Vedanta to hive off realty arm; Q1 profit rises 72%

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Mumbai, July 30

METAL MAKEOVER

- Portfolio includes ~2,200 acres, 55,000 sq ft assets
- Shareholders to get 1 VPPL share for every 20 Vedanta shares
- Assets spread across Maharashtra, Goa, Gujarat, TN, Karnataka

ANIL AGARWAL,
CHAIRMAN, VEDANTA

We plan to demerge the surplus real estate assets into an independent 'pure-play' company to unlock significant value for the stakeholders

VEDANTA ON THURSDAY approved the demerger of its surplus real estate assets into a separate company, Vedanta Property Platforms (VPPL), as the mining and metals major reported a 72% jump in consolidated net profit for the first quarter of FY27 on the back of higher metal prices, stronger sales and a weaker rupee.

Consolidated net profit rose 71.8% year-on-year to ₹5,473 crore for the quarter ended June, from ₹3,185 crore a year earlier. Revenue from operations surged 53.6% to ₹24,205 crore from ₹15,754 crore, while expenses increased to ₹17,558 crore from ₹13,203 crore, the company said in a regulatory filing.

The board also approved the draft scheme of arrangement to transfer the company's real estate undertaking to VPPL on a going-concern basis, saying the move would unlock value from non-core assets.

The portfolio proposed to be demerged comprises about 2,200 acres of industrial land and around 55,000 sq ft of residential and commercial properties. Under the proposed vertical split, Vedanta shareholders will receive one share of VPPL for every 20 shares held in Vedanta.

An investor presentation pegged the portfolio at 22 assets across the country, comprising about 2,264 acres of land parcels spread across 14 sites and 53,185 sq ft of residential and office space across eight units.

The assets are located across Maharashtra, Goa, Tamil Nadu, Gujarat and Karnataka, and include land parcels, flats, buildings and bungalows.

Vedanta said the properties had been accumulated over the years through various acquisitions and are currently housed within its operating businesses. These include strategically located non-core land parcels, built-up assets and investments in other real estate-owning entities.

The company said the portfolio could be developed into industrial and manufacturing parks, food processing and agro-industrial parks, logistics and warehousing parks, data centres and digital infrastructure, IT and ITES parks, business campuses and other group ventures. VPPL may also explore schemes of arrangement with other Vedanta group companies to acquire their real estate undertakings and evaluate acquiring real estate rights from group firms Meenakshi Energy and Incab Industries.

"This is yet another exciting announcement from Vedanta. After the recent success of the five-way demerger creating 'pure-play' entities across oil and gas, aluminium, power, and steel, we plan to demerge the surplus real estate assets into an independent 'pure-play' company to unlock significant value for the stakeholders," chairman Anil Agarwal said.