

# **Vedanta shares hit 52-week high: Here's what Anil Agarwal said on demerger, dividend; check other key factors behind rally on Monday**

## **SUMMARY**

Vedanta shares rallied on Monday also as silver futures with March expiry hit a fresh lifetime high of ₹214,275 per kilogram, gaining more than 3%



Vedanta shares rallied 2.21% to hit a 52-week high of ₹594.50 apiece on Monday, December 22, as investor confidence was lifted by a series of positive developments.

At 10:15 AM, the stock was trading at ₹590 per share on the National Stock Exchange, rising 1.44%.

The stock has gained over 7.5% in the past five days and jumped 19% over the last month. It has rallied 31% in the past six months, while on a year-to-date basis, Vedanta shares are up nearly 33%.

The company has a market capitalisation of ₹2.3 lakh crore.

## **Here's what Anil Agarwal said on the demerger**

The demerger of Vedanta into separate listed entities is designed to sharpen focus, unlock value and keep cash returns flowing without interrupting its capital expenditure cycle, Vedanta Group chairman Anil Agarwal told PTI in an interview.

The National Company Law Tribunal (NCLT) last week had approved the plan to split Vedanta into five different listed entities. After the demerger, the base metals business will be housed in Vedanta Ltd, while Vedanta Aluminium, Talwandi Sabo Power, Vedanta Steel

and Iron and Malco Energy, housing the oil and gas business, will be the other four listed entities.

Agarwal said the demerger was chosen over asset sales or alternative restructuring to unlock the full growth potential of each business, including zinc, aluminium, oil and gas, power, and iron ore and steel amid strong and rising demand, particularly in India.

"Vedanta is like a big banyan tree. There is tremendous potential in each business, and each one of them has the potential to become a banyan tree by itself," he said. "I have a vision that each company will be as big as Vedanta in terms of revenue. Effectively, we are creating five more Vedantas, which will make shareholders the happiest."

Shareholders of Vedanta will get one equity share of every demerged entity for every one share they currently hold in the company.

Explaining the rationale for the demerger, he said that globally most large resource companies operate as pure-play entities, focused solely on zinc, silver, aluminium, iron ore, power generation, or oil and gas, and Vedanta's proposed restructuring is aligned with this global model.

"Each of Vedanta's businesses—zinc, silver, aluminium, oil and gas, power, iron ore and steel—has tremendous potential. Demand is almost doubling, particularly in India.

Demerger is the right thing to do to let each business grow on its own," Agarwal said.

On debt, he said the ₹48,000 crore debt will be allocated to the demerged entities based on their respective cash flows.

Each company will have an independent board and professional management, and promoters will hold around a 50% stake without involvement in day-to-day operations, Agarwal said, adding that aggressive capital expenditure and regular dividend payouts will continue post-demergers.

On the structure, he said all resulting companies will be pure-play businesses. Oil and gas will remain a standalone hydrocarbon company, and iron ore and power will be single-product entities, while metals businesses may explore further vertical opportunities over time.

## **Agarwal on dividend**

"Dividend is in my blood," Agarwal said, reaffirming commitment to shareholder payouts alongside pursuing the group's planned \$20 billion expansion across businesses even after the proposed demerger. "No matter what happens, there will always be a dividend payout by our companies," he added.

Vedanta remains one of India's top dividend-yielding large-cap stocks, with dividend income constituting a significant component of shareholder returns in the last few years.

Dividend payouts declared in the current 2025-26 fiscal year include a ₹7 per share first interim dividend (totalling ₹2,737 crore) and a ₹16 per share second interim dividend (totalling ₹6,256 crore).

Vedanta paid a cumulative ₹29.50 per share in FY 2023-24 through multiple interim dividends, and the total dividend payout in FY 2024-25 was around ₹46 per share.

Agarwal said the demerger is planned to be completed by March 2026. Outlining growth plans, he said Vedanta has laid out ambitious expansion plans across businesses.

It is investing a total of \$20 billion over the next 4-5 years—USD 4 billion each in oil and gas and aluminium, \$2 billion in zinc and silver, \$2.5 billion in power and the balance in iron ore, steel and other businesses.

### **Silver at record high**

Vedanta shares rallied on Monday also as silver futures with March expiry hit a fresh lifetime high of ₹214,275 per kilogram, gaining more than 3%. Silver futures with May and July expiry also hit fresh all-time highs of ₹2,17,291 per kg and ₹2,21,349 per kg, respectively.

This is the first time the three contracts have crossed the ₹2.10 lakh crore mark.

Further, spot silver rose to a record high of more than \$69 an ounce globally—marking the first time it has crossed the level.