THE ECONOMIC TIMES | Markets
English Edition ▾ | 31 July, 2026, 02:42 PM IST | **Today's ePaper**

Vedanta announces demerger of real estate business into new listed company

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Synopsis
Vedanta's board has approved a demerger of its real estate business. This will create a new pure-play real estate company called Vedanta Property Platforms. Shareholders will receive one new share for every twenty held in Vedanta. The company plans to list equity shares of VPPL on stock exchanges. This move aims to unlock value from surplus land and built-up assets.

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Vedanta's board has approved a demerger of its real estate business. This will create a new pure-play real estate company named Vedanta Property Platforms.

Vedanta said its board has approved the demerger of its real estate business into Vedanta Property Platforms Ltd, a new pure-play real estate company, as the mining and metals major looks to unlock value from surplus land and built-up assets across India. The demerger will be done through a scheme of arrangement between Vedanta and Vedanta Property Platforms or VPPL, subject to statutory and regulatory approvals.

The company said it will apply to BSE and NSE for no-objection letters in due course. Under the proposed vertical split, Vedanta shareholders will receive one fully paid-up equity share of VPPL for every 20 fully paid-up equity shares held in Vedanta. No cash consideration will be paid. VPPL's equity shares are proposed to be listed on BSE and NSE.

The demerged real estate undertaking had turnover, including other operating income, of Rs 1.26 crore for FY26, representing 0.001% of Vedanta's standalone turnover for the year ended March 31, 2026.

2,200 acres to move into VPPL

Vedanta said the surplus real estate portfolio to be demerged comprises about 2,200 acres of industrial land and around 55,000 sq ft of residential and commercial properties. The investor presentation pegs the portfolio at 22 assets across India, including about 2,264 acres of land and 53,185 sq ft of residential and office space.

The assets are spread across Maharashtra, Goa, Tamil Nadu, Gujarat and Karnataka. The portfolio includes land parcels, flats, buildings and bungalows.

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

The company said the real estate portfolio has seen limited focused utilisation so far, leading to lower visibility and sub-optimal value realisation. The separate platform is expected to give the business dedicated management, better disclosures and a clearer valuation framework.

A new pure-play real estate platform

Vedanta said VPPL will become a focused real estate platform with the ability to develop, lease, manage and monetise land, buildings and other immovable properties. The business may include residential, commercial, retail, industrial, hospitality, mixed-use and infrastructure-related developments.

The company said VPPL could also support leasing operations, township development, industrial development and infrastructure services. It may also develop special economic zones, industrial estates, logistics parks, commercial and residential complexes, sports infrastructure and social infrastructure.

The investor presentation said the portfolio could be used for 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 group ventures.

Vedanta also said VPPL may explore additional schemes of arrangement with other Vedanta group companies to acquire their real estate undertakings. It may also evaluate potential acquisition of real estate rights from Meenakshi Energy Ltd. and Incab Industries Ltd., both Vedanta group companies, subject to approvals and commercial discussions.

These potential transactions are not conditions for the current demerger.

Vedanta said the scheme will not result in any additional or special benefit to the promoter group or group companies. Shares of VPPL will be issued to Vedanta shareholders on a proportionate basis.

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