Vedanta share price target raised by Investec; Citi highlights key reasons to buy

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Shares of Anil Agarwal-led Vedanta Ltd. were trading higher by up to 3% on Thursday, December 18, after the company received approval from the National Company Law Tribunal (NCLT) for its proposed demerger.

Brokerage firm Investec has a 'Buy' rating on Vedanta and has raised its price target to ₹635.

The brokerage said the NCLT approval clears the path for Vedanta to split into five listed companies, subject to receipt of other regulatory approvals. With distinct capital structures and a sharper focus on deleveraging, Investec believes the management has flexibility to explore opportunities to unlock value from select assets.

Investec has revised its LME assumptions to a 10% discount to spot prices, assumed a dollar rupee rate of 89, retained valuation multiples and raised EBITDA estimates by 1% to 9% over FY26 to FY28E.

Citi has also maintained a 'Buy' rating on Vedanta with a price target of ₹585 per share, implying a modest upside of 3% from Wednesday's closing price.

The brokerage said that while the NCLT has approved Vedanta's planned demerger, approvals for the Vedanta Power demerger are still pending, with the next hearing scheduled for January 7.

According to Citi, the next steps include asset and liability transfers, including mining leases, power purchase agreements and production sharing contracts for oil and gas, along with the furnishing of corporate guarantees. Vedanta is aiming to complete the demerger by March 2026.

Citi estimates that Vedanta's businesses are likely to trade at around 5x EV EBITDA on spot valuations and believes the demerger could help reduce the conglomerate discount.

The brokerage's positive stance is also driven by comfortable parent level leverage, potential upside in aluminium LME prices, volume growth, lower costs and the demerger-led value unlocking.

Speaking exclusively to CNBC-TV18 on Wednesday, Vedanta Chairman Anil Agarwal said the process should take three to four months following regulatory approvals. "Normally, it takes three to four months. We believe that by March 2026, it should be done," he said.

The NCLT approval enables Vedanta to split into five separate listed entities, including the already listed Vedanta Ltd.
This comes after concerns raised by the central government over recovery of dues and alleged non-disclosure of information were addressed during the tribunal process.

Vedanta's shares were trading 2.04% higher at ₹581.40. The stock has gained 31% so far in 2025.