

Vedanta delivered 55% cumulative dividend yield in five years; demerged firms can become \$100-billion companies: Anil Agarwal

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June 15, 2026

AI Generated by Fortune India

Vedanta's Demerger and Future Growth Strategy June 15, 2026, 13:37 IST

Summary

Vedanta Group chairman Anil Agarwal said each of the group's newly demerged listed entities could become a \$100-billion company, announcing plans to invest \$20 billion over the next three years. Speaking after the listing of four demerged entities, Agarwal noted Vedanta delivered 300% total shareholder return and 55% cumulative dividend yield over five years. Growth targets include expanding power capacity to 50 GW, steel capacity from 4 to 15 million tonnes, and oil production to 500,000 barrels per day. Vedanta currently contributes ₹60,000 crore annually in taxes.

Key Takeaways

- Vedanta aims for significant growth through demerger and strategic investments.
- Each demerged entity is projected to potentially become a \$100-billion company.
- The group plans a \$20 billion investment over three years in core sectors.
- Focus on metals, minerals, and energy aligns with global demand trends.
- Strategy emphasizes boosting India's domestic resource production and manufacturing.
- The company highlights a strong track record of shareholder value creation.

Timeline

June 2021 - June 2026

Vedanta's Shareholder Value Creation

- Vedanta delivered a 300% total shareholder return and a 55% cumulative dividend yield over the past five years.

June 15, 2026

Demerged Entities Listed

- Four demerged entities of Vedanta were listed on stock exchanges, marking a new strategic phase for the group.

June 15, 2026

Anil Agarwal Unveils Growth Vision

- Vedanta Group Chairman Anil Agarwal announced plans to invest \$20 billion over three years and projected each demerged firm could reach a \$100 billion valuation.

June 2026 - June 2029

Planned \$20 Billion Investment

- Vedanta Group plans to invest \$20 billion across its metals, mining, energy, and natural resources businesses to drive future growth.

Frequently Asked Questions

Q. What is the potential valuation for Vedanta's demerged entities?

A. Anil Agarwal stated each of Vedanta's newly demerged entities has the potential to become a \$100-billion company, aiming for significant growth.

Q. How much will Vedanta invest in its businesses over the next three years?

A. Vedanta plans to invest \$20 billion over the next three years to drive growth across its metals, mining, energy, and natural resources businesses.

Q. What was Vedanta's cumulative dividend yield over the past five years?

A. Vedanta delivered a cumulative dividend yield of 55% over the past five years, alongside a 300% total shareholder return.

Q. What are Vedanta's major growth plans for its power and steel businesses?

A. Vedanta aims to build a 50-GW power portfolio and increase steel capacity from 4 million tonnes to 15 million tonnes through brownfield expansion.

Q. Why did Vedanta demerge its listed entities?

A. The demerger provides greater strategic flexibility, dedicated management focus, and access to specialised investors for each of the newly formed companies.

Q. What is Vedanta's long-term ambition for oil and gas production?

A. Vedanta aims to increase oil and gas production to 500,000 barrels per day in the medium term, eventually targeting one million barrels per day.

First Principles

Demerger of listed entities

A corporate restructuring process in which a parent company separates its business units into distinct, independently listed entities. Each resulting company carries its own capital structure, management mandate, and investor base, enabling more targeted valuation and capital allocation.

Total shareholder return (TSR)

A performance metric that combines share price appreciation and dividends paid to measure the total value delivered to equity holders over a given period. It is widely used to benchmark management effectiveness in capital allocation and value creation.

Cumulative dividend yield

The aggregate dividend income expressed as a percentage of the share price, accumulated over a defined investment horizon. It reflects the income-generating consistency of a company relative to its equity valuation across multiple distribution cycles.

Brownfield expansion

Capacity growth achieved by expanding or upgrading existing industrial facilities rather than constructing new ones from the ground up. Brownfield projects typically carry lower capital expenditure, faster execution timelines, and reduced regulatory risk compared to greenfield development.

Debt-free operating entity with strong cash flow generation

A corporate structure in which a subsidiary or standalone business unit carries no financial debt obligations, allowing its operating cash flows to be fully directed toward capital expenditure, dividends, or reinvestment without debt servicing costs.

Demand-supply dynamics in critical minerals

The structural relationship between the availability and consumption of strategically important raw materials, which directly influences commodity pricing, investment flows, and geopolitical positioning. Favourable dynamics typically signal pricing power and long-term margin support for producers.

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Vedanta Group chairman Anil Agarwal

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Vedanta Group chairman Anil Agarwal on Monday said each of the group's newly demerged listed entities has the potential to become a \$100-billion company, as he unveiled plans to invest \$20 billion over the next three years to drive growth across its metals, mining, energy and natural resources businesses.

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Speaking after the listing of Vedanta's four demerged entities on the stock exchanges, Agarwal highlighted the group's track record of creating shareholder value, noting that Vedanta has delivered a 300% total shareholder return and a cumulative dividend yield of 55% over the past five years.

"Throughout our journey, we have remained committed to creating value while keeping the interests of our shareholders paramount," Agarwal said.

The billionaire industrialist said the demerger marks the beginning of a new growth phase for the group, with each company gaining greater strategic flexibility, dedicated management focus and access to specialised investors.

"We are committed to growth and plan to invest \$20 billion over the next three years. Each of the five companies has the potential to become a \$100-billion enterprise in its own right," he said.

Agarwal said the global economy's increasing dependence on artificial intelligence, electrification and the energy transition will significantly boost demand for metals, minerals and energy resources, placing Vedanta's businesses in a favourable position to benefit from long-term structural trends.

"The economy of tomorrow will be highly dependent on minerals, metals and energy resources. These are the sectors in which Vedanta operates, and we are uniquely positioned to benefit from this long-term trend," he said.

He noted that India continues to import nearly 50% of its natural resource requirements despite possessing abundant reserves, highlighting the importance of increasing domestic production of critical resources.

According to Agarwal, every tonne of metal and every barrel of oil and gas produced in the country strengthens India's economic and strategic position.

Among the group's growth areas, power remains a major focus. Vedanta currently operates around 4.2 GW of power generation capacity and sees significant opportunities as India's electricity demand expands. The group's long-term ambition is to build a 50-GW power portfolio.

In steel, Vedanta plans to increase capacity from around 4 million tonnes to 15 million tonnes through brownfield expansion. Agarwal said the company enjoys strategic advantages through access to iron ore, metallurgical coal, gas infrastructure and logistics assets.

He also expressed confidence in the long-term prospects of India's steel industry, stating that domestic demand could eventually rise to 400-500 million tonnes annually from around 150 million tonnes at present.

Oil and gas remains another key pillar of Vedanta's expansion strategy. Agarwal said the standalone oil and gas company is debt-free and generates strong cash flows, enabling investments of around \$5 billion over the next three

years. The company aims to increase production to 500,000 barrels per day in the medium term and eventually target one million barrels per day.

A definitive ranking of India's largest companies driving economic growth and industry leadership.

Rank	Company Name	Revenue (INR CR)
1	Reliance Industries	997795
2	LIC	893465
3	Indian Oil Corporation	766008
4	State Bank of India	663343
5	ONGC	624805

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In aluminium, Vedanta is pursuing capacity expansion backed by strong demand growth and secure access to critical raw materials such as bauxite and coal.

Agarwal also highlighted opportunities in critical minerals, noting that Vedanta is India's only producer of nickel and has exposure to other strategic minerals with favourable demand-supply dynamics.

Beyond expanding its core businesses, Vedanta also plans to support downstream manufacturing industries by developing industrial ecosystems around its metals, minerals and energy operations. Agarwal said such initiatives could create significant employment opportunities and strengthen India's manufacturing base.

"Nothing creates more long-term value than manufacturing. Once a factory is established, it generates jobs, enables downstream industries and contributes to economic growth," he said.

Vedanta currently contributes nearly ₹60,000 crore annually in taxes and supports around one million jobs, both directly and indirectly, Agarwal added.