

ONE-YEAR AVERAGE MARKET CAPITALISATION OF UNDIVIDED VEDANTA WAS ₹2.1 LAKH CRORE

# M-cap of Split Cos Rises 67% to 3.5 L-Cr

ET ANALYSIS

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**ET Intelligence Group:** Vedanta's demerger has resulted in a significant value unlocking for shareholders. On its listing debut, the combined market capitalisation of the parent and four newly listed entities jumped to ₹3.5 lakh crore. This is about 67% higher than the one-year average market capitalisation of ₹2.1 lakh crore for the undivided company.

The sharp jump indicates that investors are willing to pay a premium for pure-play exposure to sectors such as aluminium, power, zinc and iron ore, and oil and gas.

The demerger has resulted in the separation of Vedanta into five lis-

ted entities—Vedanta Aluminium, Vedanta Power, Vedanta Oil & Gas, Vedanta Iron & Steel, and a residual Vedanta, which retains zinc, copper and other base-metal businesses.

Vedanta Aluminium's price-to-sales multiple of around three is broadly in line with sector peers, suggesting much of its value may already be reflected in the stock. However, Vedanta Iron & Steel trades at 0.6 times sales, significantly below Tata Steel and JSW Steel, pointing to a persistent discount. Vedanta Oil & Gas occupies a middle ground, trading at 1.5 times sales compared with 0.5 for ONGC and 3.2 for Oil India.

A break-up of the combined market capitalisation shows that Vedanta's aluminium business is the dominant value driver, contributing nearly ₹2 lakh crore, or over half of the total valuation. This underscores the scale and earnings strength

## The Sum Gets Bigger

A snapshot of how Vedanta's breakup reshaped valuations

	Market Cap (₹ crore)	FY26 Sales (₹ crore)	Price/ Sales
Vedanta (Zinc, copper)	1,18,446	76,080	1.6
Vedanta Aluminium Metal	1,95,774	65,847	3.0
Vedanta Power	15,974	NA	NA
Vedanta Oil and Gas	14,488	9,582	1.5
Vedanta Iron and Steel	8,231	13,761	0.6

Source: Company, ETIG

of the aluminium segment.

The residual Vedanta entity accounts for about ₹1.2 lakh crore, translating into roughly one-third of the overall valuation.

The higher contribution from aluminium suggests that investor interest remains concentrated in large, cash-generating core busines-

ses, while smaller verticals are yet to see meaningful rerating.

On Monday, Vedanta's shares closed at ₹302.6, down 2% while Vedanta Aluminium Metal fell 5% to ₹500.7. Vedanta Power slipped 1% to ₹41, while Vedanta Oil & Gas declined 5% to ₹37.1. Vedanta Iron & Steel also dropped 5% to close at ₹21.1.