NCLT approves Vedanta's split into five new entities

Our Bureau
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Anil Agarwal-led Vedanta received NCLT approval to demerge its business into five different entities and list them on the stock exchanges.

The company has received all regulatory clearances and will move forward to implement its plan to form Vedanta Aluminium, Vedanta Oil & Gas, Vedanta Power, Vedanta Iron and Steel and Vedanta Ltd (holding Hindustan Zinc and other new age business such as semiconductor/display/glass businesses).

The NCLT on Tuesday approved the demerger scheme. The company has proposed to split the business by March.

A Vedanta spokesperson said the NCLT approval marks a key milestone in Vedanta's transformation into focused, sector-leading companies with clear strategic mandates and dedicated capital structures. The company will now proceed with the necessary steps to implement the scheme, he added.

THE FIVE FIRMS

Regulatory nod for Vedanta Aluminium, Vedanta Oil & Gas, Vedanta Power, Vedanta Iron and Steel & Vedanta Ltd

All the four new verticals will be listed independently on the NSE and BSE. Existing shareholders will receive one share in each of the new entities for every share held in Vedanta, maintaining a 1:1 ratio.

Global rating agencies Moody's and S&P Global recently upgraded the credit outlook of Vedanta's parent Vedanta Resources' to 'positive'.

CREDIT METRICS

Moody's noted significant improvement in the Vedanta's credit metrics, particularly EBIT/interest coverage, owing to liability management and debt refinancing initiatives that have extended maturities and reduced funding costs to below 10 per cent in FY'26 from 13 per cent in the previous year.

The global rating agency believes Vedanta's earnings remain anchored in its zinc, aluminium and oil and gas operations, with aluminium profitability set to benefit from increased captive alumina production and enhanced bauxite integration.