Vedanta to demerge surplus real estate into Vedanta Property Platforms

Our Bureau
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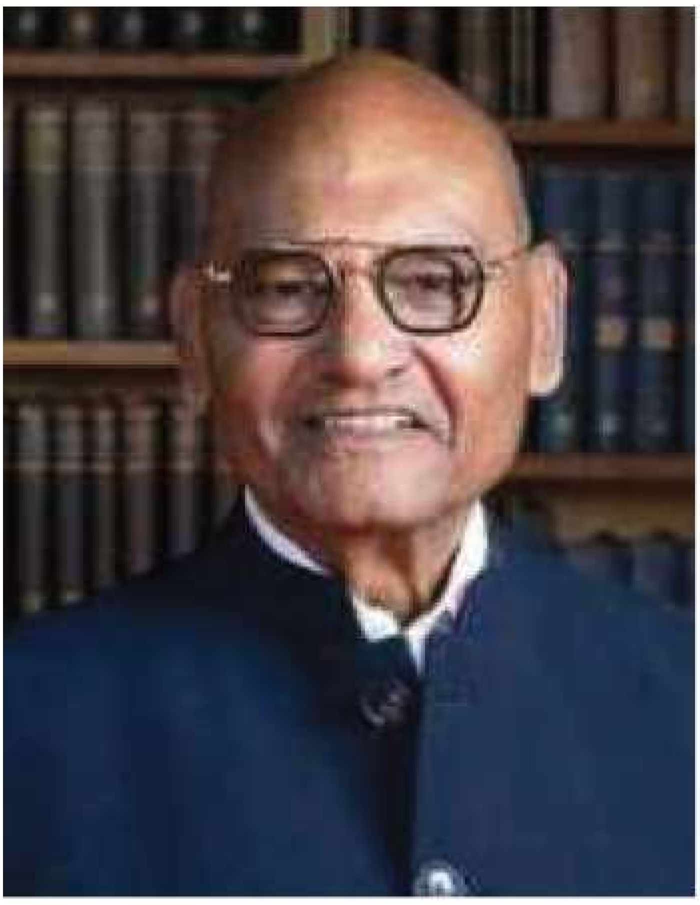
After splitting its assets into five and listing them separately, Anil Agarwal-led Vedanta plans to spin off its surplus real estate assets in prime locations across India into a separate company, Vedanta Property Platforms, to unlock value.

The demerger is planned as a vertical split, wherein for every 20 shares held in Vedanta, shareholders will get one share of VPPL.



Anil Agarwal, Chairman, Vedanta Group

The surplus real estate portfolio to be demerged comprises 2,200 acres of industrial land and 55,000 sq ft of residential/commercial properties across Maharashtra, Gujarat, Goa, Karnataka and Tamil Nadu.

The surplus land has the potential to create a ₹30,000 crore opportunity in the future, said the company.

SHAREHOLDING DETAIL

Post the split, the promoter company, Vedanta, will hold 54.72 per cent in the real estate company, while public shareholders will own the remaining.

VPPL would issue 3.52 crore and 1.5 crore equity shares each to Group companies Meenakshi and Incab for transferring their surplus land, 25 flats and offices. The demerger will be executed through the approval of a scheme of arrangement by the National Company Law Tribunal, Mumbai. With the board approving the proposal, filing with other regulators is expected in August.

Anil Agarwal, Chairman, Vedanta Group, said following the recent success of the five-way demerger creating "pure-play" entities across oil and gas, aluminium, power and steel, the Group plans to demerge the surplus real estate assets into an independent "pure-play" company to unlock significant value for stakeholders.