## Anil Agarwal wants to model Vedanta on GE lines

The Patna-born mining mogul Anil Agarwal plans to convert his group Vedanta Resources Plc into a GE-like institution -- a board-run conglomerate run by best professionals -- as he does not see his children taking over the mantle from him.

Undeterred by the slump in commodity prices eroding his net worth by a few hundred million dollars, Agarwal, 63, is planning new investments across businesses -- from metals to oil and gas.

In an interview to PTI, he said commodities markets would recover next year after a spell of consolidation in 2016. "My children will not come (and take over from me). They are doing their own thing," he said at his recently done-up residence here.

Vedanta, he said, "will be an institution, something like GE. Fundamentally it has to be aggressive, low cost and innovative. And it should be able to attract the best of people".

General Electric Company (GE), incorporated on April 15, 1892, is a diversified infrastructure and financial services company, which is 57.5 per cent owned by institutions. It is a board-run company which hires best professionals to run it.

Agarwal, who rose from running a scrap-metal business to become one of the India's wealthiest tycoons with his business empire spanning across mining and petroleum, has two children -- a son based in Dubai about whom not much is known and a daughter, Priya, who is on board of some of his companies, including oil explorer Cairn India.

Forbes magazine estimates his wealth at $1.5 billion. He, in September 2014, had announced that he and his family will put 75 per cent of their wealth in a charitable trust. He dismissed concerns among some analysts that stress on Vedanta's balance sheet risked breaches of covenants with creditors if commodity prices did not recover.

"We have enough resources to service our debt. In fact, we keep reducing our debt every year" by using funds from free cash generation, he said.

Vedanta has long carried a heavy debt burden, a legacy of the growth of its copper, aluminium, iron ore and energy businesses as Agarwal tries to build India's first integrated global resources business on the lines of Rio Tinto of the US or BHP Billiton of Australia.

Agarwal is hopeful that commodity prices will be "settling down" in 2016 and will start to recover next year. Zinc will recover the fastest and aluminium will be the next, he added. His companies are India's biggest producers of zinc, copper and aluminum and have been battered by slumping commodity prices globally.

The group has cut costs and has reduced overall expenditure by 25-30 per cent without any significant job cuts, he said. "I am one person who does not believe in cutting jobs," he stressed. Cost cutting and operational efficiencies have brought in savings of Rs 8,000-9,000 crore annually, he let out.

Agarwal suggested that the government should aggressively allow mining of underground wealth -- from oil to uranium, gold, zinc and potash. "It pains me to see that India has huge prospects for all of these, but still we have to import. We just need to find them. The government should keep things simple. Let 15 more companies come and find resources, produce them and make profit. The government should only look at safeguarding revenue and environment," he said.

Agarwal made it clear that his group will continue to invest since time is now to create capacities as services and other costs were low. "We will spend over $2 billion in the next two years, mostly in oil and gas, if some government clearances that we expect come through," he said.

Known as the acquisition man who bought loss-making government firms like Balco and Hindustan Zinc and turned them around, Agarwal said his group is "open to acquisitions if any opportunity comes by though there is nothing specific in hand at the moment". Asked if he would play the white knight for Tata Steel's UK plants, he said, "I am not interested. Why? One can do better things with that kind of money."

Vedanta, in 2011, acquired Cairn India to gain access to the country's biggest on-shore oil field. The firm is now being merged with its parent and Agarwal hoped the merger to go through by May-end.

## Alcoa signs bauxite supply contracts worth more than $350 million


Alcoa, the world's largest bauxite miner, has announced that Alcoa World Alumina and Chemicals (AWAC) has secured multiple bauxite supply contracts valued at more than $350 million over the next two years. Under the contracts, the Company will supply bauxite to external customers from three of its global mines as it continues to successfully build its third-party bauxite business. The new contracts cover customers in China, Europe and Brazil.

"With our quality resources and deep technical expertise, we are well positioned to deliver a stable supply of bauxite to customers across the global alumina industry," said Garret Dixon, president of Alcoa Mining. "Our strategy is to profitably grow our third-party bauxite sales and these contracts demonstrate that we are well on track."

Alcoa is the world's largest bauxite miner, with 45.3 million bone dry metric tons of production in 2015. Alcoa has ownership in seven active bauxite mines globally, four of which are operated by the Company. These mines are strategically located near key Atlantic and Pacific markets, including the Huntly mine in Australia, the second largest bauxite mine in the world.

The AWAC group of companies is owned 60 percent by Alcoa and 40 percent by Alumina Limited of Australia.

As previously announced, Alcoa will separate into two, industry-leading publicly traded companies in the second half of 2016. The Upstream Company will comprise the five business units that today make up Global Primary Products: Bauxite, Alumina, Aluminum, Cast Products and Energy. The Value-Add company, to be named Arconic, will include the Global Rolled Products, Engineered Products and Solutions, and Transportation and Construction Solutions businesses.