Vedanta demerger done. Should investors buy or sell the stock now?

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Vedanta shares adjusted sharply post demerger, reflecting exclusion of four business units. While strong Q4 earnings and broker targets indicate upside, analysts remain divided. Some recommend waiting for price discovery, while others see value driven by zinc business strength and improved corporate structure post demerger.

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Vedanta demerger triggers price reset; analysts split on buy call.

Vedanta shares adjusted to the mining giant's much-awaited demerger today, appearing to have crashed over 63% in one single day as they trade excluding

the value of its four demerged units, with analysts commenting on whether investors should buy the shares now.

The Anil Agarwal-led conglomerate had set May 1 as the record date for the demerger, which coincides with a market holiday on account of Maharashtra Day. Hence, the stock adjusted to the demerger after a special pre-open session on April 30.

After closing at Rs 773.60 apiece on NSE on Wednesday, Vedanta shares opened at Rs 289.50 apiece today, adjusting to the demerger. The stock now trades excluding the value of Vedanta Aluminium, Vedanta Power, Vedanta Oil & Gas, and Vedanta Steel & Iron Ore units.

It is important to note that the shares of Vedanta have now turned ex-record date for the demerger. Hence, investors buying Vedanta shares now will not be eligible to automatically get shares in the four companies.

Should you buy, sell or hold Vedanta shares after demerger?

Along with the demerger, Vedanta shareholders are also looking at the company’s Q4 results, which came in yesterday. The metals major reported a 92% year-on-year (YoY) surge in consolidated net profit to Rs 6,698 crore for the January-March quarter of financial year 2026, as against Rs 3,483 crore in the year-ago period. Revenue from operations, meanwhile, increased 47% YoY to Rs 24,609 crore during the quarter under review.

Nuvama Institutional Equities said the firm’s Q4 consolidated adjusted EBITDA of Rs 18,450 crore was in line with estimates due to higher metals prices and lower CoP in zinc. "The company has judiciously allocated debt into different demerged entities,” it added.
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“Amid firm commodity prices and volume growth, all listed entities are likely to record 19-42% EBITDA CAGR over FY26-28E, except oil & gas. The company’s growth projects in aluminium, including bauxite and coal mines, though delayed, are likely to be completed in FY27E. The company has changed its capital allocation policy wherein Vedanta (the residual entity) may not pass on the entire dividend that it will receive from Hindustan Zinc,” the brokerage said.

Nuvama raised its FY27E/28E EBITDA by 12%/13% to factor in higher aluminium prices. It increased the target price for the entire group (pre-

demerger) to Rs 936 apiece from Rs 899 apiece.

For the demerged Vedanta, Nuvama has a target price of Rs 336 apiece, implying an upside potential of more than 16% from today's opening price of Rs 289.50 apiece on NSE after the special pre-open session.

Motilal Oswal Financial Services maintained its 'Neutral' rating for Vedanta shares, but increased its target price (pre-demerger) to Rs 800 apiece. The domestic brokerage said that the company's Q4 performance was largely as expected, supported by better volumes and favourable LME prices.

It noted that the company's management targets maintaining strong growth in earnings, driven by upcoming capacity supporting higher VAP products and a favourable pricing environment. The guided capex plans are progressing well and will likely lead to further cost savings, it further said. Vedanta remains firm on its deleveraging plans, and going forward, higher cash flows will support both its expansion plans and deleveraging efforts, Motilal highlighted, adding, "We largely maintain our FY27E/28E revenue and EBITDA, while increasing our PAT estimates by 20% for FY27/28."

Should new investors buy Vedanta shares or wait?

Post-demerger, Vedanta has become a more focused but also more concentrated entity, with value largely linked to Hindustan Zinc, base metals, semiconductors, display, stainless, and related businesses, said Harshal Dasani, Business Head at INVasset PMS. He believes that this may improve transparency, but investors must now value it differently from the earlier diversified structure.

Fresh investors should avoid buying only because the price appears lower, the analyst cautioned. "The opportunity will depend on debt allocation, listing valuations of the demerged entities, commodity cycles, dividend visibility, and capital allocation discipline. Existing shareholders may benefit from clearer separation, but new investors should wait for better price discovery before taking an aggressive call," he added.

Sunny Agrawal, Head of Fundamental Research at SBI Securities, meanwhile recommended investors buy shares of Vedanta post demerger, as the zinc business carries robust earnings potential underpinned by its industry-leading cost of production and increasing contribution of the silver segment. "We expect the fair value of Vedanta in the range of Rs 320 - Rs 330 in the medium

to long term," he said.

When will the demerged Vedanta companies list?

The dates when these four companies will list on stock exchanges BSE and NSE have not yet been disclosed. Nuvama Institutional Equities in its latest note said that the four companies are likely to be listed in June 2026. All eligible shareholders will get one share in each of the four new companies for every one share held in Vedanta on the record date.

Meanwhile, Nuvama also set target prices for the soon-to-be-listed demerged entities. “We value Vedanta (zinc and copper) at Rs 336/share, aluminium at Rs 477/share, oil & gas at Rs 47/share, steel & iron ore at Rs 30/share and power at Rs 47/share,” it said.

Vedanta’s demerger marks one of the biggest corporate restructurings in India’s metals and mining space, allowing shareholders to hold a direct stake in distinct sector-specific firms rather than a diversified conglomerate structure.

(Disclaimer: Recommendations, suggestions, views and opinions given by the experts are their own. These do not represent the views of The Economic Times)