.

Cost of production was down 29 per cent Y-o-Y. It is a combination of higher volumes and lower costs, and this was our best-ever quarter for volumes.

**If metal prices soften, is Hindustan Zinc confident of maintaining its profitability in the coming quarters?**

■ We are on a growth trajectory. Refined metal volumes grew and should continue to increase quarter-on-quarter (Q-o-Q) , although I would not expect a sudden jump each quarter.

Even if prices soften, volumes should continue to grow, and costs should remain under control. We are increasing the use of renewable power, which is cheaper for us. Its share should increase to 35 per cent in our mix from the current 29 per cent.

**How have geopolitical tensions affected input costs?**

■ Geopolitical issues have added around $50 to costs due to high prices of diesel, light diesel oil and other petroleum products. We believe costs could be reduced by around $50-80. We are not facing any supply-chain problems and remain on track. We made structural improvements to ensure a consistent supply of materials and power. We have both renewable power and a thermal power plant, with redundancy in the system: If thermal power cannot meet the requirements, we have headroom from renewable power, and vice versa. We have no supply-chain issues.



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Amarendu Prakash
CEO, Hindustan Zinc

**What are Hindustan Zinc's capacity expansion plans in India?**

■ Currently, Hindustan Zinc has capacity of 1.1 million tonnes and plans to increase it to 2.1 million tonnes over the next three to four years. We have a growth programme: The 250,000-tonne smelter project is under way and is expected to come on stream in FY28. That will provide a step-up to production. Another 750,000 tonnes is at the conceptual-design stage and should go to the board for approval soon. The new plants will be at existing locations, within our boundary zones.

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