

## AIMING HIGH.

Each of the 5 listed Vedanta firms can turn into a \$100 b entity due to the demand-supply gap, says Anil Agarwal **p2**



# In business you win some, you lose some, says Vedanta Group Chairman

## bl.interview

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Mumbai

The much-awaited demerger of the Vedanta Group has been completed, with four businesses — oil and gas, power, aluminium, and iron and steel — now listed separately on the stock exchanges.

Chairman Anil Agarwal says each of the five listed companies could grow into a \$100 billion business. He downplays missing out on Jaiprakash Associates, saying in business, you win some and lose some.

*Edited excerpts:*

### What are your growth plans for the newly listed companies?

Vedanta Resources was initially listed in London. The company name was changed to Vedanta before listing in India. All our businesses —

oil and gas, copper, zinc and aluminium — were under one company. So it was like a big banyan tree.

Now, all the companies have grown well and ready to create substantial shareholder value.

We always look for businesses which are import substitute. We enjoy establishing ourselves in difficult business because only then we can be import substitute. We are the only producer of nickel in India.

There is huge requirement for nickel. We are focusing on that. We have other critical metals, including magnesium which is in short supply.

Each of the listed five companies can become a \$100 billion separately because there is a huge demand and supply gap.

### Most of your business are also facing headwinds?

Challenges will always be

there in business. We will overcome it. We have created so many jobs.

We have 2 lakh people working directly and another 10 lakh people indirectly for us. The biggest beneficiary of all our companies is the government.

We pay tax of about ₹60,000 crore every year. And we are very conscious of anything we do. People talk about charity. Setting up a factory and creating sustainable jobs is bigger than charity.

We also create jobs in downstream markets. There can be about 150 products developed from the primary metals we produce.

We will handhold about 400 downstream companies to develop products from zinc, oil and gas and power. I told the BSE Managing Director (Sundararaman Ramamurthy) people who develop downstream business with Vedanta will come and list to raise money.



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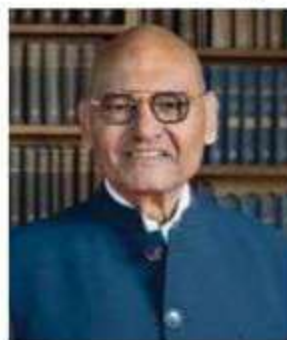
**ANIL AGARWAL**  
Chairman, Vedanta Group

### Can investors expect a liberal dividend policy since the newly listed companies are in growth stage?

We have always paid dividend and it will continue going forward. It will be decided by the board of each company. We will create tremendous value for shareholder.

This is possible because cost-wise we are internationally competent.

We are not looking for any



external support.

Our aluminium production cost is the lowest. The same is true with steel, oil and gas, zinc and silver we produce.

### Are you looking at reviving the copper plant in Thoothukudi, with a new government in Tamil Nadu?

The people of Thoothukudi are very favourable for the project. I know a progressive government has come to power in the State.

Whatever decision they take we are ready to work with them. As a Group, copper is a very small part of the business, but it is the heart and soul, since we started with that.

### Do you consider losing Jaiprakash Associates a missed opportunity?

We tried our best. In business you gain something and lose something. There are no big heart breaks as being projected. We are ready to move on.

### Do you think lack of captive bauxite ore is a challenge for the aluminium business?

In aluminium, we want to become integrated company. There is a case with OMC (Odisha Mining Corporation).

There was one mine that we wanted to start but were not able to due to delays.

However, we have two big mines and we have already

started working on it. We will become 100 per cent self-sufficient in few months.

It is very unfortunate that we have a larger deposit of bauxite, but still importing. We all are working with the government.

Wherever a bauxite mine is opened up, the whole area becomes like *Ram Rajya*. So much of development happens.

It is unfortunate that I am the front-runners and take all the heat. The people who come behind us get all the benefits.

### Will the oil and gas business sustain capex plans without inter-corporate dependability?

The oil and gas business has great potential. We have announced a capex of \$5 billion to increase exploration.

The demerged oil and gas company will have annual EBITDA expectation is about \$900 million. We have no

debt in that company.

It is probably the only oil and gas company in the world with no debt but has huge value of the asset. Its value can be \$100 billion. It has \$1 billion EBITDA.

People are keen to give us equipment and technology. We are absolutely comfortable to spend \$5 billion with our internal resource and completing this project.

It should not be any hindrance to invest in oil and gas.

### What are your plans for iron and steel?

We want to have 15 million tonne capacity in next three years all through brownfield expansion in Bokaro (Jharkhand) and Bellary (Karnataka). In fact, we can go beyond 15 mtpa in future. Steel is an attractive sector and India will require about 300 million tonnes by 2030. My long-term vision is to build a 50-million-tonne especially steel business.