

# 'Dividend is in my blood': Anil Agarwal signals unbroken payouts after Vedanta demerger

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[HomeBusiness News](#) 'Dividend is in my blood': Anil Agarwal signals unbroken payouts after Vedanta demerger

**The National Company Law Tribunal (NCLT) on Tuesday approved the plan to split Vedanta into five different listed entities. After the demerger, the base metals business will be housed in Vedanta Ltd, while Vedanta Aluminium, Talwandi Sabo Power, Vedanta Steel and Iron and Malco Energy housing oil and gas business will be the other four listed entities.**

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"Dividend is in my blood," Vedanta Group chairman Anil Agarwal said, reaffirming commitment to shareholder payouts alongside pursuing the group's planned USD 20 billion expansion across businesses even after the proposed demerger.

The demerger of metals-to-oil conglomerate Vedanta Ltd into separate listed entities is designed to sharpen focus, unlock value and keep cash returns flowing without interrupting its capital expenditure cycle, he told PTI in an interview.

The National Company Law Tribunal (NCLT) on Tuesday approved the plan to split Vedanta into five different listed entities. After the demerger, the base metals business will be housed in Vedanta Ltd, while Vedanta Aluminium, Talwandi Sabo Power, Vedanta Steel and Iron and Malco Energy housing oil and gas business will be the other four listed entities.

"Dividend is in my blood," he said. "No matter what happens, there will always be a dividend payout by our companies." Vedanta remains one of India's top dividend-yielding large-cap stocks, with dividend income constituting a significant component of shareholder returns in the last few years.

Dividend payouts declared in the current 2025-26 fiscal include Rs 7 per share first interim dividend (totalling Rs 2,737 crore) and Rs 16 a share second interim dividend (totalling Rs 6,256 crore).

Vedanta paid a cumulative Rs 29.50 per share in FY 2023-24 through multiple interim dividends and the total dividend payout in FY 2024-25 was around Rs 46 per share.

Agarwal said the demerger is planned to be completed by March 2026.

Outlining growth plans, he said Vedanta has laid out ambitious expansion plans across businesses.

It is investing a total of USD 20 billion over the next 4-5 years -- USD 4 billion each in oil and gas and aluminium, USD 2 billion in zinc and silver, USD 2.5 billion in power and the balance in iron ore, steel and other businesses.

Agarwal said silver production is targeted to be more than doubled to 1,500 tonne by 2030 from current around 700 tonnes, to meet India's domestic demand. Alongside, lead output is planned to be scaled up to 2 million tonnes per annum from current 400,000 tonnes.

The current zinc production of 1.13 million tonnes is planned to be expanded to 2 million tonnes at Hindustan Zinc Ltd, he said adding another 1 million tonnes is planned from Vedanta's zinc company in South Africa, positioning the group among the world's largest producers.

In aluminium, Vedanta plans to double capacity from the current 3 million tonnes, supported by captive mines and renewable energy-linked greenfield projects. The company is also setting up a 510,000 tonnes DAP fertiliser plant in Rajasthan, which will be expanded to 1 million tonnes in near future, he said.

In oil and gas, Agarwal said recent policy changes by the government have improved the investment climate. Vedanta aims to raise production to 3,00,000 barrels per day in the short term, scaling up to 0.5 million barrels per day over the next four to five years.

The iron ore and steel business will focus on producing green steel, leveraging access to gas and renewable power, with a proposed capacity of 15 million tonnes. The power business is targeting 25,000 MW of capacity, comprising 15,000 MW of thermal and 5,000 MW of renewable power. The group currently has a thermal power capacity of 4,200 MW.

"Capex is essential for manufacturing growth in India and we are committed to pursuing our aggressive spending plan," he said.

Agarwal said the demerger was chosen over asset sales or alternative restructuring to unlock the full growth potential of each business, including zinc, aluminium, oil and gas, power, and iron ore and steel amid strong and rising demand, particularly in India.

"Vedanta is like a big Banyan tree. There is tremendous potential in each business, and each one of them has the potential to become a Banyan tree by itself," he said. "I have a vision that each company will be as big as Vedanta in terms of revenue. Effectively, we are creating five more Vedantas, which will make shareholders the happiest." Shareholders of Vedanta will get one equity share of every demerged entity for every one share they currently hold in the company.

Explaining the rationale for the demerger, he said that globally most large resource companies operate as pure-play entities, focused solely on zinc, silver, aluminium, iron ore, power generation, or oil and gas, and Vedanta's proposed restructuring is aligned with this global model.

"Each of Vedanta's businesses - zinc, silver, aluminium, oil and gas, power, iron ore and steel - has tremendous potential. Demand is almost doubling, particularly in India. Demerger is the right thing to do to let each business grow on its own," Agarwal said.

On debt, he said the Rs 48,000 crore debt will be allocated to the demerged entities based on their respective cash flows.

Each company will have an independent board and professional management, and promoters will hold around 50 per cent stake without involvement in day-to-day operations, Agarwal said, adding that aggressive capital expenditure and regular dividend payouts will continue post-demerger.

On the structure, he said all resulting companies will be pure-play businesses. Oil and gas will remain a standalone hydrocarbon company, iron ore and power will be single-product entities, while metals businesses may explore further vertical opportunities over time.

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