

Quote by Aarti Harbhajanka, Co-Founder & Managing Director, Primus Partners

Published in Business Standard

January 11, 2026 | 09:01 PM IST

India's realty moves to the core of conglomerates' business strategy

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India's leading conglomerates are stepping up investments in real estate, recasting what was once a peripheral activity into a core growth driver. Supported by strong balance sheets, established brands and access to long-term capital, major business houses including Aditya Birla, Tata, Godrej, L&T, Raymond, Wadia, Shapoorji Pallonji, Mahindra and Adani are positioning realty as a strategic pillar within their diversified portfolios.

Many conglomerates have strategically built real estate platforms, initially monetising large land banks and later expanding through acquisitions and joint development agreements. The push comes at a time when the sector is consolidating following regulatory reforms.

Larsen & Toubro has recently begun consolidating its real estate businesses under L&T Realty Properties, a move analysts say could pave the way for a potential listing. JM Financial estimates L&T Realty could post sales of about ₹8,500 crore and EBITDA of roughly ₹4,700 crore by FY30, valuing the business at around ₹58,000 crore.

Announcing the consolidation, L&T Chairman and Managing Director S N Subrahmanyam said the integration sets the foundation for L&T Realty to emerge as one of India's most admired real estate brands over the next five years. The strategy focuses on expansion across major metros, premium positioning, disciplined land acquisition and institutional rigour.

K T Jithendran, MD and CEO of Birla Estates, said the Aditya Birla group is consciously building a portfolio of direct-to-consumer businesses, with real estate among the most promising. "There's a strong focus within the conglomerate to build this business on a very large scale. But scale alone is not

enough — reputation matters equally. We want to be one of the most reputed real estate companies in India,” he said.

In March 2025, Aditya Birla Real Estate approved the divestment of its pulp and paper business, Century Pulp and Paper, to ITC for about ₹3,498 crore. The transaction was positioned as a value-unlocking exercise aimed at sharpening the group’s focus on its core real estate business and funding future growth.

Adani Realty, which operates independently of the Adani group, is also expanding rapidly, anchored by marquee projects such as the Dharavi redevelopment, estimated at around ₹95,790 crore, and the Motilal Nagar redevelopment valued at about ₹36,000 crore. According to the 2025 GrOhe–Hurun India Real Estate 150 list, Adani Realty is India’s most valuable unlisted real estate company at roughly ₹52,400 crore, with ambitions to become the country’s most valuable developer within five years.

In July 2025, the Raymond group demerged and listed its real estate arm to unlock value and attract new investors and strategic partners. The Wadia group-backed Bombay Realty is also re-entering the market with a ₹25,000 crore township project in Mumbai’s Dadar, with real estate expected to be a core focus area for the group.

The Mahindra group has similarly designated Mahindra Life space Developers as a core “Growth Gem”, tasking it with delivering scale and profitability. Amit Kumar Sinha, managing director and CEO of Mahindra Life space, said the company aims to become a top-tier real estate platform in its priority markets, aligned with the group’s emphasis on governance, capital efficiency and long-term value creation.

The renewed push by large business houses has been catalysed by regulatory reforms, particularly the implementation of the Real Estate (Regulation and Development) Act, which has formalised the sector and increased entry barriers. Aarti Harbhajanka, cofounder and managing director of Primus Partners, said “the post-Rera cleanup has encouraged organised players to engage more seriously with the sector. “Seven years ago, the top 20 developers accounted for 15 per cent of new launches. That share has risen to around 36 per cent,” she said.

Industry executives say conglomerates are no longer entering real estate merely to monetise idle land, but as a strategic diversification aligned with urbanisation, infrastructure expansion and long-term capital deployment. Anuj Puri, chairman of the Anarock group, said large business houses bring cross-sector capabilities, brand strength and access to capital, enabling them to undertake large, integrated developments. Their presence, he said, is improving transparency, execution certainty and buyer confidence.

Conglomerate-backed developers are increasingly differentiating themselves through scale and format. Rather than standalone residential projects, many are focusing on large townships and mixed-use developments anchored by infrastructure such as metro corridors, ports or logistics hubs. “They are effectively building mini-cities,” Puri said.

From a financial perspective, real estate offers attractive margins and scalability. Vijay Agrawal, managing director and infrastructure sector lead at Equirus Capital, said a ₹10,000-20,000 crore annual revenue business is easier to scale in real estate than in manufacturing, with margins of 25-30 per cent.

He added that the growing presence of conglomerates has improved governance standards and reduced the share of unorganised developers.

Traditional developers, however, retain advantages in execution experience and local market knowledge. “Homebuyers still value long track records of delivery,” Puri said, suggesting the two models are likely to coexist and, at times, collaborate. Looking ahead, Arvind Nandan, managing director of research and consulting at Savills India, expects conglomerates to deepen their presence in segments such as logistics, data centres, industrial parks and senior housing, while increasingly using platforms such as real estate investment trusts to recycle capital and fund growth.

Growth plan

Groups like Aditya Birla, Tata, and Mahindra are making real estate a core B2C growth business

Top 20 developers’ share of new launches has jumped from 15% to 36% in seven years

Firms are using real estate as a long-term capital allocator, building large mixed-use projects