

Anil Agarwal says Vedanta's four-way split will list next month; one will be the world's largest

Vedanta chairman Anil Agarwal confirms four demerged entities will list next month, with \$20B capex and ~\$10B EBITDA targeted across aluminium, oil, power and steel.



Vedanta Group chairman Anil Agarwal confirmed that all four demerged entities of the Vedanta Group will be listed independently within the next month, in an exclusive interview with CNBC-TV18.

"By next month all the individual identity will be listed," Agarwal said.

The four entities

The demerger creates four separately listed companies. The first is Vedanta Aluminium. Agarwal said the company currently produces 30 lakh tonnes annually and is targeting 60 lakh tonnes within three years. He said it would become the world's largest aluminium company in the private sector. The group also plans to develop 1,000 downstream industries alongside the aluminium business through an industrial park model.

The second is the oil and gas business, which Agarwal described as his 'heart and soul.' He said Vedanta plans to invest \$5 billion over three to five years to reach production of 500,000 barrels per day. The group's hydrocarbon assets include tight oil, shale gas, shallow water, deep water, and a block in northeast India where, Agarwal said, the country's first oil was produced. He said the group is seeking a long-term lease from the government to enable large-scale investment.

The third is a power company currently generating 4,000 megawatts, with a target of 20,000 megawatts, all through brownfield expansion. Agarwal said the company has full coal linkages and described coal as an enduring energy source. "Coal is not going anywhere," he said.

The fourth is an iron and steel company. Agarwal said the group currently produces four million tonnes, three million tonnes at its main plant and one million tonne in Goa, with a target of 15 million tonnes of green, electrical, or special steel. He said the company has captive iron ore and coke supply to support that scale.

The residual Vedanta Limited will retain the zinc and critical metals businesses, including a 65% stake in Hindustan Zinc and the Gamsberg zinc operation in South Africa, which Agarwal described as Africa's largest zinc company.

Capex and earnings

Agarwal said the group plans to invest \$20 billion across these businesses, funded primarily through internal accruals. He put the group's EBITDA at approximately \$10 billion. "Fund will never come in the way," he said.

Policy asks

Agarwal called for longer mining lease tenures, arguing that the current 50-year cap discourages large capital investment. "What is this 50 years, they are taking back, people will run away. Nowhere like this is in the world," he said. He also called for a single unified policy for all below-ground resources, replacing the current separate frameworks for oil and minerals.

On public sector companies, Agarwal called for broad privatisation. "Everything has to be privatised. No one person will be retrenched," he said. He cited the privatisation of airports and the telecom sector as examples of private operators delivering results. When asked whether Vedanta would bid for privatised assets, Agarwal said: "My shop is open. I'm not going to go to hunt. But something comes to my shop, any opportunity comes, for my shareholder, I will look at."

On import substitution, Agarwal said India imports roughly \$400 billion worth of below-ground resources annually and argued that domestic production could reduce this. "The world does not want us to produce. They want India to be a market," he said.

Commodities outlook

Asked which commodity he is most bullish on over the next decade, Agarwal named aluminium, copper, and oil and gas. He also said India has the potential to become a large producer of arms and ammunition if its existing industrial base is modernised and privatised.