ONGC News as on 1st June 2023 (Print)

TRADING BELOW BOOK VALUE are likes of ONGC, Indian Oil, PFC, New India Assurance; analysts see potential for high returns

Valuation Comfort Makes PSUs Attractive

Rajesh.Mascarenhas@timesgroup.com

Mumbai: The Nifty PSE index comprising shares of India's leading state-owned companies made a multi-year breakout this week, indicating the benchmark could extend recent gains.

With the index expected to give another 10-15% returns in the near term, investors are combing through the market for potential PSU winners. Analysts said despite their outperformance in the past two years, many shares in this space are still trading below their book value — an indicator of cheaper valuations. When the price-to-book value of a company is below 1, it means the market is underpricing the company's shares.

ONGC, Indian Oil, Power Finance Corporation (PFC), REC, SAIL, General Insurance, Oil India, and New India Assurance are among the PSUs trading below their book value. ONGC, which rallied 10% in the last six months, is trading at a book value of 0.71 times. According to the Bloomberg Consensus estimates, the stock is expected to yield 18% in a year.

Shares of Indian Oil Corporation traded at 0.91 times its book despite a 17% rally in six months. The stock has an upside of about 20%.

The Nifty PSE index rallied 9% in the last three months and 18% in the last year. By comparison, the Nifty has gained 7% in the past three months and 11% in the past year. PSUs have been in the spotlight in recent times due to a rebound in commodity prices, the government's disinvestment programme and better dividend prospects.

"In the last few weeks, how prices extended their move confirmed Nifty PSE's breakout from its 2008 highs. This development has sent prices in an uncharted territory, which generally indicates a strong upward trend," said Sameet Chavan, chief analyst-technical & derivatives at Angel One. "We expect the index to continue its merry run, and in the near to medium term, we will not be surprised to see it marching towards 5,000-5,150 levels." The index closed at 4,799.65 on Wednesday.

PFC surged 34% and REC 28% in the past six months but are still trading below their book value and also lower than their five-year average price-to-earnings (PE) ratio — another valuation measure.

"The government's disinvestment plans have triggered a re-rating in the segment while value buying ideas emerged during the volatile stock market supporting performance of value PSU stocks," said Vinod Nair, head of research, Geojit Financial Services. "The viability to invest at current elevated levels on a long-term basis should be considered on a stock-to-stock basis depending on the earnings outlook and valuation."

Underpriced by the Street

Stock	LTP (₹)	6-Month Return (%)	Price to BV	PE	5-Year Avg PE
ONGC	154.90	9.78	0.71	5.64	7.71
Indian Oil Corp	90.00	17.42	0.91	12.70	5.85
Power Finance Corp	182.40	34.22	0.55	3.01	3.07
REC	141.55	28.27	0.62	3.31	4.03
SAIL	82.50	-2.77	0.64	17.30	7.89
General Insurance	184.45	23.83	0.69	5.04	56.85
Oil India	257.25	25.70	0.72	3.19	4.79
New India Assurance	118.90	8.83	0.74	18.60	39.18
NLC India	94.65	11.55	0.84	8.98	10.85
HUDCO	57.15	7.22	0.73	6.72	5.91
Chennai Petro	375.60	74.05	0.88	1.62	4.48
Shipping Corp	94.85	-9.60	0.64	5.09	6.00
PTC India	99.70	13.30	0.60	6.54	6.38
IFCI	11.05	-15.97	0.64	–	175.76
PTC India Financial	16.00	-7.51	0.42	5.85	16.89

Source: CapitaLine

Publication : Business Standard	Edition : Mumbai
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Russian oil now 46% of India's crude buys

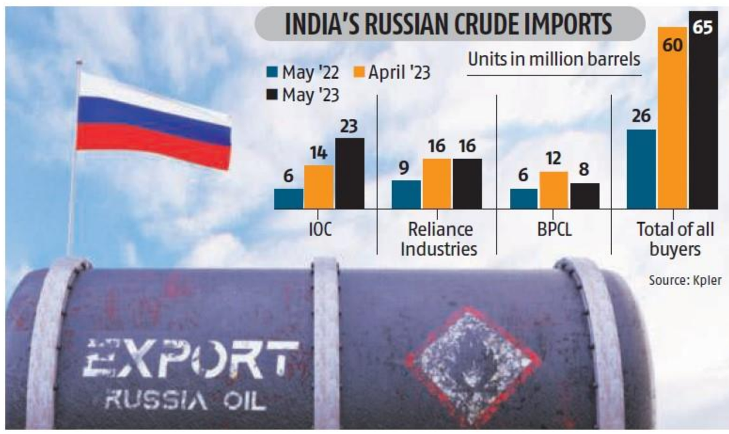
IOC overtakes Reliance as biggest importer of Russian crude oil

S DINAKAR
31 May

India's import of discounted crude oil from the Russian Federation hit an all-time high in May, with state-run refiner Indian Oil Corporation (IOC) becoming the biggest importer of Russian oil, pushing Reliance Industries to the second place, trade and shipping data shows.

Indian imports of Russian oil, which accounted for over 46 per cent of its total crude oil imports in May, have grown after strong backing from New Delhi, with state-run refiners powering imports of discounted crude. Discounts on Russian oil average around $10 a barrel, said an official from a state-run refiner. IOC's May purchases rose 64 per cent month-on-month and accounted for half of its crude imports last month, ship tracking data shows.

India imported around 65 million barrels of Russian crude in May, against around 60 million barrels in April and 26 million barrels in May 2022, according to the data from Paris-based commodity market intelligence firm Kpler. IOC bought 23 million barrels last month, compared to 16 million barrels of Reliance. Reliance and IOC purchased 16 million barrels and 14 million barrels in April, respectively.



Oil minister Hardeep Singh Puri told an industry event last week that it made no sense to have energy availability without affordability. India's top ministers have on many an occasion stressed on Indian refiners pursuing the cheapest source of oil to ensure affordable fuel for Indian consumers despite sustained pressure from Washington and Brussels to moderate purchases of Russian oil. But IOC, which saves hundreds of millions of dollars on Russian oil purchases, is yet to pass on its gains from cheaper supplies to Indian consumers at the pump.

Russian oil supplies exceeded the combined shipments of the next six biggest shippers — Iraq, Saudi Arabia, Mexico, the UAE, Kuwait, and the US — in May. Supply from the US dropped to 4 million barrels in May; it was 16 million barrels in May 2021, before the Ukraine war, reflecting how Russia has eaten into US market share, Kpler's ship-tracking data shows. Share of the US in the Indian oil market dropped to less than 3 per cent last month, from 13 per cent in May 2021.

Purchases from Russia averaged around 2.1 million barrels a day in May, predominantly of Russian Urals — a medium, sour grade similar to Gulf crude. India's total crude imports totalled 4.5 million barrels a day. Urals, a grade that typically trades below a G-7 grouping imposed price cap, accounts for 68 per cent. Most of the remaining grades like Sokol, ESPO, Varandey, light and sweet crudes that are more expensive than heavier oils typically trade above the cap.

Indian state-run refiners insist that all their Russian imports trade below the price cap. ONGC chairman Arun Kumar Singh said at a recent media briefing that Mangalore Refinery and Petrochemicals' (MRPL's) Russian oil imports fall below the price cap. Refiners said the invoices presented to banks have pricing details, which are given by sellers and never exceed the cap. The US-led G7 imposed a $60 per barrel cap on the loading price of exports of Russian crude in December. Since then, Indian purchases from Russia have jumped by 76 per cent.

Publication : The Asian Age	Edition : New Delhi
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Mixed trends visible in infra

New Delhi, May 31: The production growth of eight key infrastructure sectors slowed down to a six-month low of 3.5 per cent in April 2023 due to a decline in the output of crude oil, natural gas, refinery products and electricity.

As per the data released on Wednesday, coal production growth declined to 9 per cent in April this year. "The fertiliser production soared by 23.5 per cent, steel by 12.1 per cent and cement output by 11.6 per cent in April," the data showed.

The core sector growth was 9.5 per cent in April 2022 while in March 2023 the key infra sectors recorded a growth rate of 3.6 per cent. The growth rate in April 2023 is the lowest since October 2022 when the sectors expanded by 0.7 per cent

ओएनजीसी ONGC

Publication : The Times Of India	Edition : Mumbai
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Key infra growth slows to 6-mth low

New Delhi: The production growth of eight key infrastructure sectors slowed down to a six-month low of 3.5% in April 2023 due to a decline in the output of crude oil, natural gas, refinery products and electricity.

The core sector growth was 9.5% in April 2022, while in March 2023, the key infra sectors recorded a growth rate of 3.6%. The growth rate in April 2023 is the lowest since October 2022 when the sectors expanded by 0.7%.

Coal production growth declined to 9% in April this year, according to the official data released on Wednesday. Fertiliser production soared by 23.5%, steel by 12.1% and cement output by 11.6% in April, the data showed. The output of crude oil, natural gas, refinery products and electricity declined by 3.5%, 2.8%, 1.5% and 1.4%, respectively. AGENCIES

Publication : Business Standard	Edition : Mumbai
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NATIONAL ELECTRICITY PLAN

Coal to fall behind renewables by '32

Power generation capacity likely to touch 900 Gw

SHREYA JAI
New Delhi, 31 May

India's power generation capacity is expected to touch 900 gigawatt (Gw) by the end of this decade, with major capacity addition coming from renewable energy sources, such as solar, wind, and large hydro, said the latest National Electricity Plan (NEP) by the Central Electricity Authority (CEA).

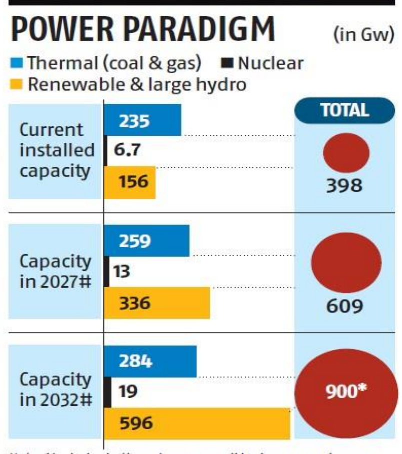
The CEA, the technical arm of the power ministry, prepares NEP every five years forecasting the country's power generation, transmission, and demand trajectory for the coming decade. In the latest NEP, the CEA has observed a significant slowdown in the coal capacity addition in the country. It is expecting the renewable energy capacity to double from the current levels.

Based on generation planning studies carried out for the period of 2027-32, the likely installed capacity for 2031-32 is calculated to be 900.4 Gw. Conventional power capacity comprising coal, gas, and nuclear would total up to 304 Gw while renewable energy capacity (including large hydro) is expected to touch 596 Gw. Additionally, the CEA expects several new energy sources, such as small hydro (5.4 Gw), biomass (15 GW), pump storage power (26 Gw), and battery energy storage (47 Gw) to also come up by 2032.

"The likely share of coal capacity reduces to 39 per cent of the total installed capacity in 2026-27 from 52.8 per cent in 2021-22. The share of non-fossil based capacity is likely to increase to 57.4 per cent by the end of 2026-27 and may likely to further increase to 68.4 per cent by the end of 2031-32 from around 40 per cent currently," said the NEP.

India, under its nationally determined contributions to the United Nations Framework Convention on Climate Change, has committed to increase the share of non-fossil fuel energy sources to 50 per cent by 2030 and be a net-zero economy by 2070.

The NEP has noted that growing environmental concerns and global thrust on adoption of clean generation technologies are going to have an impact on the share of coal-based installed capacity in the foreseeable future. It though said, the share of coal-based generation may continue to be high. "Operation of coal-based plants in a more flexible mode, unlike as base load stations earlier, needs to be emphasised in the wake of huge intermittency and variability of renewable-based generation," it said.



Note: *Includes battery storage, small hydro, pump storage hydro which is expected to come up by then; #Capacity projections; Current installed capacity as on December 2022
Source: National Electricity Plan

The NEP has envisaged the generation metrics under four scenarios and in all of them, it is indicated that coal-based power generation cannot be halted. "Based on scenario analysis, it is seen that apart from under construction coal-based capacity of 26.9 Gw, the additional coal-based capacity required till 2031-32 may vary from 19.1 Gw to around 27.1 Gw across various scenarios," the NEP said.

The average plant load factor of the total installed coal capacity of 235.1 Gw was found to be about 58.4 per cent in 2026-27 and about 58.7 per cent in 2031-32. The domestic coal requirement has been estimated to be 866.4 million tonnes (mt) for 2026-27 and 1025.8 mt for 2031-32 and an estimated requirement of 28.9 mt of coal imports for the plants designed to run on imported coal.

Publication : The Free Press Journal	Edition : Mumbai
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Key infra sector growth slides to 6-mth low of 3.5% in April

PTI / New Delhi

The production growth of eight key infrastructure sectors slowed down to a six-month low of 3.5 per cent in April 2023 due to a decline in the output of crude oil, natural gas, refinery products and electricity.

The core sector growth was 9.5 per cent in April 2022 while in March 2023 the key infra sectors recorded a growth rate of 3.6 per cent. The growth rate in April 2023 is the lowest since October 2022 when the sectors expanded by 0.7 per cent.

Coal production growth declined to 9 per cent in April this year, according to the official data released on Wednesday.

Meanwhile, Fertiliser production soared by 23.5 per cent, steel by 12.1 per cent and cement output by 11.6 per cent in April, the data showed.

How 8 core sectors' stack up

- Crude oil production down 3.5%
- Natural gas output down 2.8%
- Refinery products down 1.5%
- Cement production up 11.6%
- Steel production up 12.1%
- Fertilisers production up 23.5%
- Coal output went up 9%
- Electricity went up 2%

Publication : The Free Press Journal	Edition : Mumbai
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Gilts surge tracking fall in US yields, crude oil prices

INFORMIST / Mumbai

Prices of government bonds ended higher on Wednesday, tracking a fall in US Treasury yields and crude oil prices, dealers said. Traders stepped up purchases of shorter-tenure gilts on the back of improved liquidity in the banking system.

The 10-year benchmark 7.26%, 2033 bond ended at 101.88 rupees, or 6.99% yield, against 101.72 rupees, or 7.01% yield on Tuesday.

Prices moved within a narrow range after rising in early trade as traders lacked fresh cues in the domestic market. They also looked forward to data on India's GDP growth in Jan-Mar and 2022-23 (Apr-Mar). "Morning opened positive, but after that prices were range-bound as traders waited for fresh cues before going long," a dealer at a private bank said. "Any drastic change in the GDP data could cause gilt yields to move 3-4 basis points on either side of the current yield level."

India's GDP growth was expected to have risen to 5.1% in Jan-Mar from 4.4% the previous quarter, mainly due to buoyancy in services activity and an uptick in private consumption, according to a poll of 21 economists by Informist. Favourable GDP data is expected to affirm traders' bets of the pause in repo rate continuing. Moreover, domestic inflation is also expected to further fall in May from the previous month, making a case against monetary policy tightening in the forthcoming meetings.

Publication : The Free Press Journal	Edition : Mumbai
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Bank credit to industry decelerates in Apr to 7%: RBI

PTI / Mumbai

Growth of bank credit to industry decelerated to 7 per cent in April 2023 as compared to the corresponding month in the previous year, according to Reserve Bank data.

The Sectoral Deployment of Bank Credit - April 2023 of the RBI also said personal loans growth registered a growth of 19.4 per cent (y-o-y) in April 2023 as against 14.4 per cent a year ago, mainly driven by housing and vehicle loans.

Loan to agriculture and allied activities improved to 16.7 per cent (y-o-y) in April 2023 from 10.6 per cent a year ago.

"Credit to industry registered a growth of 7 per cent (y-o-y) in April 2023 as compared with 8 per cent in April 2022," it said.

Size-wise, credit to large industry rose by 5.3 per cent as compared with 1.3 per cent a year ago. Credit growth of medium industries was 19.1 per cent as against 53.7 per cent last year. Credit to micro and small industries registered a growth of 9.7 per cent in

April 2023 (29.8 per cent a year ago).

RBI further said among major industries, credit growth (y-o-y) to 'basic metal & metal products' and 'petroleum, coal products & nuclear fuels' accelerated in April 2023 as compared with the corresponding month of the previous year.

Credit growth to 'chemicals & chemical products', 'food processing', 'infrastructure' and 'textiles' decelerated.

Bank credit growth to the services sector accelerated to 21.6 per cent annually in April 2023 from 11.2 per cent a year ago, primarily due to the improved credit offtake to non-banking financial companies and trade.

Publication : The Free Press Journal	Edition : Mumbai
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Power Minister reviews progress of Subansiri Lower Hydroelectric project

The Union Power and New & Renewable Energy Minister RK Singh held a meeting in New Delhi to review the progress of Subansiri Lower Hydroelectric Project (2000 Mega Watts) located in Arunachal Pradesh / Assam being executed by NHPC Ltd. The Power Minister reviewed the construction progress, safety aspects related to the project and preparedness required to be undertaken in view of upcoming monsoon season.

Publication : Mint	Edition : Mumbai
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Firm refining prospects add to confidence on OMC outlook

Ujjval Jauhari
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NEW DELHI

Domestic oil marketing companies (OMCs) surprised positively with the refining performance posted during the January-March quarter. The Benchmark Singapore GRMs (Gross refining Margins) had improved to $8.2 a barrel from $6.3 a barrel during Q3 FY23.

The reported refining margins for oil marketing companies are expected to have got a further boost from rising contributions of lower priced Russian oil, said analysts. Indian Oil Corp. Ltd (IOCL), Bharat Petroleum Corp. Ltd (BPCL) and Hindustan Petroleum Corp. Ltd's (PCL) GRMs ranging at $14.1-20.6 a barrel was better than expectations.

The Benchmark GRMs, however, had dropped to $3.8 a barrel during the ongoing quarter (Q1), a significant decline from the average of $8.2 a barrel during Q4. The rising covid cases in China, global recession concerns had weighed and led to this decline, said analysts. The positive, nevertheless, is that the benchmark GRMs have started to rebound again.

Oil companies got a further boost from rising contributions of lower priced Russian oil. HT

Reuters Singapore refining margins increased 23% week-on-week to $5.1 a barrel in the week ended 21 May, from $4.2 a barrel in the previous week, suggested Nomura Research data. Analysts at Nomura attributed the rebound to an increase in spreads across products except for naphtha and LPG (liquified petroleum gas). Sharp decline in Singapore complex refining margin in Q1 of FY24 to $3.8 a barrel from $8.2 a barrel in Q4 FY23 was impacted by lower spreads across all products, except fuel-oil, Nomura analysts said.

The analysts have been expecting a rebound. Jefferies India analysts in a 22 May report had said recent weakness in refining margins seemed transitory as Russian diesel exports were unexpectedly elevated despite European Union ban. However, with signs of Chinese demand recovering, diesel inventories in US and Asia at multi-year lows and US gasoline demand expected to rise to peak summer driving season, refining margins should strengthen.

Although super-normal margins seen in Q4FY23 by OMCs may moderate, the refining margins will remain healthy and better than single digit averages seen earlier.

"We expect GRM of OMCs to sustain at a higher level on the back of Russian discounted oil share in crude basket inching up and the recent recovery in diesel/gasoline cracks while the global refining capacity addition delay will further support the GRMs" said Yogesh Patil, senior analyst at Dolat Capital.

Publication : Mint	Edition : Mumbai
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Oil sinks below $70 as physical market signals ample supplies

Bloomberg
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Oil fell below $70 as the physical market for crude signalled that supplies are more than adequate to meet the tepid demand.

West Texas Intermediate's June-July cash roll, which reflects crude supply balances at Cushing, Oklahoma, dropped to a discount of 30 cents a barrel, indicating lower demand for barrels being delivered in June than in July. Stockpiles at the delivery point for benchmark US crude futures rose 1.05 million barrels in the week ending May 26, according to traders, who cited data from Wood Mackenzie.

Crude prices have dropped about 13% this year. BLOOMBERG

The futures market also reflected ample supply in the short term as the front-month WTI spread deepened into contango, with shorter-dated contracts trading at a discount to longer-dated ones.

Crude prices have dropped about 13% this year amid China's lackluster recovery from its Covid Zero policy and concerns about aggressive monetary tightening in the US. All eyes will be on the OPEC+ coalition's next meeting on 4 June.

Last week, Russia said OPEC+ is unlikely to take any further measures at its meeting, undercutting Saudi Arabia's warning to oil short sellers to "watch out."

Despite Russia having previously pledged to reduce output, its crude oil flows to international markets show no substantive sign of the curbs.

Publication : Business Standard	Edition : Mumbai
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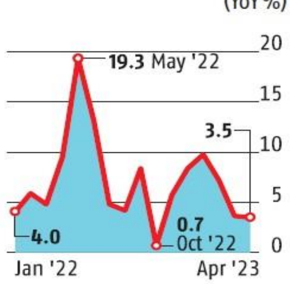
Core sector expands 3.5%, least in 6 mths

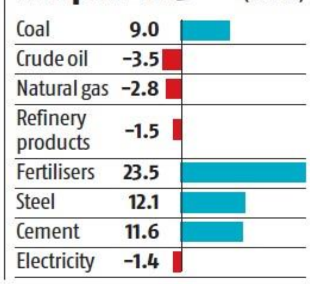
POOR SHOWING IN APRIL

Four of eight key infra industries report sequential deceleration

Core growth



Sectoral growth in April 2023*



*Provisional

Source: Ministry of Commerce and Industry

NIKESH SINGH
New Delhi, 31 May

Growth in eight infrastructure industries — the core sector — slowed to a six-month low at 3.5 per cent in April, with the production of natural gas and refinery products slipping for the first time in five months and crude oil output falling for the 11th consecutive month. Contraction in the electricity sector (-1.4 per cent) continued for the second month in April amid unseasonal rainfall.

Madan Sabnavis, chief economist, Bank of Baroda, said the contraction in the electricity output was due to a higher base. "But this is also reflective of a lower level of industrial activity which has brought down demand. Domestic demand would have varied due to extreme conditions witnessed in different parts of the country. Unseasonal rainfall lowered the need for cooling."

The data released by the industry department on Wednesday showed that the output of fertilisers witnessed the biggest jump — 23.5 per cent — in April; growth was also reported in the output of steel (12.1 per cent), cement (11.6 per cent), and coal (9 per cent). The growth rate of the index of eight core industries (ICI) during 2022-23 was 7.7 per cent (provisional), the ministry said in a release.

The index of eight core industries measures the output of key infrastructure sectors — coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity. These sectors have a 40 per cent weighting in the Index of Industrial Production (IIP).

Publication : The Economic Times	Edition : Mumbai
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Loans to Most Sectors Rise in Apr, Industry Demand Muted

Non-food credit up 16.1% led by services and retail demand

Our Bureau

Mumbai: Bank lending continued to rise in April as credit demand picked up across sectors barring industry.

Non-food credit rose 16.1% in April from 11.4% a year ago, according to the latest data on sectoral deployment of bank credit released by the Reserve Bank of India on Wednesday.

Credit growth to the services sector accelerated to 21.6% during the month from 11.2% a year ago primarily driven by higher lending to non-banking financial companies which rose 29% year-on-year and trade at 18%.

Retail loans rose 19.4% in April compared to 4.4% a year ago, mainly driven by 'housing loans' and 'vehicle loans', RBI said.

Credit to agriculture and allied activities improved to 16.7% year-on-year in April 2023 from 10.6% a year ago.

Loans to industry on the other hand slowed to 7% in during the month from 8% a year ago.

"Demand from corporates for working capital requirements could be lower this fiscal due to a fall in global commodity prices resulting in lower input costs," said Saugata Bhattacharya, chief economist at Axis Bank.

Size-wise, credit to large industries rose by 5.3% as compared with 1.3% a year ago. Credit growth of medium industries was 19.1% as against 53.7% in the year-ago period.

Credit to micro and small industries registered a growth of 9.7% during the month from 29.8% a year ago.

Among major industries, credit to basic metal and metal products, petroleum, coal products and nuclear fuels accelerated during the month, while deceleration was recorded in chemicals and chemical products, food processing, infrastructure and textiles.

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RIL Arm, Aramco Ventures, Others Invest €30 m in NexWafe

Kalpana.Pathak
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Mumbai: Germany-based silicon wafer manufacturer NexWafe GmbH (NexWafe) has raised €30 million (₹265 crore-plus) from a consortium of its current group of investors — Reliance New Energy, Aramco Ventures and Athos Venture GmbH — as well as new investors, including Malcolm Turnbull AC and Keshik Capital, led by Alex Turnbull.

The funds will be used to accelerate the construction of NexWafe's first commercial-scale facility in Bitterfeld, Germany to fabricate the company's green solar wafers, NexWafe said in a statement.

"This investment marks the start of NexWafe's plan to raise substantially larger funds in the second half of 2023," said Davor Sutija, CEO, NexWafe.

"The funds will be used to break ground on NexWafe's first commercial facility to speed the renewable energy transition with more efficient, lower cost, green solar wafers for the world's photovoltaic manufacturers."

Consortium of current investors, like Reliance New Energy, Aramco Ventures and Athos Venture, as well as new investors lead funding

In 2021, Reliance Industries, through its wholly-owned subsidiary Reliance New Energy, had invested $29 million as a strategic lead investor in NexWafe's Series C financing round.

Parallelly, NexWafe will work with Aramco Ventures on a future green solar wafer manufacturing facility in Saudi Arabia.

The collaborative agreement will include participation from the firm's $1.5 billion sustainability fund.

In a press statement, NexWafe said its unique, patented green solar wafer manufacturing solution simplifies polysilicon production and reduces energy use and production time. This results in drastically lowered production costs for n-type monocrystalline wafers used for the majority of high-performing solar modules.

The company's novel manufacturing method delivers wafers that are engineered to the needs of each customer and are already achieving parity with commercially available Czochralskiwafers. Providing an opportunity to optimise the performance of a chosen cell design enables solar cell makers to deliver higher efficiencies.

Publication : The Financial Express	Edition : All
Date : June 01, 2023	Page: 4

RECORD $2-BN BILL DUE IN 2024 SHOWS RISKS AHEAD

Vedanta Resources trims gross debt to $6.4 billion

Pays all its maturing loans and bonds due in May and June

RAJESH KURUP
Mumbai, May 31

LONDON-HEADQUARTERED VEDANTA RESOURCES (VRL), the parent company of Indian mining major Vedanta (VEDL), has paid all its maturing loans and bonds due in May and June, reducing its gross debt to $6.4 billion. This is a reduction of $3.3 billion since Vedanta announced its deleveraging ambition in March 2022, the company said in a stock exchange update.

However, a moment of reckoning is approaching for Vedanta Resources as the miner has $2 billion of bonds due in 2024 — a record annual bill for the company. Pricing data indicate investors have lingering concerns about repayments down the road.

"Vedanta is targeting further debt reduction during the balance of FY24, and ultimately intends to lower gross debt towards zero. This will be aided by our expectations of robust demand, particularly in India, coupled with strong operational performance from our world class asset base," it added.

VRL's gross debt has fallen to $6.4 billion from $6.8 billion as of April 2023, $7.8 billion as of March 2023 and $9.7 billion as of March 2022.

In a townhall with shareholders on Wednesday, Vedanta chairman Anil Agarwal said that he expects to make VRL a zero-debt company over the next "few years".

He also added that there were no plans to pledge further shares to its Glencore International AG. On Tuesday, VRL said it had pledged 4.4% of its overall holding in VEDL to its rival Glencore in lieu of a $250-million loan, under an agreement signed on May 25.

On acquisitions and opportunities such as NMDC Steel, Agarwal said he would look at it as and when it comes.

Talking on the reopening of Sterlite Copper, Agarwal said, "We will open the plant soon. It is just a question of one or two months and we all will be very proud of this".

Earlier in April, the Supreme Court granted permission to Vedanta to carry out maintenance work at its closed Sterlite plant in Tamil Nadu. The apex court took the decision based on the report of a high-powered committee formed by the Tamil Nadu government to inspect the structural and civil safety of the plant.

Talking about his vision for the next 10 years, Agarwal said his vision is to make it a "more than $1-trillion company". "We will be atmanirbhar, produce our own copper, produce oil & gas, I will be ambassador of India to the whole world. Please come to our country and invest, this is the largest democracy, there is so much of demand," he added.

ANIL AGARWAL,
chairman, Vedanta Resources

"No plans to pledge further shares to Glencore International.

"Expect to make VRL a zero-debt company over the next few years.

REDUCTION ROAD

($ billion)

- **3.3** Reduction in gross debt since March 2022
- **6.8** Gross debt as of April 2023
- **9.7** Total debt as of March 2022