

04:05 PM 18 APR CLOSED	MARKET STATS ▾	SENSEX Unleash the power of SIP - Invest in Mutual funds 39,140 ▼ -135.36	NIFTY 50 11,752 ▼ -34.35	SPONSORED Canara Robeco Emerging Equities Fund Regular-Gro... Class: Equity	GOLD (MCX) (Rs/10g.) 31,467.0 ▼ -13	USD/INR 69.34 ▼ -0.25 Category: Large & ...	NAV CREATE 934.98
---------------------------------	-----------------------	--	------------------------------------	---	---	--	---------------------------------------

We will produce up to 500,000 barrels of oil in 2-3 years: Anil Agarwal, Vedanta

ET Now | Updated: Apr 18, 2019, 04.25 PM IST

Save

4 Comments



HIGHLIGHTS

- People don't want India to produce copper.
- Our cost of producing oil and aluminium cheapest in the world.
- 250,000 to 500,000 and 500,000 to 1 million barrels oil production is our roadmap.

SPOTLIGHT

Personal Finan



The 9 changes you should know for FY 20

Here are nine changes that you should know for FY 20

- Now check your phone
- How NPS funds

Related

[Vedanta rolling out succession programme to groom internal leaders for key positions](#)

[Vedanta Resources raises \\$1 bn via bond issue to cut debt load](#)

[Supreme Court rejects Vedanta's early hearing plea in Tuticorin case](#)

*For iron ore, we have to do e-auction which is absolutely unfair and the government is losing so much of revenue and we have got stuck, said **Anil Agarwal**, Founder & Executive Chairman, **Vedanta**, in an interview with ETNOW.*

Edited excerpts:

Chinese slowdown has been spooking the demand side of the market but for base metals, the upside trigger has not been demand but rather supply issues cropping up the world over. Would you agree with that analogy?

I do not agree fully. The Chinese are correcting themselves. They are sorting out their

trade agreement with America and everybody is watching the US-China trade talks. It is in the process of resolving and I believe they are correcting themselves to make the industry more aligned.

Zinc market has once again been facing deficit fears. But with your projects in Zinc International, Zinc India plus Glencore, the market may be pushed into surplus by 2020. What is the outlook?

It should be the other way round. In India, only 10% of steel is being coated with zinc. These days, we cannot use naked steel, whether it is in construction or infrastructure. We have to have a galvanised coating and it has to go from 10% to 50%. There is hardly any new discovery of zinc in any other metal. There are about 25-30 zinc producers, largely because there are only three or four main producers. I am still very bullish on zinc.



Music lover? Get Gaana+ subscription free with TimesPrime
TIMES PRIME



You won't believe how this mom makes 4 lakh/month.
Times99



STRATEGY

Mega IPO: De
Uber's firm
India.

Against Ola
has chosen

UNDER THE LE

Kotak's FMP
risky business

Why isn't the fur
investments rela

AVIATION

Jet Airways' i
just got short

Here's why ever
involvement ma



Most Read Mo

Deven Choksey on
Tata Motors shares

Mutual funds shoot

This Mumbai techie
& discovered value

Here's a better tool
performance than s

Rakesh Jhunjhunw
my life but I will be

You have won 41 blocks in the OALP (open acreage license policy) recently. When are you looking to start oil production? You have also struck oil in the KG Basin, What is the potential there?

I have always gone against the wind, 15 years back when nobody believed India-, I have been fighting since then single handedly. Media has been helping me all the time. Out of Rs 100 revenue, we are spending half on oil, gold and a lot of natural resources. We have

Trending in I

RS 100 revenue, we are spending half on oil, gold and a lot of natural resources. We have the best geology comparable to Canada, Australia, South Africa and it is high time to create the maximum number of jobs.

[Sensex](#) [Stock Marke](#)
[Upcoming IPO](#) [Gold](#)
[Rupee vs Dollar](#) [Sha](#)
[Nifty Bank](#) [Infosys St](#)

I have been very vocal and that is how we have taken [Cairn Energy](#). All businesses that we have in India have been thrown away assets where there was nothing and we created out of that, world class assets. There is a huge discrimination between public sector and us, and facing that, we have come to this position where I always said we will produce 50% oil of the country. We used to import zinc, today we are exporting zinc. [Aluminium](#), we are producing 70% of the aluminium. In India, we need more jobs, more entrepreneurship. There are small, small difficulties. For iron ore, we have to do e-auction which is absolutely unfair and the government is losing so much of revenue and we have got stuck.

We have faced headwind one after another, but we are still the best name in the world in natural resources. Anybody talks about India natural resources, talk about us.

I always give this example 15 years ago, when China opened up, they were below us and look where they are today! If you do the calculation, what they have done should be done in 200 years but they have done it in 15 years.

I have been called by NITI Aayog, I have been called by the Prime Minister Office and they are very excited when they hear that if we start producing oil, gold in our country, the deficit current account would turn surplus. If import is reduced, the money which we will save, can be invested in infrastructure. I have a full plan for 41 blocks. At the moment, we are producing about 2,50,000 barrels of production which is about 30% of India's production. We have given a contract about \$3.5 billion to the best of service company in the world and that will take us to 500,000 barrel production in 2-3 years time.

About the 41 blocks, I am optimistic and I am bringing best experts. We expect another 500,000 barrels to come in future. It is hard work but everybody is supporting me. If we produce this, we will be producing one million barrels of oil and I am looking forward if I can achieve that.

But I must say the petroleum ministry and the government, are very favourable. Earlier, we used to have 60 clearances to produce oil. Today, only six clearances are needed. We do not have to go to the government for getting the clearances. They are rightly concerned about environment and we are very conscious about that and we are following the norms. Meanwhile, 250,000 to 500,000 and 500,000 to 1 million barrels is our roadmap.

How do you plan to allocate some of the excess capital? You had earlier mentioned the established returns from structured investment in Anglo American would be higher than other investment avenues.

[Tom Albanese](#) had worked for around five years and has created a lot of value. After that,

Venkat has joined. He is branded as a best mining person in the world. He has produced gold in all over the world. He joined as a CEO. And he is making a plan to have \$30- billion revenue in three years time and to have about \$13 billion EBITDA. We will be producing about over 400,000 barrels of oil.

We are looking to produce a three million tonne integrated aluminium plant. We produce oil at about \$6, which is the lowest in the world. We are going to produce aluminium at \$1600, again which is one of the lowest in the world. We plan to produce about 3 million tonnes.

We are going to produce about 1.8 million tonne zinc fully integrated, between India and Africa at less than \$1,000. We are looking to produce 1,000-tonne silver. We should be the third largest silver producer in the world. We never used to produce silver in the country. This will create massive number jobs in our country. We are going to produce 1,000 tonne silver. I am very excited about it. We are going to produce about 4.5-5 million tonne of steel. We are going to produce about 40 million tonne of iron ore. We are also going to produce 400,000 tonne copper in Zambia. All this will cost us. These are all brownfield projects and it will cost us about \$8.5 billion. We have enough earning in our company to address that and the biggest thing is our team. Each CEO and the company team is fully ready to deliver this.

I just wanted to get an on the Tuticorin and Zambia plants.

India is on a growth path. People do not want India to produce copper and natural resources and we have world best producing plant in Tuticorin. NGT which is the highest body in the country, has given a mandate and they had given a clean report. I believe the high court is going to have a hearing in a few days. The court will take a view in a few days time. This is about Tuticorin.

About the Zambia plant, These people wanted to file a case in London and we say this should be in Zambia. Court has said no-no we can hear this case in UK. We have no problem. We are very transparent. We are above board as far as the all compliance are concerned. We have no concern as far as Zambia is concerned. But the process will go on and we have to go through that process to make sure everything is alright.

In Video: [Anil Agarwal shares Vedanta's FY20 roadmap on zinc jitters, China slowdown](#)

Save

4
Comments

Read more on

Anil Agarwal

Vedanta Resources

Anglo American Plc

Cairn Energy

Tom Albanese

Markets

Aluminium

Et Now

Marketnews

Glencore

Also Read