

Volcan Investments, not Vedanta, to invest in semiconductor plant

Vedanta's ability to raise funds had been questioned by some

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Vedanta on Thursday clarified that the proposed business of manufacturing semiconductors is not under the listed entity Vedanta Ltd but will be undertaken by Volcan Investments Ltd, the holding company of Vedanta.

After signing an agreement with the Gujarat government for investing ₹1.54 lakh crore in a semi-conductor plant, the Anil Agarwal-led company in a statement had said Vedanta will hold 60 per cent stake in the joint venture company while Foxconn will own 40 per cent.

Following this, Vedanta shares listed on stock exchange rallied from ₹277 to ₹305 on Wednesday. Analysts had raised



Anil Agarwal,
Chairman, Vedanta Ltd

questions on debt-laden Vedanta's ability to raise such huge amount for investment in the semi-conductor plant.

On Thursday, Vedanta clarified that the proposed business of manufacturing semiconductors will be under Volcan Investments Ltd. Vedanta issued a clarification after market hours.

All the benefits accruing from the semi-conducted business, as expected, will benefit the promoters' holding company Volcan Investment and not the shareholders of Ved-

anta, said an analyst requesting anonymity. Meanwhile, the opposition parties in Maharashtra slammed the State Government for losing Vedanta investment to Gujarat.

'Committed to Maharashtra'

In a bid to calm down the political nerves, Anil Agarwal, Chairman of Vedanta Group, said Vedanta-Foxconn has been professionally assessing the site for the project. This is a scientific and financial process which takes several years and the company started this about two years ago, he said in Twitter.

Gujarat was decided a few months ago as it met the company's expectations.

"We will create a pan-India ecosystem and are fully committed to investing in Maharashtra as well. Maharashtra will be our key to forward integration in our Gujarat joint venture," said Agarwal.