



**NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH – COURT - V**

**C.A./ 230 (MB) / 2025
IN
C.A. (CAA) / 171 (MB) / 2024**

Under Rule 11 of NCLT Rules, 2016.

In the matter of the Companies Act, 2013

AND

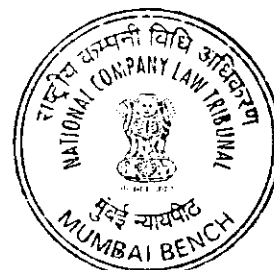
In the matter of Section 230 to Section 232
and other applicable provisions of the
Companies Act, 2013 and rules framed
thereunder.

AND

In the matter of Scheme of Arrangement
between Vedanta Limited (**Demerged
Company**) and Vedanta Aluminum Metal
Limited (**Resulting Company 1/VAL**) and
Talwandi Sabo Power Limited (**Resulting
Company 2/TSPL**) and Malco Energy
Limited (**Resulting Company 3/MEL**) and
Vedanta Base Metals Limited (**Resulting
Company 4/VBML**) and Vedanta Iron and
Steel Limited (**Resulting Company
5/VISL**) and their respective shareholders
and creditors ("**Scheme**")

IN THE MATTER OF:

**GOVERNMENT OF INDIA,
THROUGH THE MINISTRY OF
PETROLEUM AND NATURAL GAS,**





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represented by the Directorate General of Hydrocarbons, Plot No. 2, Tower A, OADB Bhawan, Sector 73, Noida, Uttar Pradesh 201301.

...Applicant

IN THE MATTER BETWEEN:

VEDANTA LIMITED

A Company incorporated under the provisions of the Companies Act, 1956, having its registered office at 1st floor, C Wing, Unit 103, Corporate Avenue Atul Projects, Chakala Andheri (East) Mumbai 400093.

CIN: L13209MH1965PLC29394

...Demerged Company

VEDANTA ALUMINIUM METAL LIMITED

A Company incorporated under the provisions of the Companies Act, 1956, having its registered office at C- 103, Atul Projects, Corporate Avenue New Link Chakala MIDC, Mumbai — 400093

CIN: U24202MH2023PLC4116633

...Resulting Company 1

TALWANDI SABO POWER LIMITED

A Company incorporated under the provisions of the Companies Act, 1956, having its registered office at C- 103, Atul Projects, Corporate Avenue New Link Chakala MIDC, Mumbai 400093





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CIN: U40101MH2007PLC433557

...Resulting Company 2

MALCO ENERGY LIMITED

A Company incorporated under the provisions of the Companies Act, 1956, having its registered office at C- 103, Atul Projects, Corporate Avenue New Link Chakala MIDC, Mumbai — 400093

CIN: U31300MH2001PLC428719

...Resulting Company 3

VEDANTA BASE METALS LIMITED

A Company incorporated under the provisions of the Companies Act, 1956, having its registered office at C- 103, Atul Projects, Corporate Avenue New Link Chakala MIDC, Mumbai — 400093

CIN: U43121MH2023PLC411696

...Resulting Company 4

VEDANTA IRON AND STEEL LIMITED

A Company incorporated under the provisions of the Companies Act, 1956, having its registered office at C- 103, Atul Projects, Corporate Avenue New Link Chakala MIDC, Mumbai — 400093

CIN: U24109MH2023PLC411777

...Resulting Company 5

Order Pronounced On: 16.12.2025

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Coram:

Shri Nilesh Sharma, Hon'ble Member (Judicial)

Shri Charanjeet Singh Gulati, Hon'ble Member (Technical)

Appearances:

For the Petitioner: Sr. Adv. Ravi Kadam, Adv. Hemant Sethi, Adv. Mehul Shah, Adv. Rohan Batra, Adv. Dhruv Sethi, Adv. Yuga Kane, Adv. Rishabh Bhargava, Adv. Tanaya Sethi (PH)

For the SEBI: Adv. Mohammed Lokhandwala a/w Adv Abhishek Nair i/b Mansukhlal Hiralal & Co (VC)

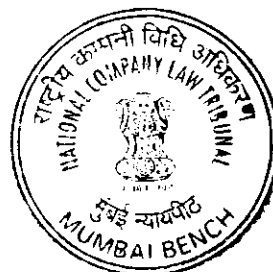
For the Government of India, MOPNG/DGH: Sr. Adv. ASG, Brijender Chahar, Adv. Rimali Batra, Adv. Abhikesh Lalwani, Adv. Sagar Arora (PH) in CA/230/2025 C.P.(CAA)/79(MB)2025 C.A.(CAA)/171(MB)2024

For the Respondent: Mr. Altap Shaikh ICLS, AD (VC)

ORDER

C.A./ 230 (MB) / 2025: -

1. The present Application has been filed by the Applicant, Government of India, through the Ministry of Petroleum and Natural Gas, ("GOI"/ "Applicant") under Section 230 (5) of the Companies Act, 2013, seeking following reliefs:
 - a) Direct the Demerged Company to provide an item-wise break-up and details of the amount stated in Annexure U;
 - b) Direct the Demerged Company to provide an item-wise disclosure of all demands raised by the Government of India (MoPNG) and/or DGH, which remain outstanding and not honoured by the Demerged Company;
 - c) Direct the Demerged Company to make clear and unambiguous disclosures of short paid GoI share of PP claimed by the Government





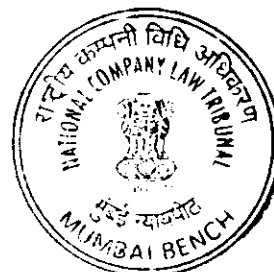
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of India and/or MoPNG with complete details of all outstanding liabilities in this regard;

- d) Direct the Demerged Company to identify clearly and disclose the validity of period of each Block listed in the Scheme, specifically identifying blocked sites and expired licenses;
- e) Direct the Demerged Company to provide the structural relationship (in terms Parent & subsidiary relationship) of MALCO Energy Ltd and Cairn Energy Hydrocarbon Ltd who is an indirect subsidiary of Vedanta Ltd (Demerged company) post Demerger scheme. Such inputs are inevitable for further compliance of the relevant Articles of the PSCs/RSCs wherever the Demerged Company having its stake as an Operator;
- f) Direct the Demerged Company to make clear on the submission of parent company financial and performance guarantee as per respective provisions of contract entered with GOI;
- g) Allow MoPNG to make a detailed representation, within 4 weeks after receiving the details sought in (a) to (f);
- h) Any other relief that furthers the relief/request made in Para (a) to (g).

2. Brief facts as per the Application:

- 2.1 This Tribunal vide Order dated 21.11.2024 directed Vedanta Ltd./the Demerged Company and the Resulting Companies 1,3,4 and 5, i.e., VAL, MEL, BBML, and VISL, to serve a copy of the Scheme along with a Notice to file representation with respect to the Scheme, upon various entities, including any sectoral regulator, pursuant to Section 230(5) of the Companies Act, 2013, and Rule 8 of the Companies (Compromises Arrangements and Amalgamations) Rules, 2016. Accordingly, a Joint Notice was received by GOI on 17.01.2025, requesting GOI/Applicant,



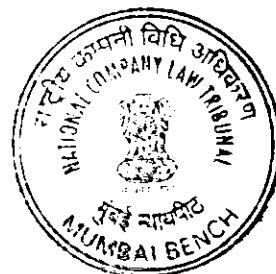


to file its representations, if any, with the Tribunal, with respect to the Scheme, within 30 days.

- 2.2 Accordingly, the instant Preliminary Representation was filed on behalf of MoPNG in furtherance of the said Joint Notice, along with seeking liberty to make a detailed representation.

3. **Submissions of the Applicant:-**

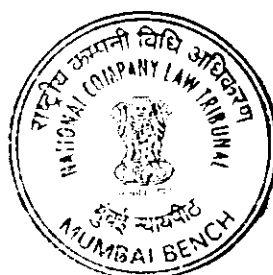
- 3.1 It is submitted that the Scheme, under Part I (Clause 1.1), inter alia provides for the 'Demerger of the Oil and Gas Undertaking' of the Demerged Company i.e., VEDL, to the Resulting Company 3 i.e., MEL. MEL is a company incorporated under the Companies Act, 1956 and is a wholly owned subsidiary of VEDL and is engaged in the business of inter alia processing ferrous and non-ferrous metals and mining, refining and preparing of market ores, minerals, metals and substances of every kind and description and processing them. The instant Preliminary Representation is limited to the Demerger of VEDL into MEL i.e. Resulting Company 3.
- 3.2 As per Part I of the Scheme, 'Oil and Gas Undertaking' is defined as the undertaking of the Demerged Company pertaining to the Oil and Gas Business as on Appointed Date and includes (without limitation) all immovable properties, all documents of title, rights and easement in relation thereto; all assets as are movable in nature pertaining to the Oil and Gas Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal, all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Oil and Gas Business etc.
- 3.3 It is submitted that Clause 18.1 of the scheme states that the Oil and Gas Undertaking, with all its assets, Permits, contracts, liabilities, loan, duties and obligations shall be transferred to and vested in the





Resulting Company 3, i.e., MEL, on a going concern basis, so as to become, as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 3.

- 3.4 The MoPNG has submitted that the VEDL has made incomplete disclosures at Annexure I to the Scheme which lists the existing production sharing contracts (PSC) and revenue sharing contracts (RSC) of the Demerged Company. The asset(s) of the Oil and Gas business, have been reflected to include approximately 62 blocks that are presently with VEDL however without disclosing and/or informing the details concerning their validity and existence and their status of operations and such non- disclosure impacts the overall assessment of the actual asset base of VEDL which is being demerged into Resulting Company 3. It is submitted that non-disclosure of the blocks that have been relinquished or proposed for relinquishment by the Demerged Company impacts interest of Government of India and any assessment based on the same will be a distorted assessment of the financial health and repayment capacity of the Resulting Company 3.
- 3.5 Further, it is submitted that as per Clause 18.2, upon effectiveness of the Scheme, all Oil and Gas Undertaking Liabilities as on Appointed Date shall become the liabilities of the Resulting Company 3 to the extent, they are outstanding as on Appointed Date. The Scheme under clause 20 states that the Resulting Company 3 has undertaken to have all legal and other proceedings initiated by or against the Demerged Company transferred to its name as soon as practicable after the Effective Date and have the same continued, prosecuted and enforced by or against the Resulting Company 3 to the exclusion of the Demerged Company on priority. It was submitted that without complete disclosure of the details of the liabilities and their specifics, no such liability must be transferred from the Demerged Company to the Resulting Company.
- 3.6 It is submitted that, no specific disclosure or mention has been made in respect of short paid GoI share of Profit Petroleum (PP) on account of



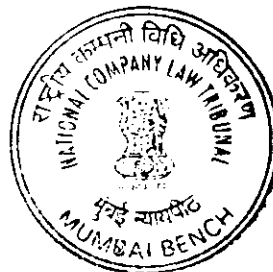


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alleged adjustment of "Special Additional Excise Duty" (SAED) liability of the Demerged Company which as of today remains outstanding. In this regard, MoPNG has referred to the letters dated 08.04.2024, 29.08.2023, 22.02.2023, 28.09.2022 to demonstrate the said outstanding liabilities of the Demerged Company that have not been completely disclosed.

- 3.7 It is further contended that, no disclosure has been made in respect of the demands raised by MOPNG/DGH (acting on behalf of MOPNG) to the Demerged Company, for default in making payment of GOI PP, short paid royalty & other dues. A summarized provisional principal dues from Demerged Company (excluding interest which is applicable as per respective contract and PNG rules) is annexed as Annexure 4.
- 3.8 Furthermore, the disclosure made at Annexure U of the Scheme, which provides the details of on-going adjudication and recovery proceedings, only identifies a litigation arising from an existing production sharing contract of the Demerged Company, namely the RJ-ON-90/1 PSC. Under Section B (Material Commercial Disputes), at s. no. (ii), the dispute namely Vedanta Limited & Cairn Energy Hydrocarbon Limited v. Union of India [PCA Case No. 2020-39] and -OMP (Comm) 125/2024, ARB A. (Comm) 31/2024], has been listed. The following description has been provided in respect of the same:

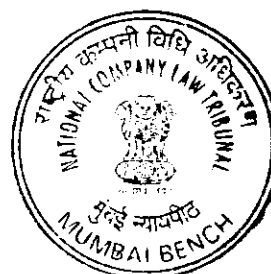
"The Government of India ("GoI") entered into a production sharing contract ("PSC") with Oil and Natural Gas Corporation and Shell India Production Development ("SIPD") lot, inter alia, carrying out exploration, discovery, developmental and production of petroleum resources on the Rajasthan block RJ-ON90/1 and subsequently, our Company acquired SIPD's interest in the PSC. The GoI demanded payment from our Company on the basis of the audit carried out by the GoI in terms of the PSC ("Audit Exceptions"). Our Company invoked arbitration proceedings against the GoI regarding, inter alia, recovery of exploration, developmental and production costs. Further, our





Company challenged the demand of payment of dues arising out of Audit Exceptions. The GoI filed a counter claim demanding, inter alia, 8596.80 crores on the basis of its Audit Exceptions. Pursuant to its order, the arbitral tribunal ("Tribunal") decided in our Company's favour on substantial issues and inter alia dismissed the GoI's counterclaim to enforce the Audit Exceptions. The Tribunal passed a final partial award regarding the interpretation of the PSC and observed, inter alia, that the audit exceptions pertaining to the allocation of development costs, production costs, exploration costs are unenforceable and provided that if the parties could not agree on precise figures for the quantum of costs, then the Tribunal would provide appropriate directions ("Final Partial Award"). Subsequently the GoI applied before the Tribunal for injunctive relief under section 17 of the Arbitration and Conciliation Act, 1996 (Arbitration Act) against unilateral deductions. The Tribunal held, inter alia, that unilateral deduction do not amount to unilaterally settling quantum and the accounts at issue did not violate the Final Partial Award, therefore the requests made by the GoI for restraining our Company from Implementing the Final Partial Award would not meet the threshold for harm to the GoI required for injunctive relief ("Impugned Order). Aggrieved by the Impugned Order, the GoI filed an appeal before the Delhi High Court under Section 37 of the Arbitration Act. Separately, GoI also filed an application before the Delhi High Court under Section 34 of the Arbitration Act seeking the setting aside of the Final Partial Award. The matter is currently pending."

- 3.9 In this regard, it is submitted that the disclosure of the said litigations is without specifying the existing monetary liabilities of the Demerged Company and the details of the total amount of claim outstanding does not include the demands already raised by the Government of India. It is also submitted that, a mere mention of the claim amount raised in the Arbitration/litigation is not a reflection of the actual amounts payable by the Demerged Company and it is detrimental to the financial





interest of the Government of India and all other creditors and stakeholders.

3.10 Furthermore, it is contended that there is no other description of any other pending liabilities concerning MoPNG in Annexure - U, and hence, the Demerged Company has left out its statutory, regulatory, contractual and legal obligation on different heads.

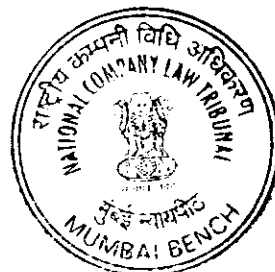
3.11 Hence, it is submitted that the instant Representation be considered before any further steps are taken under the Companies Act for approval of the Scheme.

4. **Affidavit in Reply on behalf of the First Petitioner Company:-**

4.1 It is contended by the VEDL that MoPNG Representation was filed on February 20, 2025, i.e., beyond the prescribed period of 30 days under Section 230(5) of the Act from the receipt of the Joint Notice.

4.2 With regard to MoPNG representation that VEDL has made incomplete and improper disclosures of the oil and gas blocks under annexure 1 to the scheme, it is submitted that the said contention of the MoPNG is incorrect and disclosures have been made by VEDL in relation to the blocks referred to in annexure 1 of the MoPNG Representation.

4.3 It is submitted that in relation to the KG Block (KG-OSN-200913), the contention of the MoPNG is not correct. The independent auditor's certificate dated January 2, 2025 issued by SBH & Co. and annexed as annexure V to the notices for convening meetings of shareholders and creditors of VEDL dated January 17, 2025 discloses that VEDL had applied to MoPNG for surrendering the KG Block and is in the process of surrendering the KG Block to the Government and since the KG Block has not yet been relinquished, it was included in Annexure - I to the Scheme for completeness.





4.4 Further, it is submitted that all of the Relinquished Blocks (PR-OSN-2004/1, GV-ONN-2002/1, GV-ONN-2003/1, MB-DWN-2009/1) (as mentioned in annexure – I) were surrendered by VEDL prior to filing of the Scheme with the Stock Exchanges on October 19, 2023. Surrender of the PR-OSN-2004/1 and MB-DWN-2009/1 by VEDL and subsequent management committee resolutions dated August 8, 2017 and March 21, 2017 ratifying the surrender are annexed with the scheme. It is submitted that since these blocks were already relinquished, there was no reason to include these in the assets of the Oil and Gas Undertaking in the Scheme.

4.5 It is further submitted that post the approval of the Scheme by the board of directors of VEDL on September 29, 2023, VEDL has initiated steps for termination/made applications for relinquishment of the following blocks:-

- i. AA/ONDSF/TUKBAI/2021
- ii. AA/ONDSF/PATHARIA/2021
- iii. GK/OSDSF/GK 1/2021
- iv. VN/ONDSF/NOHTA/2021
- v. CY-OSHP/ 2017/1
- vi. CY-OSHP/ 2017/2
- vii. MB/OSDSF/BH68/2021 and
- viii. MB/OSDSF/B 174/2021

Given the fact that, the termination / relinquishment of the aforesaid blocks was initiated only after the approval of the Scheme by Board of VEDL, the reference to these blocks is mentioned under Annexure I of the Scheme.

4.6 With regard to demands raised by MoPNG pertaining to pending liabilities of VEDL, it is submitted that as per section 230(2)(a) of the Companies Act and Rule 6(3)(viii) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, VEDL was only required



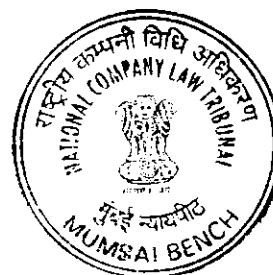


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to disclose proceedings pending against it under the Act in the notices of meeting issued to its shareholders and creditors. Further, in terms of observation letters sent by the Stock Exchanges, VEDL was directed to disclose to this Tribunal and its shareholders details of "*ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against VEDL, its promoters and directors*", while seeking approval on the Scheme.

- 4.7 It is submitted that, as there is no "proceeding" as such against VEDL, the demands referred to by MoPNG are not required to be disclosed in terms of the Act, CAA Rules, and Observation Letters, and, VEDL by way of *annexure JJ* to the Company Application disclosed details of pending litigations (as at May 31, 2024) before the Tribunal and by way of *annexure U* to the Notices disclosed details of pending litigations (as at October 31, 2024) to its shareholders and creditors.
- 4.8 It is submitted that disclosure of certain demands is of no avail, because, the Scheme mentions that all existing and future assets, liabilities, rights and obligations of the Oil and Gas Undertaking will be transferred as a going concern.
- 4.9 Given below is the response of the VEDL to the MoPNG Representation with respect to the specific blocks as listed in annexure 1 of the MoPNG Representation:

Block	Alleged "Pending Liability" as per annexure 1 of MoPNG Representation	VEDL's Reply
KG offshore KG-OSN- 2009/3	USD 11,724,000 and applicable interest	As stated in annexure 1 of the MoPNG Representation, it is MoPNG's submission that the





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		<p>demand (which pertains to cost of unfinished MWP) is being examined by DGH and the demand will be raised once finalized. Therefore, the alleged liability remains unsubstantiated, uncrystallized, and in respect of which no demand has been raised / proceedings have been initiated.</p> <p>Thus, there is no requirement for specific disclosure of such potential demand on account of an uncrystallised claim made against VEDL in the Scheme, or in the Notices in terms of the Act, CAA and Observation Letters issued by the Stock Exchanges.</p>
Cauvery offshore - PR-OSN-2004/1	<p>Interest on delayed payment of 'PEL fee' paid on 3rd Year and 4th Year.</p> <p>11th year PEL fee: Differential Amount INR 3,06,50,400, and applicable interest.</p>	<p>There are no proceedings by MoPNG in respect of demands raised by MoPNG/DGH in relation to the PEL fee (which demand stands denied by letter dated December 13, 2021, addressed to DGH by VEDL. The letter dated December 13 2021, is annexed to this affidavit as Annexure E.</p> <p>Thus, such a claim / demand is not required to be disclosed.</p>



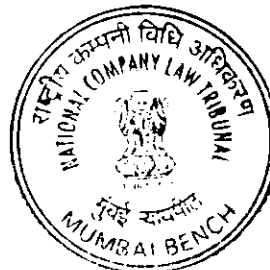


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Ganga Basin - GV- ONN- 2002/1	Cost of unfinished minimum work program – USD 2,744,678 and applicable interest.	VEDL had denied the purported claim raised by DGH by way of a letter dated September 22, 2021. The letter dated September 22, 2021 is annexed to this affidavit as Annexure F. The said demand and alleged liability, if any, is not crystallized and in respect of which there are no proceedings by MoPNG. Thus, such a claim / demand is not required to be disclosed.
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4.10 It is further submitted that non-disclosure of the alleged demands raised by MoPNG will not have any material bearing on the interests of the GOI/ MoPNG, or any existing creditor of MEL or of the Oil and Gas Undertaking of VEDL, because, in the net worth certificate issued by SBH & Co. dated January 2, 2025, the net worth of MEL is projected to increase from a negative INR 178 crores to a positive INR 13,507 crores, upon demerger.

4.11 With regard to the MoPNG Representation that no specific disclosure or mention has been made in respect of short paid GoI share of profit petroleum on account of adjustment of Special Additional Excise Duty ("SAED"), it is submitted that the VEDL has disclosed the treatment of liability on account of such adjustment of SAED under Note 22 of the Notes to Accounts to the consolidated and audited financial statements for the financial year ending March 31, 2024. Further it is submitted that the VEDL has denied the demand for alleged short paid GOI share by way of letter dated February 4, 2025, and, as on date, DGH has not



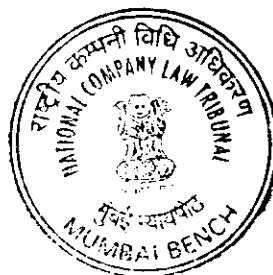


addressed the assertions made by VEDL for adjustment of the impact of SAED liability against the petroleum profit payable to MoPNG in the letter and there is no further action or proceeding by MoPNG/GOI under the relevant production sharing contracts, challenging the adjustment of SAED against the GOI's share of profit petroleum and hence no such disclosure is required.

4.12 The VEDL has made following submissions in respect of demands mentioned in relation to the specific blocks:

i. RJ Block

Against MoPNG's Representation that VEDL has not correctly specified the quantum of the liability involved in *Vedanta Limited & Cairn Energy Hydrocarbon Limited v. Union of India* [PCA Case No. 2020-39] and OMP (Comm) 125/2024, ARB A. (Comm) 31/2024], VEDL has submitted that there is an arbitral award dated August 22, 2023, in respect of the RJ Block Dispute in favour of VEDL. Thereafter, the GOI filed an appeal being ARB A.(Comm)/31/2024 against the said order dated April 29, 2024 before the Delhi High Court and separately, filed an application being OMP (Comm)/125/2024 before Delhi High Court for setting aside the Arbitral Award, which matter is currently pending before Delhi High Court. It is submitted that no stay has been granted on such Arbitral Award by any court or judicial body, and the Arbitral Award is still valid and at present there is no obligation on VEDL to pay any amount to MoPNG in respect of the RJ Block Dispute. Furthermore, VEDL has disclosed the amount of the counter claim as filed by MoPNG in the RJ Block Dispute in annexure JJ to the captioned Company Application and annexure U of the Notices. Additionally, financial treatment on account of the Arbitral Award in the RJ Block Dispute and the demands raised by MoPNG, have been considered under Note 5 under Notes to Accounts to the Company's Financial Statements for the period ended June 30,





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2024 and under Note 36 (a) under Notes to Accounts to the Company's Financial Statements.

Given below are the responses by VEDL in terms of the specific letters of claim attached at annexure 3 of the MoPNG Representation in respect of the RJ Block:

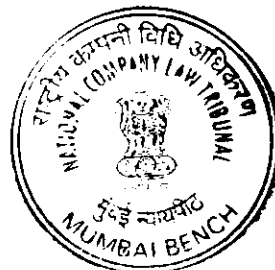
#	Demands Raised by MoPNG	VEDL's Submissions
1.	Letter dated September 06 2022 issued by DGH to the First Petitioner Company claiming for a demand amounting to USD 1162 Million.	<p>The demands raised under this letter pertain to the RJ Block Dispute, which has been subsequently decided by way of the Arbitral Award as set out above, which was issued after this letter.</p> <p>It is reiterated that the amounts involved in the RJ Block Dispute have been adequately disclosed by VEDL in the manner mentioned in above and hence, no separate disclosure is required for the demands in this letter.</p>
2.	Letters dated September 20, 2024 and December 19, 2024 issued by DGH to VEDL, in relation to the computations in terms of the Arbitral Award	The demands raised by DGH in this letter also pertain to the RJ Block Dispute, and have been made by MoPNG after the Arbitral Award was issued in favour of VEDL, alleging claims in respect of the amounts belonging to VEDL as per the Arbitral Award.





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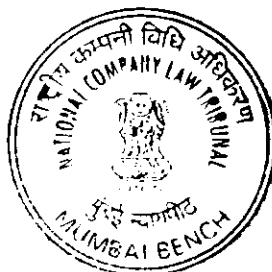
	under JU Block Dispute.	<p>Since the Arbitral Award is currently in force, the demands raised under this letter have been denied by VEDL in its letter dated December 31, 2024. As on date, these demands remain uncrystallised. The letter dated December 31, 2024 is annexed to this affidavit as Annexure I.</p> <p>It must also be noted that the alleged liabilities of VEDL that form part of this letter have been adequately considered by VEDL under Note 5 of the Notes to Accounts to the consolidated unaudited financial results (limited reviewed) of VEDL for the quarter ending June 30, 2024, as annexed to this affidavit as Annexure J.</p> <p>In view of the foregoing it is reiterated that the RJ Block Dispute has been comprehensively disclosed by VEDL.</p> <p>Hence, the asserting that such demands post implementation of the Award have not been disclosed by VEDL is not correct.</p>
3.	Short Paid PP for Q2 (FY 2023-2024) and Q1	The said demands pertain to the RJ Block. Please refer to the responses





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	(FY 2024-2025) for an amount of USD 377 Million as stated by MoPNG in #1(b) of annexure 4 of the MoPNG Representation	in #2 above in respect of disclosures in the financial statements of VEDL.
4.	Short Paid PP on account of recovery of USD 87.2 Million in relation to the ABH Field in FY 2023-2024 as stated by MoPNG in #1(d) of annexure 4 of the MoPNG Representation	The said demands pertain to the RJ Block. Please refer to the responses in #2 above in respect of disclosures in the financial statements of VEDL.
5.	Short Paid PP on account of ongoing RJ Block Dispute for Q2 and Q3 of FY 2024-2025 for an amount of USD 191 Million as stated by MoPNG in #1(e) of annexure 4 of the MoPNG Representation.	The said demands pertain to the RJ Block. Please refer to the responses in #2 above in respect of disclosures in the financial statements of VEDL.
6.	Short Paid PP on account of SAED amounting to USD 102 Million as stated by MoPNG in #1(c) of	The said demands pertain to the RJ Block. Please refer to the responses in Section C (paragraphs 26 to 30) of this affidavit in relation to responses pertaining to adjustment





C.A./ 230 (MB) / 2025
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C.A. (CAA) / 171 (MB) / 2024

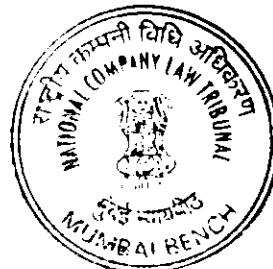
annexure 4 of the MoPNG Representation	of SAED against the Short Paid petroleum profit.
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It is further submitted that the alleged claim amounts in the annexure 3 of the MoPNG Representation pertain to VEDL and Cairn Energy Hydrocarbons Limited (CEHL) collectively. At present, CEHL holds 35% of the participating interest in RJ Block, and VEDL also holds 35%. CEHL is a wholly owned subsidiary of Cairn India Holdings Limited (CIHL), which in turn is a wholly owned subsidiary of VEDL. As VEDL's shareholding in CIHL also forms a part of the assets of the Oil and Gas Undertaking, the shares of CIHL will also be transferred to MEL as part of, and through the operation of the Scheme. Thereafter, CIHL will become a wholly owned subsidiary of MEL, and CEHL will continue to remain a wholly owned subsidiary of CIHL. CEHL's participating interest in the RJ Block and associated rights and liabilities will not undergo any changes and it will continue to hold 35% of the participating interest in the RJ Block.

ii. Ravva Block

In relation to letters in respect of the Ravva Block attached as annexure 3 of the MoPNG Representation, it is submitted that the demands raised by MoPNG and DGH have been denied by VEDL in its communication to the MoPNG and DGH dated March 29, 2022 and November 18, 2024, respectively. As no further action was taken by MoPNG in respect of these alleged liabilities, there are no pending proceedings that are required to be specifically disclosed in terms of the Observation Letters.

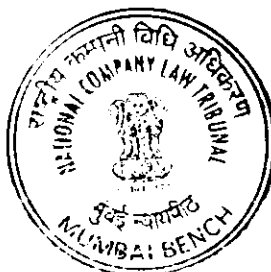
Given below are the responses by VEDL in terms of the specific letters of claim attached at annexure 3 of the MoPNG Representation in respect of the Ravva Block.





C.A./ 230 (MB) / 2025
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C.A. (CAA) / 171 (MB) / 2024

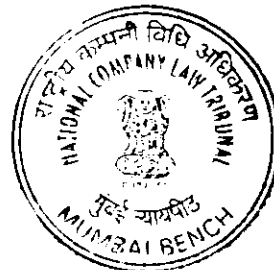
#	Demands Raised by MoPNG	VEDL's Submissions
1.	Letter dated September 23, 2024 issued by DGH to VEDL in relation to short paid royalty up to FY 2023-2024 for the Ravva Block.	<p>By way of the letter dated November 18, 2024 addressed to DOH, VEDL has denied the demands raised in this letter. VEDL has not received any further communication addressing its contentions in relation to the said demands. The letter dated November 18, 2024 is annexed to this affidavit as Annexure L.</p> <p>Further, while the Ravva Block is operated by VEDL as the operator (22.5%), participating interest in the Ravva Block is also held by Videocon (25%), Raava Oil Singapore (12.5%) and ONGC (40%). Any alleged liability on account of outstanding short paid royalty is to be borne by all the joint venture partners on a several basis based on their respective participating interests and alleged pending payments. It is pertinent to note that at present, given royalties already paid by VEDL and amounts pending on the part of Videocon, out of the total alleged pending payments of - INR 455 Crores raised by DGH, VEDL's share of such alleged amounts would be only INR - 29 Crores.</p>





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		Having said the above, the demands set out in the letter are not crystallized, any alleged liability in this regard is subject to final determination. Thus, such a claim/demand is not required to be disclosed under the Notices or in the Scheme, in terms of the Act, CAA Rules and Observation Letters issued by the Stock Exchanges.
2.	Short Paid PP on account of SAED adjustment up to Q4 of FY 2024-2025 amounting to USD 4 Million as stated by MoPNG in #3(a) of annexure 4 of the MoPNG Representation.	VEDL humbly requests the Tribunal to refer to the Section C (paragraphs 26 to 30) of this affidavit in relation to responses pertaining to adjustment of SAED against the Short Paid petroleum profit.
3.	VIL Cash Call Adjustments amounting to USD 97 Million as stated by MoPNG in #3(b) of annexure 4 of the MoPNG Representation	VEDL has denied the said demand on account of the aforesaid adjustment, by way of letter dated March 31 2021. However, VEDL has considered the said amount in relation to profit petroleum under Note 22 of the Notes to Accounts to the Company's Financial Statements at page 454 and cash call receivable from Videocon has been adequately disclosed under Note 10 of the Note to Accounts to the





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		Company's Financial Statements at page 437
4.	Post Well Head Cost ("PWHC") as stated by MoPNG in #3(c) of annexure annexure 4 of the MoPNG Representation	<p>It is pertinent to note that out of the total alleged PWHC cost of USD 3 Million, VEDL's share based on its participating interest (i.e., 22.5%) in the Ravva Block would be - USD 0.7 Million.</p> <p>Additionally, the said demand has been denied by VEDL by way of the letter November 18, 2024 in light of the notification dated August 20, 2007, issued by the MoPNG, amending the Schedule to the Oilfields (Regulation and Development) Act, 1948, attached as Annexure M. The letter dated November 18, 2024 is annexed to this affidavit as Annexure L</p> <p>Accordingly, the said demand and alleged liability, if any, is not crystallised and is subject to final determination. Further no proceedings have been initiated by MoPNG in relation to such demand. Thus, such a claim/demand is not required to be disclosed under the Notices or in the Scheme in terms of the Act. Rules and Observation Letters issued by the Stock Exchanges.</p>

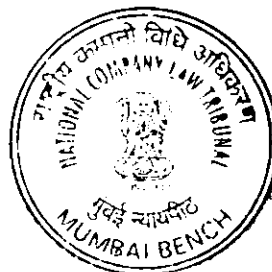




iii. CB Block

It is submitted that the VEDL has made requisite disclosures pertaining to all adjudication or recovery proceedings/prosecutions/enforcement actions. Given below are the specific responses to the assertions made in the MoPNG Representation in respect of the CB Block.

#	Demands Raised by MoPNG	VEDL's Submissions
1.	Letter dated September 23 2024 issued by DGH to VEDL in relation to payment or royalty for the CB/OS-2 Block.	<p>In terms of the CB Block PSC, ONGC is the licensee of the CB Block.</p> <p>Accordingly, the licensee i.e., ONGC, is liable for payment of royalty dues for the CB Block and not VEDL.</p> <p>Therefore, the demands have been wrongly raised against VEDL and are not applicable in the present case, as clarified by VEDL way of the letter dated October 23, 2024 addressed to DGH, which is annexed to this affidavit as Annexure N.</p>
2.	Short Paid PP on account of SAED adjustment till Q4 of 2024-25 on account of SAED Adjustment amounting to USD 10.15 Million as	VEDL humbly requests the Hon'ble Tribunal to refer to the Section C (paragraphs 26 to 30) of this affidavit in relation to response pertaining to adjustment of SAED against the Short Paid Petroleum profit.





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C.A. (CAA) / 171 (MB) / 2024

	stated by MoPNG in #2(a) of annexure 4 of the MoPNG Representation.	
3.	Excess Drilling Cost amounting to USD 5 Million as stated by MoPNG in #2(b) of annexure 4 of the MoPNG Representation.	<p>VEDL has denied the demands in relation to excess drilling costs by way of an email dated June 5, 2023. A copy of the email dated June 5, 2023 is annexed as Annexure O.</p> <p>It is pertinent to note that VEDL has adjusted such demands against the Short-Paid petroleum profit payable to GOI. VEDL has adequately considered all such adjustments in the Company's Financial Statements under Note 22 to the Notes to Accounts.</p>
4.	Royalty dues amounting to USD 1.4 Million as stated by MoPNG in #2(c) of annexure 4 of the MoPNG Representation	<p>VEDL submits that out of the total alleged royalty dues of USD 1.4 Million, VEDL's share of the alleged liability based on its participating interest (i.e. 40%) in the CB Block would not exceed USD 0.7 Million</p> <p>Further, it is submitted that by way of letter dated October 23, 2024, VEDL has denied such claim of MoPNG for the royalty dues and as of date, VEDL has not received any further communication addressing the contentions of VEDL in relation to the</p>





		<p>said demand. A copy of the letter dated October 23, 2024 is annexed to this affidavit as Annexure N.</p> <p>Accordingly, the said demand and alleged liability, if any, is not crystallised and is subject to final determination. Further, there are no proceedings by MoPNG in relation to such demand. Thus, such a claim/demand is not required to be disclosed under the Notices or in the Scheme in terms of the Act, Rules and Observation Letters issued by the Stock Exchanges.</p>
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- 4.13 It is reiterated that VEDL has duly disclosed all relevant information, and the demands raised by the MoPNG have either been denied by VEDL or appropriately addressed in its financial statements and the Notices. Furthermore, these demands have not crystallised, and under the applicable accounting standards, VEDL is not required to recognise such demands as liabilities in its accounts.
- 4.14 It is submitted that the Scheme is not prejudicial to the interest of the MoPNG as the approval of the present company petition shall not deter MoPNG from raising demands or continuing the existing demands/proceedings against the Resulting Company 3 post the demerger.
- 4.15 Further, it is submitted that demands as raised by MoPNG are subject matter of the contracts entered into between the MoPNG and VEDL. Accordingly, any dispute arising out of such contracts should be



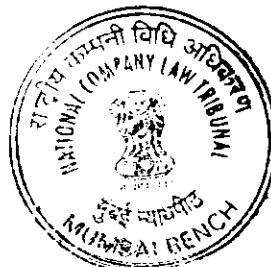


adjudicated by the appropriate dispute resolution forums as prescribed under such contracts and not by this Tribunal.

- 4.16 In view of the above submissions, the Petitioner Company has prayed that the proposed demerger of the Oil and Gas Undertaking into Resulting Company 3 be approved and the Scheme of Arrangement be sanctioned by this Tribunal.

5. **Preliminary Rejoinder on behalf of the MoPNG (29.05.2025):-**

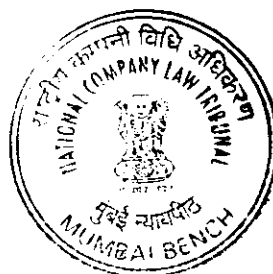
- 5.1 It is submitted that in terms of Article 297 of the Constitution of India and under the Petroleum and Natural Gas Rules, 1959, all land, minerals and other things of value underlying the ocean within the territorial waters, or the continental shelf, or the exclusive economic zone, of India, vests in the Union and shall be held for the purposes of the Union. The First Petitioner Company/Demerged Company has made incorrect and misleading disclosures before this Tribunal by submitting that "*Vedanta's oil and gas business segment has a diversified asset base with 62 blocks in India*". It is submitted that Petitioner Company/Demerged Company, is only granted a participating interest or limited contractual right to explore, develop, and produce petroleum resources, strictly in accordance with the terms of the PSC or the RSC and holds no ownership interests. Therefore, by failing to disclose this fact and the time-bound, conditional nature of the licence or contract requiring the performance of specific obligations, and by making incorrect and misleading disclosures regarding its asset base, the First Petitioner Company/Demerged Company has violated Section 230(2) of the Companies Act, 2013. Further, it is submitted that validity of the CB/OS-2 Block expired on 29.06.2023, which has not been disclosed by the First Petitioner Company/Demerged Company and/or Resulting Company 3.
- 5.2 The MoPNG submits that VEDL's non-disclosure of details regarding certain oil and gas blocks in the Scheme of Arrangement on the ground





that they were “under the process of relinquishment” is materially deficient. Even if relinquishment has only been initiated, the fact, timing, and basis of such relinquishment are material as they affect the value, asset composition, and financial health of the Oil and Gas Undertaking, the Demerged Company, and Resulting Company 3 post-demerger. Once relinquishment is initiated, the block ceases to be a viable or revenue-generating asset and must be either excluded from the asset base or clearly disclosed with its status. Failure to do so misrepresents the assets of the undertaking, distorts assessment of financial health and repayment capacity, and risks misleading the GoI and creditors, who may rely on overstated asset information when approving or extending credit under the Scheme.

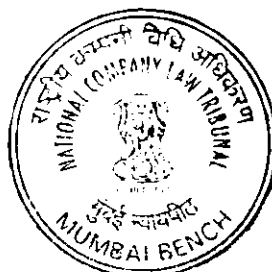
- 5.3 It is reiterated that without complete disclosure of the details of the liabilities and their specifics, no liability be transferred from the First Petitioner Company/Demerged Company to the Resulting Company 3.
- 5.4 It is submitted that the issuance of a demand or claim notice constitutes the commencement of a legal proceeding, especially where such claims arise under a statutory/contractual framework and are enforceable through contract or regulatory intervention and First Petitioner Company’s non-disclosure on the ground that the claims/demands are “uncrystallized” or not the subject of proceedings/investigations as required under Section 230(2) of the Companies Act, 2013 is erroneous.
- 5.5 With respect to the Ravva Block it is stated that in MCR 60 of WP&B RE 22-23 and MCR 61 of WP&B BE 23-24 (Annexure I), the First Petitioner Company/Demerged Company was instructed and directed to desist from unilateral adjustment of GoI PP forthwith and deposit the GoI PP along with applicable interest immediately. Thus, the First Petitioner Company/Demerged Company’s submission that no further action was taken by MoPNG and that there are no pending proceedings, is incorrect. Further, the First Petitioner Company/Demerged Company’s share of liability is USD 3 Million on account of PWHC





deduction (Provisionally-Principal amount excluding penal royalty) out of total PWHC amount payable. Thus, the submission that the First Petitioner Company/Demerged Company's share is 22.5% of USD 3 Million i.e. USD 0.70 Million is incorrect.

- 5.6 It is submitted that the First Petitioner Company/Demerged Company, in the Scheme of Arrangement, has merely listed the dispute viz. *Vedanta Limited & Cairn Energy Hydrocarbon Limited v. Union of India* [PCA Case No. 2020-39] and [OMP (Comm) 125/2024, ARB A. (Comm) 31/2024], with a brief description inter alia stating the subject matter of the dispute, the amount of GoI Counter Claim, and a brief history/stage of the proceedings, without disclosing the outstanding amounts payable to GoI, in terms of the Final Partial Award and the demand letters issued by GoI on short payment of GoI PP. Under the Final Partial Award, certain issues were decided in favour of GoI, which are pending final quantification, and which will have a financial bearing on the recoveries. It is contended that the RJ Block Dispute proceedings have been disclosed in summary fashion by the First Petitioner Company/Demerged Company, and the financial impact has been obfuscated. It is submitted that complete identification of GoI's claims is essential so that, in the event the matter is decided against the First Petitioner Company/Demerged Company and in favour of GoI, the resulting financial benefit or liability reversal can be appropriately understood and accounted for.
- 5.7 With respect to the SAED liability, it is submitted that following the letter dated 04.02.2025 received from the First Petitioner Company/Demerged Company, MoPNG has issued further letter(s) summarizing the financial default made by the First Petitioner Company/Demerged Company, with respect to the illegal SAED adjustments. Thus, there is an existing dispute concerning this issue between the First Petitioner Company/Demerged Company and GoI, for which proceedings have been initiated by GoI, by way of demand letters.





It is further contended that that there is no mention of SAED adjustment made against GOI share of PP in Note 22 of the Notes to Accounts to the consolidated and audited financial statements for the financial year ending March 31, 2024. Further, liability towards GOI share PP as mentioned in Note 22 of the Note to account also does not provide details of the block wise GOI share of PP payable. It is contended that, it is not sufficient to disclose the treatment of the liability on account of adjustment of SAED in the financial statements, without making appropriate disclosures in the Scheme of Arrangement itself.

- 5.8 With regard to the CB Block and against the contention of the First Petitioner Company that the ONGC is liable for payment of royalty dues for the CB Block, it is submitted that Pursuant to GoI Notification dated 14.08.2018 read with approval granted by MoPNG vide communication dated 31.03.2023, the contractor parties become Joint Licensee. Thus, the First Petitioner Company/Demerged Company is a joint licensee with ONGC and accordingly the obligation to pay royalty is not ONGC's responsibility alone but that of the contractor parties, as a contracting unit and joint license. The said disclosure of pending liability towards royalty dues, has not been made in the Scheme of Arrangement. In respect of the excess drilling cost and subsequent adjustment in the financial statement under Note 22, it is submitted that Excess Drilling Cost pertains to the First Petitioner Company's share of short payment of PP arising due to disallowance related to: a) Drilling expenditure of FY 2021-22, b) drilling and geo-statistical inversion study of FY 2022-23 and c) NCCD, Cess, and S.H.E Cess on cumulative basis as on the Financial Year 2021-22. The disallowances with respect to the drilling and geo-statistical inversion study were communicated by DGH to the First Petitioner Company/Demerged Company vide e-mail dated 01.12.2023. It is contended that against the total royalty dues in the block, the First Petitioner Company/Demerged Company's share is USD 1.4 million upto 31.03.2024. The First Petitioner Company/Demerged company has not provided or disclosed any





calculations/details as to how they have arrived at figure of USD 0.7 million against total royalty dues of USD 1.4 million against the First Petitioner Company/Demerged Company.

- 5.9 In view of the above, the relief are sought form this Tribunal to direct the First Petitioner Company to make necessary disclosures, withhold sanction of the Scheme of Arrangement until such disclosure and Reject the Scheme of Arrangement with respect to the Oil and Gas Undertaking in case of non-submission of the disclosures.

6. **Affidavit in reply by Vedanta/surrejoinder (20.06.2025):-**

- 6.1 It is submitted that the VEDL has never asserted "ownership" over oil and Gas Blocks and correct disclosure of "operatorship" and "participating interests" held by VEDL in each Oil and Gas Blocks has been made in annexure I of the Scheme.
- 6.2 With regard to the expiry of the CB Block validity on June 29, 2023, it is submitted that the MoPNG vide its letter dated July 27, 2024, allowed VEDL to continue its operation until September 29, 2024. Further, it is contended that when the Scheme was approved by the Board of Directors of VEDL on September 29, 2023, the petroleum operations in the CB Block were ongoing on this date on account of ad hoc extension provided by the MoPNG and validity of the PSC for CB block was not expired, therefore, VEDL could not have disclosed in the scheme that validity of the CB Block expired on June 29, 2023.
- 6.3 It is contended that VEDL had disclosed in the Auditor's Certificate that it was in the process of surrendering the KG Block to the Government and as KG Block had not been relinquished at the time of approval of the scheme on September 29, 2023, the KG Block was reflected in annexure I of the Scheme for completeness.
- 6.4 It is submitted that, the termination or relinquishment of the RSC blocks was not initiated when the scheme was approved on September





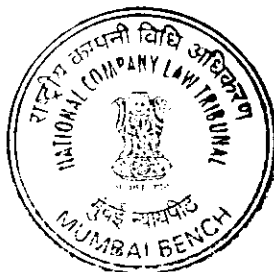
29, 2023 and were still in the name of VEDL and therefore reflected in annexure I of the Scheme. It is contended that there is no liability that is payable to the MoPNG in respect of the said blocks and in case of any potential liability arises in respect of RSC blocks, it would not have any material impact of MEL, given its strengthened financial position. Furthermore, all such liabilities and assets shall be transferred to MEL as a going concern basis to become the liabilities and assets of MEL. It is reiterated that adequate disclosures have been made by the VEDL both in the scheme and in the Notices to the shareholders.

- 6.5 It is contended that the instructions given by MoPNG to VEDL by way of MCR 60 and MCR 61 do not constitute instructions unless recorded as decision of the management committee. In relation to the short-paid liability, it is submitted that an amount of INR 796 Crores on account of short paid PP has been disclosed as "Other Financial Liabilities" in the consolidated and standalone unaudited financial results for the quarter and half year ended on September 30, 2024. With regards to the Royalty payment for Videocon's share in the Ravva Block, it is contended that, VEDL by its letter dated November 18, 2024, has sought details regarding computation and as no further communication has been received from MoPNG, the said demands remain disputed and no such disclosure of disputed claim is required.
- 6.6 With regards to the RJ Block disclosures, it is submitted that adjustment amounting to USD 534 Million made by VEDL on account of the Arbitral Award has been disclosed at Note 36(a) of the Note to Accounts to VEDL's Financial Statements. Furthermore, the GoI submitted its claim of USD 224 Million on account of Arbitral Award in May 2024 and the said claim was disclosed under Note 5 of the consolidate unaudited financial results and Note 4 of the Half Yearly Financials. It is reiterated that such a demand of USD 224 Million has been denied by the VEDL in its letter dated December 31, 2024.



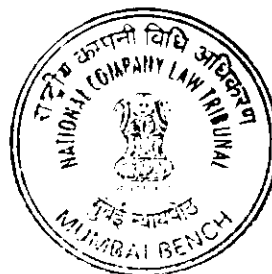


- 6.7 With regards to the disclosures in respect of the adjustment of SAED against short paid PP, it is submitted that post denial of the said demand by VEDL by way of letter dated February 4, 2025, no further letters were issued to VEDL, nor any proceeding initiated after denial of the said demand.
- 6.8 With regards to the CB block, it is submitted that an amount of INR 49 Crores on account of excess drilling cost has been disclosed as "other financial liabilities" in the half yearly financials. Furthermore, it is contended that since VEDL was not a co-licensee prior to March 7, 2022 and hence, cannot be held responsible to short paid royalty for the period prior to March 7, 2022. It is stated that by letter dated October 23, 2024 the said demand was denied by the VEDL and VEDL has not received further communication and detailed breakdown of the amounts claimed.
- 6.9 It is submitted that, CEHL is currently a wholly owned subsidiary of CIHL, which in turn is a wholly owned subsidiary of VEDL and upon effectiveness of the scheme, VEDL's investment in CIHL will be transferred to MEL and accordingly, CIHL will become wholly owned subsidiary of MEL and CEHL will continue to be a wholly owned subsidiary of SIHL, post demerger.
7. **Further Rejoinder by MoPNG (27.06.2025):-**
- 7.1 The GOI while filing the Preliminary Rejoinder had sought liberty to file further rejoinder basis the ongoing pendency of information and discussion and subsequently filed Further Rejoinder dated 28.06.2025.
- 7.2 It is submitted that the Resulting Company 3, is being projected as a legally separate entity post-demerger but it is a vehicle retaining the risks and liabilities of the parent VEDL while being stripped of sufficient assets.





- 7.3 It is contended that due to the inadequate disclosures, the instant scheme of demerger may amount to a fraudulent preference under Section 328 of the Companies Act 2013.
- 7.4 It is submitted that, the GoI has issued demand notice amounting to Rs. 16,700 crore approximately USD 1989 million against VED.
- 7.5 It is submitted that the Final Partial Arbitral Award passed on 22.08.2023 in relation to RJ Block bears no quantification/computation and it a declaratory decree and not a money decree. Further, the Partial Final Arbitral Award notes that for "computation" of the "declarations", VEDL and GoI to agree and on such failure of agreement intimate the Arbitral Tribunal for issuing a final award. Both parties have expressed a disagreement on the computation and the matter/fact of "computation" or any entitlement to what sum/money in now a subject matter of the existing Arbitration Proceedings. In this regard, the GoI had raised a claim of USD 1162 MN towards Audit Exceptions, which were partially allowed and partially rejected by way of the Partial Final Arbitral Award and are now pending computation. The GoI has challenged the Partial Final Arbitral Award under Section 34 of the Arbitration and Conciliation Act and the same is pending adjudication.
- 7.6 It is submitted that non-recognition of the liability of USD 1162 MN and/or of the demand raised of USD 222 MN amounts to suppression of facts as per Section 230(2)(a) of the Companies Act, 2013, in this regard reliance is placed on the judgment of Hon'ble Supreme Court in **Integrated Finance Company Ltd. v Reserve Bank of India and others [(2015) 13 SCC 772]** in which the Court has reiterated the need for an expansive disclosure of pending liabilities in the context of demerger proceedings.
- 7.7 It is submitted that the in the Scheme of Demerger filed by VEDL, VEDL has recognized USD 578 MM (INR 4761 crore) on accrual basis in





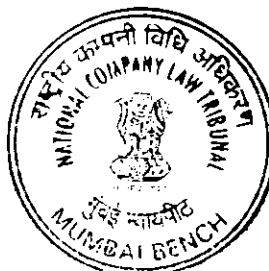
revenue from Operations for FY 23-24 by suggesting that, "*the Group believes that the court may not re-appreciate the evidence in Section 34 Appeal as the interpretation by the Tribunal is plausible*" as stated in Note 4.

- 7.8 It is contended that as per Disclosures under Note 19, para (c) in the audited financial statements of VEDL for the year ended 31st March 2024, the VEDL has availed certain loans against the Fixed Assets of Oil and Gas segment. It is submitted that Article 5.6 of the Production Sharing Contract mandates seeking approval of a 'Management Committee' for any proposed mortgage Charge or encumbrance and the VEDL neither informed Govt about the said loans nor taken any approval for the same and hence violated terms of the Production Sharing Contract which may lead to termination of the PSC in terms of Article 30.2(g). In this regard, reliance is placed on the decision of the Hon'ble Supreme Court in the **Reliance Natural Resources Ltd. (RNRL case)** dated May 7, 2010 to contend that entities acting as contractors in exploiting natural resources and must abide by the terms of their Production Sharing Contract with the government.
- 7.9 It is submitted that as on 30.09.2024, pre-merger VEDL holds total assets of INR 205,175 Crore on a Consolidated basis as on 30.09.2024, which is 12.30 times the total demand of GOI (USD 1989 MM, Eq. INR 16,700 Crore approx.). This offers substantial security/margin coverage against such demands. However, upon the proposed demerger MEL would hold total assets of INR 29,154 crore (as certified in the net worth certificate), which is 1.75 times the total demand of GOI. Consequently, available security/margin with GOI would diminish post-demerger. It is contended that a major portion of the assets being transferred/now forming part of the net worth of MALCO are already cost-recovered and may not be freely transferable or sellable, thus, their realizable value during possible liquidation is minimal.





- 7.10 It is contended that despite a letter of financial support from VEDL presently justifies the use of the going concern assumption for MEL as at 31st March 2024 due to the company's weak financial position - marked by negative net worth, continued cash losses, significant working capital deficit, and absence of deferred tax asset recognition, the financial health of MEL indicates a potential liquidity risk.
- 7.11 Further it is submitted that in terms of Regulation 37(1) of the SEBI LODR Regulations, no listed entity shall file any scheme of arrangement under the Companies Act, 2013 with any court or tribunal unless it has first obtained a "no-objection" or "observation letter" from the concerned stock exchange(s), and the scheme contravene the said provisions due to non-disclosure and failure to obtain the No Objection. It is submitted that, all "Demands" as raised by the GoI have not been properly disclosed by the VEDL and hence the disclosures are in complete violation of the provisions of the Companies Act and the Listing Regulations.
- 7.12 Hence, the GoI seeks rejection of the Scheme on the ground that it is not based on full disclosures as required under the applicable law.
8. **Affidavit in reply by Vedanta/further surrejoinder (01.07.2025):-**
- 8.1 It is contended that the Preliminary Rejoinder and the Further Rejoinder to the Reply have been filed without obtaining any directions or liberty of this Tribunal.
- 8.2 It is submitted that the argument of whether VEDL has correctly implemented the Partial Award by recognizing USD 578 million as revenues is not an issue for determination before this Tribunal in exercising jurisdiction under Sections 230 to 232 of the Companies Act and the Rules made thereunder and that the issue regarding the computation of sum/money payable under the Partial Award is subject matter of the existing arbitration proceedings. Furthermore, it is

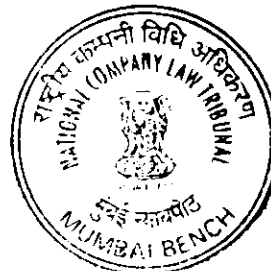




submitted that VEDL's recognition of USD 578 million as revenue for FY 2023-24 is valid and in accordance with the Partial Award. Although MoPNG has challenged the Partial Award under Section 34 of the Arbitration and Conciliation Act, 1996, before the Hon'ble High Court of Delhi, the said challenge is still pending adjudication and in the absence of any stay, the Partial Award remains binding and operative.

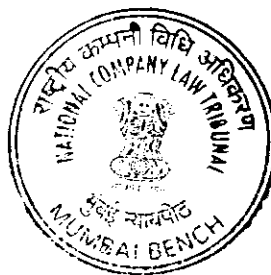
8.3 It is contended that there is no basis to allege non-disclosure of a claim of USD 1,162 million on the part of VEDL and such a claim stands rejected by the Partial Award. Furthermore, it is submitted that all the claims of MoPNG in relation to the RJ Block Dispute have been sufficiently disclosed in paragraph 38 of the Reply and paragraph B(a)(ii) of Annexure U to the notices for convening meeting of the equity shareholders and creditors of VEDL issued on January 17, 2025 disclosing the RJ Block Dispute. Further, it is submitted that VEDL vide letter dated December 31, 2024 has disputed MoPNG's claim of USD 222 million and there is no obligation on the part of VEDL to disclose any unadjudicated and disputed claim in its financial statements or in the Scheme. It is submitted that even if MoPNG were to succeed in its challenge and the Partial Award is ultimately set aside, the purported claim of USD 1,162 million would not automatically become payable by VEDL. In such a scenario, MoPNG would be required to initiate fresh arbitration proceedings and have to obtain a new arbitral award in respect of such claim and until then, there is no obligation on VEDL to make any payment towards the said amount.

8.4 It is submitted that even in the case if MoPNG's claim of USD 222 Million is held payable by the VEDL, the Third Petitioner Company/ Resulting Company No. 3's projected net worth of approximately INR 13,507 crores (approximately USD 1.57 billion) post implementation of the scheme is sufficient to absorb any such demand of MoPNG.





- 8.5 It is submitted that order of the Hon'ble High Court dated October 12, 2022, passed in the Consent Application, evidences that the interest of MoPNG is fully secured if they have an arbitral award in their favor.
- 8.6 Furthermore, in terms of Article 29 of the RJ PSC, Vedanta Resources Ltd. (VRL), the parent company of the VEDL, has provided a continuing financial and performance guarantee dated April 13, 2017, to the MoPNG. Further, it is stated that upon effectiveness of the Scheme and transfer of participating interest in the RJ Block from VEDL to MEL, VRL will be issuing a guarantee in terms of Article 29 of the RJ PSC in favour of MEL.
- 8.7 Furthermore, it is submitted that MoPNG's purported claim of USD 222 Million is disclosed in Note 4 to the Notes of Accounts of consolidated and standalone unaudited financial results (limited reviewed) for the quarter and half year ended September 30, 2024 (annexed as annexure F of the Notices).
- 8.8 In relation to the RJ Block, it is contended that the approval requirement for availing the loans and creation of charge by VEDL in relation to Clause 5.6(g) of the RJ PSC is a contractual dispute and cannot be raised as a grievance to oppose the approval or sanction of the Scheme before this Tribunal. On the contrary, it is submitted that there was no requirement under the said contract for VEDL to obtain the approval of the 'Management Committee' for raising a loan against the fixed assets purchased by VEDL for use in petroleum operations to the extent of its participating interest in the RJ Block. Furthermore, it is submitted that upon effectiveness of the Scheme VEDL and MEL shall undertake all acts and deeds necessary to release any encumbrances created by VEDL in favour of and for the benefit of the lenders or other financial institutions over the assets acquired by VEDL for use in petroleum operations, prior to the implementation of the Scheme.

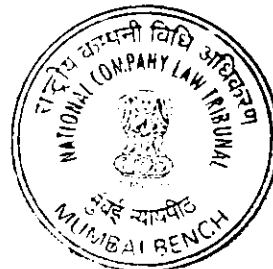


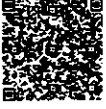


- 8.9 It is submitted that upon effectiveness of the Scheme, MEL's asset coverage is increasing from INR 1,023 Crores to INR 29,154 Crores and net worth of MEL is increasing from negative INR 172 Crores to a positive net worth of INR 13,507 Crores post the Scheme as depicted in the Auditor's Certificate. It is contended that post demerger, asset to liability ratio of MEL is at par with that of VEDL, if not better. Which is as follows:

Particulars	Vedanta Limited (Pre-demerger)	MEL+Oil and Gas undertaking (Post demerger)
Asset coverage ratio without contingent liabilities (A)/(B)	1.89	1.84
Asset coverage ratio with contingent liabilities (A)/(D)	1.80	1.70

- 8.10 It is submitted that that as part of the Scheme, Oil and Gas Undertaking of VEDL is being transferred to MEL and therefore, post effectiveness of the Scheme, as stated in paragraph 11(c) above, the asset coverage of MEL and net worth are increasing manifold to INR 29,154 Crores and INR 13,507 Crores, respectively. It is contended that the Applicant has reliance on financials of MEL pre-demerger without considering the positive projected changes in the financials of MEL post de-merger is not accurate.
- 8.11 It is submitted that the contractual demands and claims raised by MoPNG under the PSCs/ RSCs have not been referred to arbitration, in the manner contemplated under Section 21 of the Arbitration Act and therefore do not constitute the valid commencement of arbitration proceedings. It is contended that the observation letters dated June 3, 2025, were issued by the Stock Exchanges after due consideration of



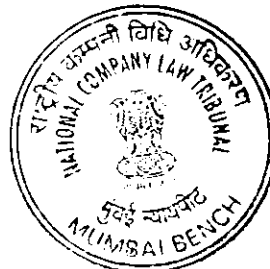


requisite disclosures made by VEDL in compliance with the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the LODR Regulations, and the SEBI Master Circular on Schemes of Arrangement dated November 23, 2021 (SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665). As a result, it cannot be alleged that the VEDL has not obtained "no objection" or "observation letter" in terms of Regulation 30 of the LODR Regulations.

- 8.12 The VEDL and MEL have further submitted affidavits undertaking inter alia that (i) the assets and liabilities of the Oil and Gas Undertaking shall be transferred to MEL; (ii) claims/demands raised by MoPNG shall continue against MEL; and (iii) existing guarantees from VEDL's parent /promoter companies shall continue in terms of the PSCs /RSC, and, it cannot be alleged that the Scheme of Demerger may amount to a fraudulent preference under Section 328 of the Companies Act, 2013. Accordingly, the VEDL sought this Tribunal's approval for the scheme.

9. **Further Affidavit by Vedanta/undertaking Vedanta (14.08.2025):-**

- 9.1 By way of further affidavit dated 14.08.2025, Board Resolutions dated July 31, 2025 were placed on record by the VEDL. Pursuant to the said resolutions, VEDL agreed to remove the charge created, if any, and provide a corporate guarantee on behalf of the MEL.
- 9.2 It is stated that post effectiveness of the Scheme, the asset base and net worth of VEDL (valued as on September 30, 2024) will be INR 62,254 crores and INR 43,230 crore, respectively. Furthermore, post demerger assets of VEDL will primarily consist of investment in Hindustan Zinc Limited ("HZL"), a publicly listed entity. The market value of VEDL's investment (equity stake) in HZL is INR 1,17,800 crores (as on September 30, 2024).
- 9.3 Further it is stated that the said corporate guarantee by VEDL to MoPNG is in addition to the existing financial and performance





guarantees from Vedanta Resources Limited, parent company of VEDL, in favour of MoPNG in terms of the PSCs and RSCs as already set out in the affidavits dated July 1, 2025 filed by VEDL and MEL before this Tribunal.

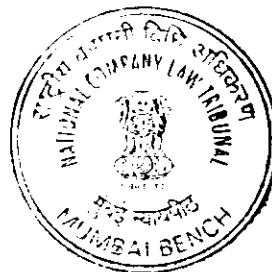
10. Reply on behalf of the GOI (12.09.2025):-

10.1 It is contended that Affidavit dated 14 August, 2025 offers a post-hoc corporate guarantee which by itself does not correct the underlying breach and objections raised by the Government of India and the said Affidavit has no approval from the creditors of the Company. It is contended that the Affidavit's undertaking to procure release of charges prior to implementation is a tacit admission of prior non-compliance and, in the absence of verifiable documentary proof of discharge on record, the same does not remove the prejudice already caused to the State.

10.2 It is contended that Once the Scheme is sanctioned and becomes effective existing secured lenders holding pre-existing charges will have priority over realization proceeds and a standalone unsecured parental guarantee is liable to be reduced to a paper promise incapable of securing reduced to a paper promise incapable of securing immediate recoverability of sovereign dues. It is submitted that Sovereign dues cannot be secured by reference to accounting net worth or market valuations of unrelated investments such as Hindustan Zinc Limited. Absent verifiable security and escrow arrangements, such figures are not enforceable safeguards but mere escrow arrangements, such figures are not enforceable safeguards but mere paper declarations.

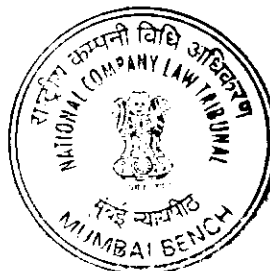
11. Analysis and Findings:-

11.1 Heard the Ld. Counsels for the parties and perused the record. We have given our thoughtful consideration to the pleadings and submissions.





- 11.2 The present application is filed by the Applicant i.e. GoI through MoPNG as Sectoral Regulator in the Second Motion Petition C.P.(CAA)/79/MB/2025 preferred by Vedanta, emphasizing issues that concern the demerger of Resultant Company No. 3 from the Petitioner Company.
- 11.3 It is case of the Applicant that the proposed Scheme of Arrangement is founded on material non-disclosures, misrepresentations, and statutory violations and that it is detrimental to the interests of the Government of India as a sectoral regulator, and is contrary to public interest. Per contra, VEDL has submitted that all requisite disclosures under Section 230(2)(a) have been duly made, and the Scheme has been approved by over 99.9% of shareholders and creditors of VEDL and furthermore, VEDL has voluntarily undertaken to furnish a corporate guarantee in favor of MoPNG to safeguard its future rights and interests.
- 11.4 Based on the submissions, the primary objection of the MoPNG relates to certain misrepresentations and non-disclosures on the part of the VEDL, which are mandatory under Section 230(2)(a). In this regard, reliance has been placed on the decision of this Tribunal in **Katalyst Software Services Ltd & Ors Vs. Rahul Dilip shah & Ors** C.A. 399/2023 IN C.A.(CAA)/42/MB/2023, judgement of the Hon'ble Supreme Court in **Integrated Finance Company Ltd. Vs. RBI and others** (2015) 13 SCC 772, the judgement of Hon'ble Delhi High Court in **Idea Cellular Limited v Union of India** and the decision of Hon'ble NCLT Delhi in **Fortis Emergency Services Ltd.** [(C.A. (CAA) No. 13/ND/2023)]. Further, the reliance has been placed on the Judgment of the Hon'ble NCLAT in **Ashish O. Lalpuria v Kumaka Industries Ltd. and others** 2020 SCC OnLine NCLAT 676, to contend that this Tribunal has power to reject such a scheme in the public interest. In the circumstances, it would be relevant to take note provisions of





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Section 230(2)(a) of the Companies Act, 2013, which for ease of reference is extracted hereinbelow:

"230.

(2) The company or any other person, by whom an application is made under subsection (1), shall disclose to the Tribunal by affidavit—

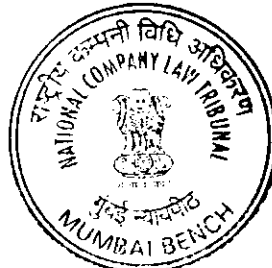
(a) all material facts relating to the company, such as the latest financial position of the company, the latest auditors report on the accounts of the company and the pendency of any investigation or proceedings against the company;"

11.5 Plain reading of the aforesaid provisions of law clearly and primarily put following two onuses on the petitioner company:

- (i) To disclose all material facts relating to the company, such as the latest financial position of the company, the latest auditors report on the accounts of the company, and
- (ii) To disclose the pendency of any investigation or proceedings against the company

11.6 In the light of the above, it is pertinent to see the reliefs sought by the MoPNG in this application and corresponding responses of the VEDL, which are briefly tabulated below:

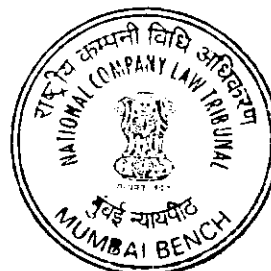
Sr. No.	MoPNG's Objections/Reliefs	VEDL's Submissions
1.	Item-wise break-up and details of the amount stated in Annexure U.	Para. 35 and 37 of the Affidavit in Reply dated 01.05.2025 filed by VEDL, interalia states that: "35. The description of the RJ Block Dispute in Paragraph B(a)(ii) of annexure JJ to the Company Application and paragraph B(a)(ii) of annexure U of the





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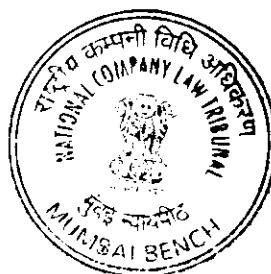
		<p>Notices expressly sets out the amount of counter claim as filed by MoPNG in its challenge. Therefore, the aforesaid contention of MoPNG is without any factual basis.</p> <p>37. It is relevant to point out that VEDL has adequately disclosed the amount of the counter claim as filed by MoPNG in the RJ Block Dispute in annexure JJ to the captioned Company Application and annexure U of the Notices. Additionally, the financial treatment on account of the Arbitral Award in the RJ Block Dispute and the relevant demands raised by MoPNG, have also been considered under Note 5 under Notes to Accounts to the Company's Financial Statements for the period ended June 30, 2024 and under Note 36 (a) under Notes to Accounts to the Company's Financial Statements."</p>
2.	Item-wise disclosure of all demands raised by MoPNG, which remain outstanding and not honoured.	<p>Para. 20, 21 and 22 of the Affidavit in Reply dated 01.05.2025 filed by VEDL, interalia states that:</p> <p>"20. However, it is submitted that the demands raised by MoPNG in respect of various blocks have been categorically denied by VEDL and are pending further action by MoPNG. In light of there being no "proceeding" as such against VEDL, the demands referred to by MoPNG are not</p>





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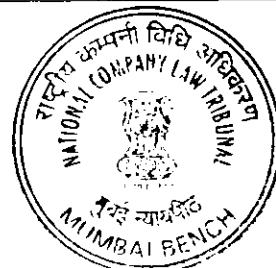
	<p>required to be disclosed in terms of the Act, CAA Rules, and Observation Letters.</p> <p>21. In any case, it is brought to the attention of the Hon'ble Tribunal that VEDL by way of annexure JJ to the Company Application disclosed such details of pending litigations (as at May 31, 2024) before the Hon'ble Tribunal and by way of annexure U to the Notices disclosed such details of pending litigations (as at October 31, 2024) to its shareholders and creditors. It is pertinent to note that the RJ Block Dispute (as defined in paragraph 33 below) with MoPNG and pending further adjudication before Delhi High Court, has been duly disclosed under paragraph B(a)(ii) of the aforesaid annexure JJ to the Company Application and annexure U to the Notices.</p> <p>22. Further, the concern relating to disclosure of certain demands (though not required to be disclosed) is of no avail. This is because the language of the Scheme in respect of all demands and liabilities is broad and inclusive, and mentions that all existing and future assets, liabilities, rights and obligations of the Oil and Gas Undertaking will be transferred as a going concern. Under paragraph 1.1 of the Scheme, Oil and Gas Business is defined as, "all the businesses, undertakings, activities, properties and liabilities Of</p>
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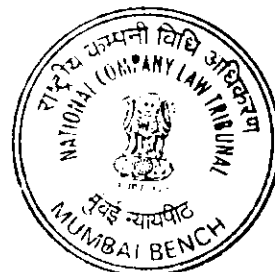
		<p>whatsoever nature and kind and wherever situated, pertaining and / or related to the Demerged Company's division engaged in exploration, discovery, development, production, extraction, storage and sale of hydrocarbons". Additionally, paragraph (iv) under definition of Oil and Gas Undertaking in the Scheme provides that, "all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Oil and Gas Business ("Oil and Gas Undertaking Liabilities") and/ or arising out of and / or relatable to the Oil and Gas Business including ..."</p>
3.	Disclosures of short paid GoI share of PP with details of all outstanding liabilities.	<p>Para. 47 of the Affidavit in Reply/Surrejoinder dated 20.06.2025 filed by VEDL, interalia states that:</p> <p>"47. It is submitted that VEDL has considered the said amounts in relation to Short Paid PP while providing for its profit petroleum liability under Note 22 of the Notes to Accounts to the VEDL's Financial Statements, at page 454. Separately, an amount of INR 796 Crores on account of short paid PP has been disclosed as "Other Financial Liabilities" in the consolidated and standalone unaudited financial results (limited reviewed) for the quarter and half year ended on September</p>





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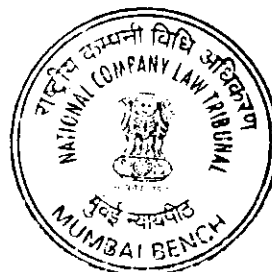
		<p>30, 2024 (annexed as annexure F of the Notices)"</p> <p>Para. 28 of the Affidavit in Reply dated 01.05.2025 filed by VEDL, interalia states that:</p> <p><i>"28. In any case, it must be noted that the demand for alleged short paid GOI share of profit petroleum on account or adjustment of SAED has been categorically denied by VEDL by way or the letter dated February 4, 2025. As on date, DGH has not further addressed the assertions made by VEDL for adjustment of the impact of SAED liability against the petroleum profit payable to MoPNG in such letter. The letter dated February 4, 2025, is annexed to this affidavit as Annexure H.</i></p>
4.	Disclose validity period of each Block listed in the Scheme, specifically identifying blocked sites and expired licenses.	<p>Para. 28 and 29 of the Affidavit in Reply/Surrejoinder dated 20.06.2025 filed by VEDL, interalia states that:</p> <p><i>"28. Moreover, as a going concern, participating interest and operating interest in some oil and gas blocks forming part of the Oil and Gas Undertaking may be relinquished in the usual course of business and participating interest and operating interest may be acquired in new oil and gas blocks which may then form part of the Oil and Gas Undertaking. All the participating interest and operating</i></p>





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	<p>interest held in respective oil and gas blocks forming part of by Oil & Gas Undertaking as on Appointed Date (as defined in the Scheme) will be transferred to MEL/Resulting Company 3. upon effectiveness of the Scheme. The participating interest and operating interest in the oil and gas blocks that are finally transferred upon effectiveness of the Scheme may not be identical to the list as on date of approval of the Scheme by the Board or date of sanctioning of the Scheme by the Hon'ble Tribunal.</p> <p>29. In light of the aforesaid, adequate disclosures required, both in the Scheme and in the Notices to the shareholders and creditors of VEDI and MEL/Resulting Company 3 (by way of disclosure in the Auditor's Certificate), relating to the relinquishment of the participating interest and operating interest in the KG Block and the RSC Blocks, have been made by VEDI. In any event, there is no financial impact to MoPNG arising from the disclosures relating to relinquishment of the blocks, since all liabilities, if any arising from such blocks will be transferred along with the Oil and Gas Undertaking to MEL/Resulting Company 3 on a going concern basis. Therefore, MoPNG's contention that non-disclosure or</p>
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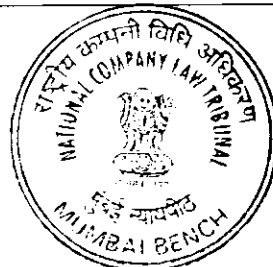
		<i>misrepresentation in the Scheme impacts the interest of GOI and results in the creditors unknowingly approving the Scheme based on incomplete or misleading information, is incorrect, misleading and unsubstantiated."</i>
5.	Provide the structural relationship of MALCO and Cairn Energy who is an indirect subsidiary of Vedanta Ltd. post Demerger.	<p>Para. 39 of the Affidavit in Reply dated 01.05.2025 filed by VEDL, interalia states that:</p> <p><i>"39. It is also pertinent to note that the alleged claim amounts in the annexure 3 of the MoPNG Representation pertain to VEDL and Cairn Energy Hydrocarbons Limited (CEHL) collectively. At present, CEHL holds 35% of the participating interest in RJ Block, and VEDL also holds 35%. CEHL is a wholly owned subsidiary of Cairn India Holdings Limited (CIHL), which in turn is a wholly owned subsidiary of VEDL. As VEDL's shareholding in CIHL also forms a part of the assets of the Oil and Gas Undertaking, the shares of CIHL will also be transferred to MEL as part of, and through the operation of the Scheme. Thereafter, CIHL will become a wholly owned subsidiary of MEL, and CEHL will continue to remain a wholly owned subsidiary of CIHL. CEHL's participating interest in the RJ Block and associated rights and liabilities will not undergo any changes and it will continue</i></p>





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		to hold 35% of the participating interest in the RJ Block."
6.	Disclosure of parent company's financial and performance guarantee as per contract entered with GoI.	<p>Para. 11(g)(h) of the Further Surrejoinder dated 01.07.2025 filed by VEDL, interalia states that:</p> <p><i>"g. In addition to above, it is also apposite to note that, in terms of Article 29 of the RJ PSC, Vedanta Resources Ltd. ("VRL"), the parent company of the VEDL, has provided a continuing financial and performance guarantee dated April 13, 2017, to the MoPNG ("Guarantee"). The Guarantee remains valid and operative to this day. A copy of the Guarantee is annexed to this Further Sur-Rejoinder as Annexure G.</i></p> <p><i>h. Under the terms of the Guarantee, VRL has unconditionally and irrevocably undertaken to make available, or cause to be made available, to VEDL, the financial resources required to ensure that VEDL can duly perform its obligations under the RJ PSC. VRL has also undertaken to the MoPNG that if VEDL fails to perform its obligations under the RJ PSC or commit any breach of its obligations, then "VRL shall fulfill or cause to be fulfilled the said obligations in place of VL (VEDL), and will indemnify the Government and the Licensee (MoPNG) against all losses, damages, costs, expenses or otherwise which may result directly or indirectly from such failure to perform or breach on</i></p>

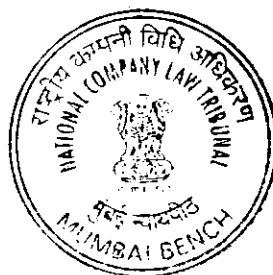




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		<i>the part of VL (VEDL)". It is stated that upon effectiveness: of the Scheme and transfer of participating interest in the RJ Block from VEDL to MEL, VRL will be issuing a guarantee in terms of Article 29 of the RJ PSC in favour of MEL."</i>
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- 11.7 The reply submitted by VEDL is quite elaborate, however, the relevant paras which would seek to address the reliefs sought by the Applicant have only been reproduced in the above table. It is also noted that, at a subsequent stage of replies/affidavits being filed by the Respondent, the Applicants have, considering the replies, objected to the scheme citing issues interalia including the adequacy of guarantee, sufficiency of asset coverage etc., which have been dealt subsequently in this order.
- 11.8 It is also noted that the claim of USD 1,989 million (INR 16,700) Crore was raised by the MoPNG, out of which the claim of USD 1162 Million is in respect of the RJ Block. The entire amount of USD 1989 million is disputed by the VEDL. Furthermore, the parties had initiated Arbitration Proceedings with regard to the RJ Block Dispute, and the Arbitral Tribunal had passed a Final Partial Award dated 22.08.2023, outlining a mechanism to quantify the liabilities. The Partial Award has been challenged by the MoPNG under Section 34 of the Arbitration and Conciliation Act, 1996, before the Hon'ble Delhi High Court, and it is pending.
- 11.9 In the circumstances and when the claim between the parties is not clearly quantified and is disputed, such an unquantified claim could not have been reflected in the balance sheet of the Company. Nevertheless, the RJ Block dispute has been disclosed under Note 36(a) of the audited financial statements of VEDL for the FY ended 31.03.2024 and also under Note 4 of the unaudited financial results





(limited reviewed) for the quarter and half year ended 30.09.2024. Given below is the extract of Note 36(a) and Note 4:

Note 36(a):

NOTES

forming part of the consolidated financial statements as at and for the year ended 31 March 2024

- a) The Government of India ("GoI"), acting through the Directorate General of Hydrocarbons ("DGH"), had raised demand up to 14 May 2020 for Government's additional share of Profit Oil based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to ₹ 9,545 crore (US\$ 1,162 million) and applicable interest thereon representing share of Vedanta Limited and its subsidiary.

The Group had disputed the aforesaid demand and invoked arbitration as per the provisions of the Production Sharing Contract. The Group had received the Final Partial Award dated 22 August 2023 from the Arbitration Tribunal ("the Tribunal") as amended by order dated 15 November, 2023 and 08 December 2023 ("the Award"), dismissing the Government's contention of additional Profit Petroleum in relation to allocation of common development costs across Development Areas and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while disallowing some matters. Further, the Tribunal had decided that the Group was allowed to claim cost recovery of exploration cost for the purpose of computation of Profit Oil.

Pursuant to the Award, the Group has recognised a benefit of ₹ 4,761 crore (US\$ 578 million) in revenue from operations and reversed previously recognised impairment on PPE of ₹ 1,179 crore (US\$ 143 million) during the year ended 31 March 2024.

GoI has sought an additional award or interpretation/ clarification on certain matters decided by the Tribunal under the Indian Arbitration and Conciliation Act, 1996 ("the Act") ("GoI Application"). The Tribunal vide its order dated 15 November 2023 and 08 December 2023 has dismissed GoI's interpretation and additional award applications in favour of the Group. The Group has adjusted the liability during the current year of ₹ 1,940 crore (US\$ 233 million) against the aforesaid benefits recognised as per the Award.

GoI has filed interim relief application on 03 February 2024 stating that the Group has unilaterally enforced the award although the quantification of the same is pending.

The Group is of the view that it is bound to implement the award. Further, the application by GoI does not meet the strict criteria for grant of interim injunction. The matter was heard on 26 March 2024 and order of the Tribunal is awaited.

GoI also has filed an appeal on 07 March 2024 against the Award in Delhi High Court and the matter was heard on 14 March 2024. No stay was granted and petition was not admitted. Next date of hearing is 01 May 2024. The Group is of the view that there is no merit in the challenge filed by GoI, as the Court cannot re-appreciate the evidence in Section 34 appeal as the interpretation by the Tribunal is plausible.

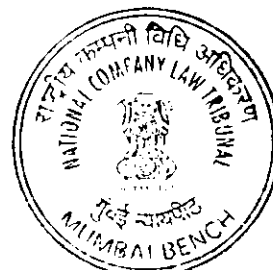


Note 4:

- 4 The Government of India ("GoI"), acting through the Directorate General of Hydrocarbons ("DGH"), had raised a demand up to 14 May 2020 for Government's additional share of Profit Oil based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to ₹ 9,545 Crore (US\$ 1,162 million) and applicable interest thereon representing share of Vedanta Limited and its subsidiary.

The Company had disputed the aforesaid demand and invoked arbitration as per the provisions of the Production Sharing Contract. The Company had received the Final Partial Award dated 22 August 2023 from the Arbitration Tribunal ("the Tribunal") as amended by order dated 15 November 2023 and 08 December 2023 ("the Award"), dismissing the Government's contention of additional Profit Petroleum in relation to allocation of common development costs across Development Areas and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while allowing some aspects of the objections. Further, the Tribunal had decided that the Company was allowed to claim cost recovery of exploration cost as per terms of the Production Sharing Contract.

Pursuant to the Award, the Company had recognized a benefit of ₹ 2,381 Crore (US\$ 289 million) in revenue from operations in financial year ended 31 March 2024. The Company has been adjusting the profit petroleum liability against the aforesaid benefit.





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(A) Gol had filed interim relief application on 03 February 2024 stating that the Company has unilaterally enforced the award although the quantification of the same is pending. The matter was heard on 26 March 2024 and the Tribunal vide an order dated 29 April 2024 has denied Gol's interim relief application in favour of the Company. Gol has filed an appeal before the Delhi High Court ("Section 37 Appeal"). Next date of hearing is 25 November 2024. In the interim, vide letter dated 06 May 2024, Gol has submitted its calculation of the quantum basis the Award. Gol has claimed a sum of US\$ 224 million from the Company. The Company is of the view that the Gol's computation is prima-facie contrary to the Award including clarifications issued by the Tribunal. The Tribunal has allowed these costs for cost recovery but this was not considered by Gol in their calculation of the quantum. The Company has responded to the Gol with its detailed analysis and is awaiting a response.

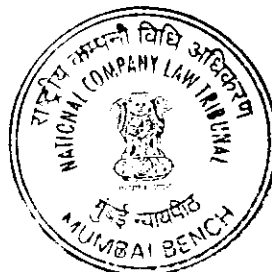
(B) Gol had also filed a challenge against the Award on 07 March 2024 in Delhi High Court and the matter was first heard on 14 March 2024. Notice has been issued on 01 August 2024 in Section 34 and granted liberty to the Company to file its response. Further, no stay has been granted to Gol against adjustment of liability by the Company. Next date of hearing is 25 November 2024.

The Company believes that the Court may not re-appreciate the evidence in Section 34 appeal as the interpretation by the Tribunal is plausible.

11.9 Under the facts as above, it seen that all material facts relating to the company, such as the latest financial position of the company, the latest auditors report on the accounts of the company have been disclosed. Further the necessary disclosures regarding liabilities and pendency of the proceeding have been made by the VEDL in the financial statements. Also, the Scheme under clause 20 states that the Resulting Company 3 has undertaken to have all legal and other proceedings initiated by or against the Demerged Company transferred to its name as soon as practicable after the Effective Date and have the same continued, prosecuted and enforced by or against the Resulting Company 3. It is also observed that once the disclosure of Financial position, the latest auditor's report on the accounts of the Company and necessary disclosure in respect of any investigation or proceedings have been made, sufficiency of the same or otherwise, cannot be gone into or examined within the provisions of Section 230(2) of the Act.

11.10 In this regard, it would be relevant to take note of the decision of Hon'ble NCLAT in **Ericsson India Private Limited Vs. Ericsson India Global Services Private Limited** CA (AT) 148 of 2021, wherein it was held as under:

"5. Section 230(2)(a) of the Act read with Rule 6(3)(viii) of the Rules shows that the scope and intent is to require Companies to disclose all investigations/proceedings which are 'material' and relating to the Company. We are of the considered view that the wording of Section 230(2)(a) should be interpreted as, all material facts relating to the Companies, such as, pendency of any investigation of any proceeding





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against the Company". The Affidavit filed by the Appellant Companies discloses all the duly Audited Financial Statements along with the investigations and enquiries which are material to the implementation of the Scheme. In any event, as per Clause 6 of the Scheme upon this implementation, all proceedings in the name of the 'Transferor Company' shall be continued and enforced against the 'Transferee Company' and such proceedings shall not be discontinued or prejudicially affect anyone by reason of the Scheme. Accordingly, the requirements of Section 230(2)(a) of the Act read with Rule 6(3)(viii) of the Rules are met."

In view of the facts of the case and aforesaid judgement of Hon'ble NCLAT, it is arrived at that in the present case, the requirements under Section 230 (2)(a), read with Rule 6(3) (viii) have been duly complied with.

11.11 Further, the MoPNG has contended that the VEDL has violated PSCs/RSCs/underlying agreement by creating a charge over the petroleum assets without obtaining prior approval of the Management Committees established under those agreements, and also sought release of the charges before approval of the scheme by this Tribunal. In this regard, it has been submitted that the said dispute is contractual in nature, and it is not the subject matter of the present scheme proceeding. Nonetheless, the VEDL, pursuant to the Board Resolutions dated 31.07.2025, has filed an Affidavit dated 14.08.2025. The relevant extract of the said Affidavit is reproduced below:



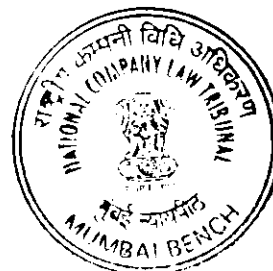


3. I say that under and pursuant to the aforesaid resolutions dated July 31, 2025, VEDL agrees and undertakes that:

- a) VEDL shall get the charge on the fixed assets of VEDL forming part of Oil and Gas Undertaking, released prior to implementation of the Scheme in relation to Oil & Gas Undertaking; and
- b) VEDL will provide a corporate guarantee to the effect that upon effectiveness of the Scheme, in the event MEL is unable to meet or satisfy its liability towards MoPNG, arising under the PSCs or RSCs, then VEDL shall meet such liability on behalf of MEL.

11.12 The MoPNG has further contended that, post-demerger the resulting entity - MEL will not be in a position to secure the financial interests of the GoI due to its financial condition and also contended that the future profitability of the resulting company is not probable. The VEDL has submitted that upon effectiveness of the Scheme, MEL's asset coverage is increasing from INR 1,023 Crores to INR 29,154 Crores and net worth of MEL is increasing from negative INR 172 Crores to a positive net worth of INR 13,507 Crores post the Scheme as depicted in the Auditor's Certificate. It is contended that post demerger, asset to liability ratio of MEL is at par with that of VEDL, if not better. Which is as follows:

Particulars	Vedanta Limited (Pre-demerger)	MEL+Oil and Gas undertaking (Post demerger)
Asset coverage ratio without contingent liabilities (A)/(B)	1.89	1.84
Asset coverage ratio with contingent liabilities (A)/(D)	1.80	1.70



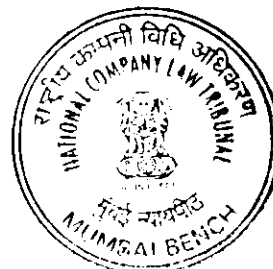


11.13 In regard to submission of the Applicant regarding securing Financial interest, it is stated that mere allegations as to the future profitability could not be relied upon by this Tribunal. Furthermore, under Clause 3(b) of the Affidavit dated 14.08.2025, as reproduced in **the paragraph 11.10 above**, the VEDL has undertaken to issue a corporate guarantee in favour of MoPNG to the effect that, upon the effectiveness of the Scheme, if MEL is unable to meet or satisfy its liability towards MoPNG, VEDL shall meet such liability on behalf of MEL. Therefore, it can be seen that to address this objection of the Applicant, necessary steps have been taken by the VEDL to secure the interest of the MoPNG.

11.14 The MoPNG has contended that the scheme contravenes Regulation 37(1) of the SEBI LODR Regulations due to non-disclosure and failure to obtain the No Objection. It is submitted by VEDL that the observation letters dated June 3, 2025, were issued by the Stock Exchanges after due consideration of requisite disclosures made by VEDL in compliance with the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the LODR Regulations, and the SEBI Master Circular on Schemes of Arrangement dated November 23, 2021 (SEBI/HO/CFD/DIL/CIR/P/2021/0000000665). In this regard, it is pertinent to take note of the Affidavit dated 02.09.2025 filed by SEBI, the relevant portion of which is reproduced hereinbelow:

"8. It is therefore respectfully submitted that the Hon'ble Tribunal may be pleased to adjudicate the Petition without making any specific finding or determination on whether the First Petitioner Company has complied with the requirements of the SEBI Master Circular in light of the SEBI Administrative Letter dated 13 July 2025."

Accordingly, the Applicant's contention regarding violation of the SEBI LODR stands adequately addressed.





11.15 It is submitted that the natural resources, including hydrocarbons, belong to the state and the same is enshrined in Article 297 of the Constitution of India and reaffirmed by the Hon'ble Supreme Court in the **Reliance Natural Resources Ltd vs Reliance Industries Ltd** [Civil Appeal No. 4273 OF 2010]. It is contended that VEDL has made misleading disclosures in the Scheme documents, stating that its "oil and gas business segment has a diversified asset base with 62 blocks in India". It is further contended that non-disclosure of the present status of these blocks would have adverse financial implications for both the Demerged Company and Resulting Company No. 3, and disclosure of the present status of blocks is imperative to ensure the shareholders and creditors are fully apprised of all material matters before considering the proposed Scheme of Arrangement. In this regard, it is submitted on behalf of the VEDL that the VEDL has only Operatorship and a Participating Interest and not an ownership interest. Furthermore, it is submitted that the VEDL is not transferring ownership of the blocks, but only its proprietary rights and interests conferred under the PSCs and RSCs, under the Scheme and the said blocks are being transferred as a going concern and the status of these blocks is dynamic in nature which is immaterial to the approval of the scheme. In the circumstance, it would be relevant to take note of Clause (xii) of the Scheme which defines 'Oil and Gas Undertaking'. Clause (xii) is extracted below:

"(xii) Operatorship and participating interest for all hydrocarbon blocks including the hydrocarbon blocks set out in Annexure I of this Scheme, whether pursuant to production sharing contracts, revenue sharing contracts or otherwise."

It is submitted that the VEDL is transferring its proprietary rights and interests conferred while the ownership of the blocks belongs to the GoI. Hence, MoPNG's contention as to the ownership of the said blocks being





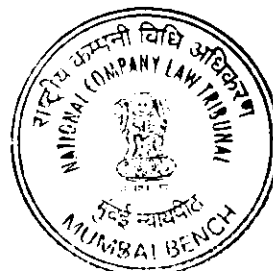
transferred has been adequately and properly dealt with. In regard to the non-disclosure of the present status of blocks, VEDL has given its explanation vide its Affidavit in Reply/Sur-rejoinder dated 20.06.2025, which is reproduced in Para 6.1 to Para 6.3 of this order. In view of the same and also considering that the said blocks are being transferred as a going concern and that status of these blocks is dynamic in nature, we are of the considered view that adequate disclosures have been made by VEDL in this regard.

11.16 On the basis of the material placed on record, and discussion here in above, it is arrived that the that the VEDL has complied with the disclosure requirements stipulated under Section 230(2)(a) of the Companies Act, 2013 and that objections raised on behalf of the MoPNG stand adequately addressed.

11.17 However, during the course of the final hearing, it was submitted on behalf of the MoPNG that the VEDL has produced NOCs from 8 banks, stating that the charge over the petroleum assets has been removed. Ld. Counsel appearing on behalf of the MoPNG sought following directions from this Tribunal to direct the VEDL:

- (i) to update the details as to the removal of charges on the RoC website, and
- (ii) to furnish as also place on record of this Tribunal the Corporate Guarantee to the effect that upon effectiveness of the Scheme, in the event MEL is unable to meet or satisfy its liability towards MoPNG, arising under the PSCs or RSCs, then VEDL shall meet such liability on behalf of MEL in proper and prescribed format.

Accordingly, the VEDL is hereby directed to update the requisite details on the RoC website and also place on record such NOCs before this Tribunal by way of an Affidavit. VEDL has stated at the time of the final hearing, that it had created charge in favour of 8 banks only and that





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the said assets are now totally free from any charge. However, we direct VEDL to file an undertaking/affidavit affirming the said facts. Further, VEDL has already vide its affidavit dated 14.08.2025 undertaken to provide guarantee to the effect that upon effectiveness of the Scheme, in the event MEL is unable to meet or satisfy its liability towards MoPNG, arising under the PSCs or RSCs, then VEDL shall meet such liability on behalf of MEL. The VEDL is accordingly, also directed to furnish as also place on record of this Tribunal the said Corporate Guarantee. The said Corporate Guarantee shall be made after making the necessary compliance under applicable law. The compliance affidavit/s in respect of the above directions be filed within 2 months of this order or before the effective date of the scheme, whichever is earlier.

11.18 Accordingly, the Company Application 230 of 2025 is **disposed of** in terms of the **above observations and directions**.

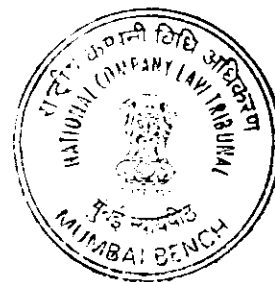
Sd/-
Charanjeet Singh Gulati
Member (Technical)

Omkar, LRA.

Sd/-
Nilesh Sharma
Member (Judicial)

Certified True Copy _____
Date of Application 19/12/2025
Number of Pages 58
Fee paid Rs. 290/-
Applicant called for collection copy on 21/1/2026
Copy prepared on 20/1/2026
Copy issued on 21/1/2026

R.H. S. S.
Assistant Registrar
National Company Law Tribunal Mumbai Bench





**NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH – COURT - V**

C.P. (CAA)/79(MB)2025

IN

C.A. (CAA)/171(MB)2024

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder;

AND

In the matter of Scheme of Arrangement between Vedanta Limited ("First Petitioner Company" or "Demerged Company") and Vedanta Aluminium Metal Limited ("Second Petitioner Company" or "Resulting Company 1") and Talwandi Sabo Power Limited ("Non-Petitioner Company" or "Resulting Company 2") and Malco Energy Limited ("Third Petitioner Company" or "Resulting Company 3") and Vedanta Base Metals Limited ("Fourth -Petitioner Company" or "Original Resulting Company 4") and Vedanta Iron and Steel Limited ("Fifth Petitioner Company" or "Resulting Company 4") and their respective





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shareholders and creditors ("Original Scheme").

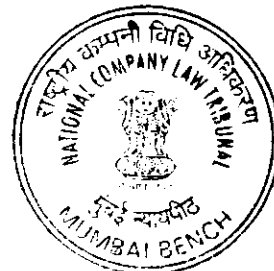
IN THE MATTER OF:

VEDANTA LIMITED

)
a Company incorporated under the)
provisions of the Companies Act, 1956)
having its registered office at 1st floor,)
C Wing, Unit 103, Corporate Avenue)
Atul Projects, Chakala Andheri (East))
Mumbai – 400093.) ... First Petitioner Company
CIN: L13209MH1965PLC291394 / Demerged Company

VEDANTA ALUMINIUM METAL
LIMITED

)
a Company incorporated under the)
provisions of the Companies Act, 2013)
having its registered office at C-103)
Atul Projects, Corporate Avenue New)
Link Chakala MIDC, Mumbai –)
400093) ... Second Petitioner Company
CIN: U24202MH2023PLC411663 / Resulting Company 1





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TALWANDI SABO POWER LIMITED

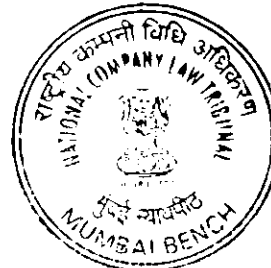
a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at C-103 Atul Projects, Corporate Avenue New Link Chakala MIDC, Mumbai - 400093) ... Non-Petitioner Company
CIN: U40101MH2007PLC433557 / Resulting Company 2

MALCO ENERGY LIMITED

a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at C-103 Atul Projects, Corporate Avenue New Link Chakala MIDC, Mumbai - 400093) ... Third Petitioner Company/
CIN: U31300MH2001PLC428719 Resulting Company 3

VEDANTA BASE METALS LIMITED

a Company incorporated under the provisions of the Companies Act, 2013 having its registered office at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai - 400093) ... Fourth Petitioner Company
CIN: U43121MH2023PLC411696 / Original Resulting Company 4





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VEDANTA IRON AND STEEL)
LIMITED)
a Company incorporated under the)
provisions of the Companies Act, 2013)
having its registered office at C-103)
Atul Projects, Corporate Avenue New)
Link)
Chakala MIDC, Mumbai – 400093) ... Fifth Petitioner Company/
CIN: U24109MH2023PLC411777 Resulting Company 4

(The First Petitioner Company, Second Petitioner Company, Third Petitioner Company, Fourth Petitioner Company and Fifth Petitioner Company together referred to as the “Petitioner Companies”. Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4 together referred to as the “Resulting Companies”).

Order delivered on: 16.12.2025

Coram:

Sh. Nilesh Sharma, Hon’ble Member (J)

Sh. Charanjeet Singh Gulati, Hon’ble Member (T)

Appearances:

For the Petitioner Companies – Mr. Ravi Kadam, Sr. Adv., with Mr. Hemant Sethi, Adv., Mr. Mehul Shah, Adv., Mr. Rohan Batra, Adv., Mr. Rishabh Bhargava, Adv., Mr. Dhruv Sethi, Adv., Ms. Yuga Kane, Adv., Ms. Tanaya Sethi, Adv.





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For the Regional Director –

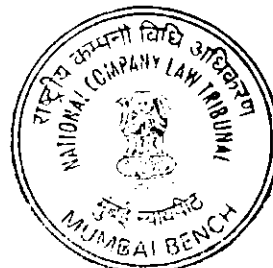
For SEBI -

Adv. Vishal Kanade a/w Adv. Akash Jain &

Adv. Divyang Salvi i/b Marsukhlal Hiralal & Co

ORDER

1. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**") and the rules framed thereunder for Scheme of Arrangement between Vedanta Limited ("**First Petitioner Company**" / "**Demerged Company**" / "**VEDL**"), and Vedanta Aluminium Metal Limited ("**Second Petitioner Company**" / "**Resulting Company 1**") and Talwandi Sabo Power Limited ("**Non-Petitioner Company**" / "**Resulting Company 2**") and Malco Energy Limited ("**Third Petitioner Company**" / "**Resulting Company 3**") and Vedanta Iron and Steel Limited ("**Fifth Petitioner Company**" / "**Resulting Company 4**") and their respective shareholders and creditors ("**Scheme**").
2. The registered offices of the Petitioner Companies are situated in Mumbai, Maharashtra and hence the subject matter of the Petition is within the jurisdiction of this Bench.
3. The Learned Counsel for the Petitioner Companies submits that the Boards of the Demerged Company, Vedanta Base Metals Limited ("**VBML**") and other Resulting Companies approved the Scheme of Arrangement between the Demerged Company, VBML, Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4 ("**Original Scheme**") by way of board resolutions, on the following dates:
 - i. Demerged Company: September 29, 2023;
 - ii. VBML: October 13, 2023;
 - iii. Resulting Company 1: October 13, 2023;





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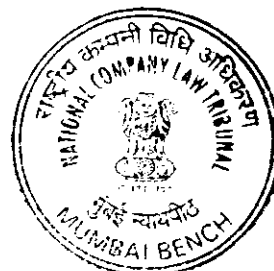
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- iv. Resulting Company 2: October 10, 2023;
- v. Resulting Company 3: October 13, 2023; and
- vi. Resulting Company 4: October 13, 2023.

The certified copies of the board resolutions of the Demerged Company, VBML and the Resulting Companies, approving the Scheme are annexed with the Company Scheme Petition as **Annexure Y1 (pg. 1346), Y2 (pg. 1350), Y3 (pg. 1353), Y4 (pg. 1356), Y5 (pg. 1360) and Y6 (pg. 1365),** respectively.

- 4. Learned Counsel for the Petitioner Companies submits that the present Company Scheme Petition has been filed in consonance with the order dated November 21, 2024, passed by this Tribunal in the connected Company Scheme Application bearing CA(CAA)/171(MB)2024 (**"Application Order"**).
- 5. Learned Counsel for the Petitioner Companies submits that subsequent to this Tribunal's order dated November 21, 2024, passed in CA (CAA)/MB/171/2024 and pursuant to First Petitioner Company / Demerged Company's discussions and deliberation with stakeholders (including lenders) with respect to the Original Scheme, the Board of the Demerged Company, VBML and the Resulting Companies, by way of their resolutions dated December 20, 2024, December 23, 2024, and December 23, 2024 respectively, decided to not proceed with implementation of Part V (Demerger and Vesting of the Base Metals Undertaking) of the Original Scheme. Accordingly, the Board of the Demerged Company, VBML and the Resulting Companies approved the modified Scheme.

The certified copies of the board resolutions approving the non-implementation of Part V of the Original Scheme and the Scheme (with





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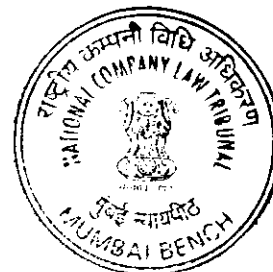
modifications to exclude Part V of the Original Scheme), as passed by the respective Board of Directors of the Demerged Company, VBML and the Resulting Companies, are annexed to the Company Scheme Petition as **Annexure Z1 (pg. 1368), Z2 (pg. 1369), Z3 (pg. 1371), Z4 (pg. 1373), Z5 (pg. 1374) and Z6 (pg. 1376)**, respectively.

Appointed Date:-

6. The Appointed Date for the Scheme, with respect to Part II to V of the Scheme, means the Effective Date, which is defined in the Scheme, as the date or the last of the dates on which all of the conditions precedent set forth in the following Clauses of the Scheme are fulfilled, obtained or waived, as applicable in accordance with the Scheme:
- Part II of the Scheme: Clause 39.1 and Clause 39.2;
 - Part III of the Scheme: Clause 39.1 and Clause 39.3;
 - Part IV of the Scheme: Clause 39.1 and Clause 39.4;
 - Part V of the Scheme: Clause 39.1 and Clause 39.5.

7. Nature of Business: -

- The Demerged Company is a diversified natural resource company engaged in the business of extraction, refining, manufacture and sale of various metals and minerals, generation and sale of power and other businesses including semiconductor manufacturing, display glass manufacturing, etc. The equity shares of the Demerged Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). The Listed Debt Securities (*as defined in the Scheme*) of the Demerged Company are listed on the BSE. The Resulting Companies are wholly owned subsidiaries of the Demerged Company.
- The Resulting Company 1 is Vedanta Aluminium Metal Limited, a wholly owned subsidiary of the Demerged Company. Following the





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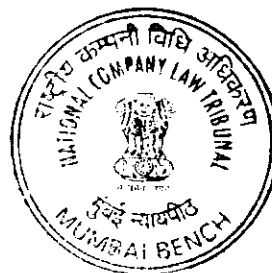
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coming into effect of Part II of the Scheme, Resulting Company 1 will carry on the Aluminium Business (*as defined in the Scheme*).

- iii. The Resulting Company 2 (Non-Petitioner Company) is Talwandi Sabo Power Limited, a wholly owned subsidiary of the Demerged Company.
- iv. The Resulting Company 3 is MALCO Energy Limited, a wholly owned subsidiary of the Demerged Company. Following the coming into effect of Part IV of the Scheme, Resulting Company 3 will carry on the Oil and Gas Business (*as defined in the Scheme*) and its name shall stand changed to 'Vedanta Oil and Gas Limited'.
- v. The Resulting Company 4 is Vedanta Iron and Steel Limited, a wholly owned subsidiary of the Demerged Company. Following the coming into effect of Part V of the Scheme, Resulting Company 4 will carry on the Iron Ore Business (*as defined in the Scheme*).
8. The Learned Counsel for the Petitioner Companies submits that in accordance with Clause 45 of the Scheme, the Parts of the Scheme are severable from each other and if any Part and/or provision of the Scheme is found to be unworkable for some reason whatsoever or is withdrawn, the same shall not, subject to the decision of the Petitioner Companies through their respective Boards, affect the validity or the implementation of the other Parts and/or provisions of this Scheme.
9. The Authorized, Issued, Subscribed and Paid Up Share Capital of the **Demerged Company** as on December 31, 2024 is as under:

Particulars	Amount (INR)
Authorised Share Capital	
44,02,01,00,000 equity shares of INR 1 each	44,02,01,00,000





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3,01,00,00,000 preference shares of INR 10 each	30,10,00,00,000
Total	74,12,01,00,000
Issued and Subscribed Share Capital	
3,91,06,86,689 equity shares of INR 1 each	3,91,06,86,689
Total	3,91,06,86,689
Paid-up Share Capital	
3,91,06,86,689 equity shares of INR 1 each	3,91,06,86,689
Total	3,91,06,86,689
Listed Capital	
3,91,03,88,057* equity shares of INR 1 each	3,91,03,88,057
Total	3,91,03,88,057

*2,98,632 shares are under abeyance category which are pending for allotment being sub Judice and does not form part of the listed capital of the Company.

10. The Authorized, Issued, Subscribed and Paid Up Share Capital of the **Second Petitioner Company** as on December 31, 2024 is as under:

Particulars	Amount (INR)
Authorised Share Capital	
1,00,000 equity shares of INR 1 each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up Share Capital	
1,00,000 equity shares of INR 1 each	1,00,000
Total	1,00,000

11. The Authorized, Issued, Subscribed and Paid Up Share Capital of the **Non-Petitioner Company** as on December 31, 2024 is as under:

Particulars	Amount (INR)
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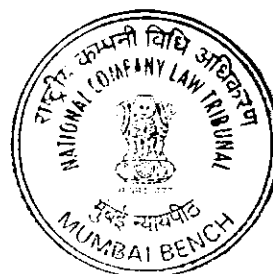
Authorised Share Capital	
4,00,00,00,000 equity shares of INR 10 each	40,00,00,00,000
Total	40,00,00,00,000
Issued, Subscribed and Paid-up Share Capital	
3,20,66,09,692 equity shares of INR 10 each	32,06,60,96,920
Total	32,06,60,96,920

12. The Authorized, Issued, Subscribed and Paid Up Share Capital of the **Third Petitioner Company** as on December 31, 2024 is as under:

Particulars	Amount (INR)
Authorised Share Capital	
88,00,00,000 equity shares of INR 2 each	176,00,00,000
12,50,000 preference shares of INR 1,000 each	125,00,00,000
Total	301,00,00,000
Issued, Subscribed and Paid-up Share Capital*	
2,33,66,406 equity shares of INR 2 each	4,67,32,812
Total	4,67,32,812

13. The Authorized, Issued, Subscribed and Paid Up Share Capital of the **Fifth Petitioner Company** as on December 31, 2024 is as under:

Particulars	Amount (INR)
Authorised Share Capital	
1,00,000 equity shares of INR 1 each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up Share Capital	





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1,00,000 equity shares of INR 1 each	1,00,000
Total	1,00,000

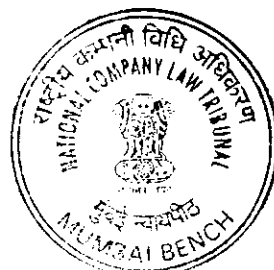
Consideration: -

14. The Learned Counsel for the Petitioner Companies submits that the consideration of the Scheme, as determined by the share entitlement ratio reports dated September 29, 2023, issued by BDO Valuation Agency LLP for each of the Resulting Companies, provides for share entitlement ratio of 1:1. Copies of the share entitlement ratio reports are annexed to Company Scheme Petition as **Annexure BB1 (pg. 1411), BB3 (pg. 1444), BB4 (pg. 1461) and BB5 (pg. 1478)**, respectively.

Rationale of the Scheme: -

15. The Rationale of the Scheme is submitted as under:

- (i) *VEDL has interests in multiple businesses including metals, mining, and exploration of natural resources (zinc-lead-silver, iron ore, steel, copper, aluminium, nickel, and oil and gas) and power generation.*
- (ii) *Each of the varied businesses carried on by VEDL by itself or through strategic investments in subsidiaries or through affiliate companies (including the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking and the Iron Ore Undertaking) have significant potential for growth and profitability.*
- (iii) *The nature of risk and competition involved in each of these businesses, financial profiles and return ratios are distinct from others and consequently each of the abovementioned business undertakings is capable of attracting a different set of investors, lenders, strategic partners, and other stakeholders. The manner of handling and*





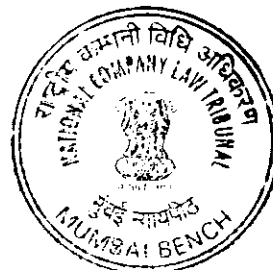
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management of each of the abovementioned businesses is also distinct.

- (iv) In order to lend enhanced focus to the operation of identified businesses, VEDL proposes to segregate and organize these businesses as separate entities, through demergers of each of the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking and the Iron Ore Undertaking.
- (v) The following benefits shall accrue on demergers of the Aluminium Business (as defined hereinafter), the Merchant Power Business (as defined hereinafter), the Oil and Gas Business (as defined hereinafter) and the Iron Ore Business (as defined hereinafter):
 - (a) creation of independent global scale companies focusing exclusively on mining, production and/or supply of aluminium, iron-ore, copper, oil & gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the said respective sectors;
 - (b) enabling greater focus of management in the relevant businesses thereby allowing new opportunities to be explored for each business efficiently and allowing a focused strategy in operations;
 - (c) each of the independent companies can attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in these specific companies without committing the existing organization in its entirety;
 - (d) enabling investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles;
 - (e) enabling focused and sharper capital market access (debt and equity) and thereby unlocking the value of the Aluminium





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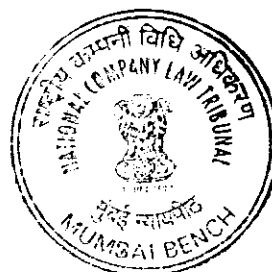
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Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking, and the Iron Ore Undertaking and creating enhanced value for shareholders.

(The Scheme is in the interests of all stakeholders of VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4.)

16. Learned Counsel for the Petitioner Companies submits that as directed by this Tribunal vide the Application Order, the following meetings to approve the Original Scheme, with or without modification(s), were conducted –

Sr. No.	Petitioner Company	Date of meeting of equity shareholders	Date of meeting of the secured creditors	Date of meeting of the unsecured creditors	Result
1.	First Petitioner Company	February 18, 2025	February 18, 2025	February 18, 2025	The modified Scheme was approved by the equity shareholders, secured and unsecured creditors of the Demerged Company.
2.	Second Petitioner Company	Dispensed with.			NA





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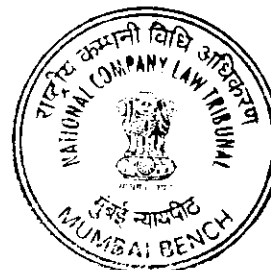
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Sr. No.	Petitioner Company	Date of meeting of equity shareholders	Date of meeting of the secured creditors	Date of meeting of the unsecured creditors	Result
3.	Third Petitioner Company	Dispensed with.	February 18, 2025	February 18, 2025	The modified Scheme was approved by the secured and unsecured creditors of the Resulting Company 3.
4.	Fourth Petitioner Company	Dispensed with.			NA
5.	Fifth Petitioner Company	Dispensed with.			NA

17. The chairperson appointed for the abovementioned meetings has in its reports dated March 3, 2025, provided details regarding the conduct and the results of the said meetings, which are annexed as **Annexure JJ (pg. 1730)**, **Annexure KK (pg. 1748)**, **Annexure LL (pg. 1851)**, **Annexure NN (pg. 2040)** and **Annexure OO (pg. 2061)** of the Company Scheme Petition.

18. In compliance with the Application Order, notices were issued to Equity Shareholders, Secured and Unsecured creditors of the First Petitioner Company and Secured and Unsecured creditors of the Third Petitioner





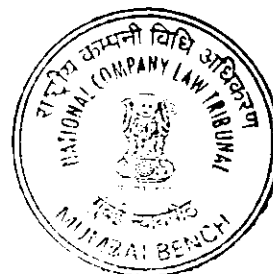
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Company on January 17, 2025, and the notices were published in newspapers "**Business Standard**" and "**Navshakti**" on January 18, 2025. The affidavit in compliance with the directions regarding issuance of abovementioned notices and publication of the notices in the newspaper are annexed as **Annexure II (pg. 1588)** and **Annexure MM (pg. 1978)** of the Company Scheme Petition.

19. In compliance with the Application Order, the Petitioner Companies had jointly served notices upon the Sectoral Regulators in terms of Section 230(5) of the Companies Act ("**Joint Notice**") and the affidavit in compliance with the directions regarding issuance of notices to Sectoral Regulator is annexed as **Annexure PP (pg. 2093)** of the Company Scheme Petition.
20. Accordingly, Equity Shareholders, Secured Creditors and Unsecured Creditors of the First Petitioner Company and Secured Creditors and Unsecured Creditors of the Third Petitioner Company approved the modified Scheme in their respective meetings convened on February 18, 2025, pursuant to the Application Order with requisite majority in accordance with Section 230(6) of the Companies Act.
21. It is also submitted that the Petitioner Companies in compliance with the order dated April 30, 2025 ("**Petition Order**"), passed by this Tribunal in the Company Scheme Petition, jointly served notices upon the Sectoral Regulators and jointly published the notice for the next hearing date, i.e., July 02, 2025, of the captioned Company Petition in newspapers "**Business Standard**" and "**Navshakti**" on June 20, 2025. The Petitioner Companies have filed the joint affidavit dated June 25, 2025, in compliance with the directions regarding issuance of notices to Sectoral





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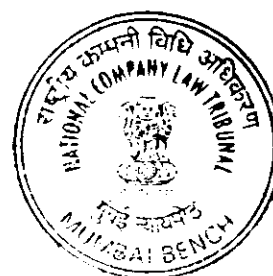
Regulators and publication of the notice regarding next hearing date of the Company Scheme Petition in the newspapers.

22. Learned Counsel for the Petitioner Companies submits that BSE Limited (“BSE”) and National Stock Exchange Limited (“NSE”) had issued Observation Letters with no adverse observations dated July 31, 2024 and July 30, 2024 respectively, to file the Original Scheme with the NCLT. Thereafter, by way of the Observation Letters dated June 03, 2025, issued by BSE and NSE, the First Petitioner Company received “no adverse observations” with respect to the modified Scheme.

23. The Regional Director, Western Region, has filed its Report dated June 27, 2025. The Petitioner Companies have filed an affidavit in reply dated July 01, 2025, to the report filed by the Regional Director with this Tribunal providing clarification / undertakings to the observations made by the Regional Director.

24. The observations made by the Regional Director and the clarifications / undertakings given by the Petitioner Companies are summarized in the table below:

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
1.	2(a)(i)	<i>That on examination of the report of the Registrar of Companies, Mumbai dated 11.06.2025</i>	No response is warranted.





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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<p>(Annexed as Annexure A-1) for Petitioner Companies falls within the jurisdiction of ROC, Mumbai. It is submitted that no representation regarding the proposed scheme of Amalgamation/Arrangement has been received against the Petitioner Companies. Further, the Petitioner Companies has filed Financial Statements up to 31.03.2024.</p> <p>The ROC, Mumbai has further submitted that in his report dated 11.06.2025 which are as under:-</p> <p>i. That the ROC Mumbai in his report dated</p>	



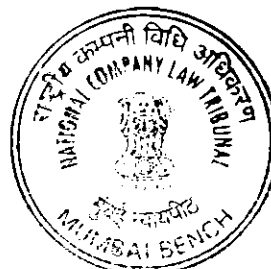


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<i>11.06.2025 has also stated that No Inquiry, Inspection, Investigations, Prosecutions, Complaints under CA, 2013 have been pending against the Petitioner Companies.</i>	
	2(a)(ii)(1)	<i>Observation letter received from NSE and BSE dated 30.07.2024 and 31.07.2024 respectively, Validity of the letter as 6 months only from the date of issue.</i>	The observation letters received from BSE Limited (" BSE ") and National Stock Exchange of India (" NSE ") dated July 31, 2024, and July 30, 2024, respectively (" Observation Letters "), provide that such Observation Letters are valid for six months from the date of the letters, within which the scheme shall be submitted to the NCLT. The Petitioner Companies submit



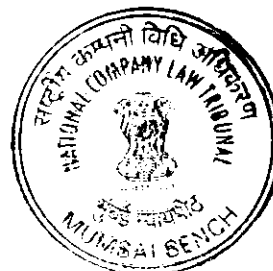


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			that the scheme was filed with the NCLT by way of Company Scheme Application being CA(CAA)/171/MB/2024 ("Company Application") on 06 August 2024, complying with the prescribed time period under the Observation Letters.
	2(a)(ii)(2)	<i>Negative Networth - From the Financials of the Resulting Company 1 / Resulting Company 3 / Resulting Company 4 as at 31.03.2024, it is observed that the company is having negative network. Even when the company has negative network the Financials are prepared on a going concern basis.</i>	While it is correct that the pre-scheme net worth of the Resulting Company 1, Resulting Company 3 and Resulting Company 4 are negative however it is submitted that as per the Independent auditor's certificate dated January 02, 2025, issued by SBH & Co. and annexed as Annexure V to the notices for convening meeting of shareholders and creditors of the Petitioner Companies (as applicable) dated January 17, 2025 ("Notices"), the post scheme net-worth of the



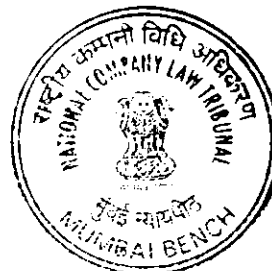


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			Resulting Companies is set to become positive and increase pursuant to the Scheme. The Scheme in Clause 4.1, Clause 11.1, Clause 18.1 and Clause 26.1 clarifies that each of the undertakings shall be transferred to the relevant Resulting Companies on a going concern basis and following such transfer of the undertakings on a going concern pursuant to the Scheme, the net-worth of each of Resulting Company 1, Resulting Company 3 and Resulting Company 4 will become positive.
	2(a)(ii)(3) to 2(a)(ii)(5)	3. <i>Facts may be considered on merit as deemed fit and proper.</i> 4. <i>Interest of the creditors & Employees should be protected.</i>	The Petitioner Companies submit that as part of each relevant undertaking, all employees employed by / engaged in the such undertaking as on the Effective Date (as defined in the Scheme)



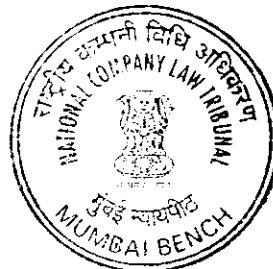


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		5. May be decided on its merits.	including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise will be transferred to the relevant Resulting Company. It is further submitted as per Clause 4.2.7, Clause 11.2.7, Clause 18.2.7, Clause 26.2.7 of the Scheme that the debts and liabilities, whether secured or unsecured pertaining to the respective undertaking (as provided in the Scheme) will be transferred to the relevant Resulting Company, pursuant to the Scheme. In any event, it is submitted that pursuant to the meeting convened in



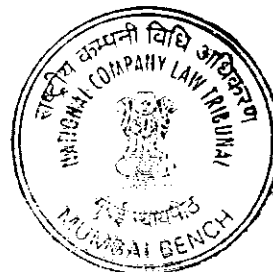


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			compliance with directions in the order dated November 21, 2024 by the Hon'ble Tribunal (" First Motion Order "), the secured and unsecured creditors of the Demerged Company and Resulting Company 3 have approved the Scheme and the meetings of the secured and unsecured creditors of Resulting Company 1, Original Resulting Company 4 and Resulting Company 4 were dispensed with. Accordingly, it is submitted that the interests of employees and creditors will be protected pursuant to the Scheme.
	2(b)	<i>In compliance of Accounting Standard-14 or IND-AS-103, as may be applicable, the Resulting Company shall pass such accounting entries</i>	The Petitioner Companies submit that the Demerged Company and the Resulting Companies undertake that in addition to compliance of Accounting Standard -14 or IND-AS 103 for accounting



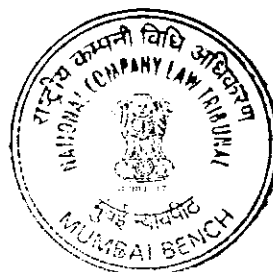


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<i>which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 or IND AS-8 etc.</i>	treatment, if applicable, the Demerged Company and the Resulting Companies shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable accounting standards such as IND-AS 8, as applicable.
	2(c)	<i>The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and the same and there is no discrepancy, or no change is made.</i>	The Petitioner Companies submit that subsequent to the First Motion Order and as set out in Paragraph 32 and 33 of the company petition CP(CAA)/79/ MB/2025 (" Company Petition "), the Board of Directors of the Demerged Company, Original Resulting Company 4 and Resulting Companies have by way of their resolutions dated December 20, 2024, December 23, 2024 and December 23, 2024 respectively decided not to proceed with



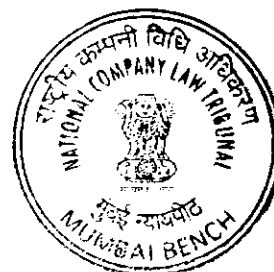


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			<p>implementation of the Part V (Demerger and Vesting of the Base Metals Undertaking) of the Original Scheme presented with the Company Application and have approved the Scheme, with modifications to exclude Part V of the Original Scheme.</p> <p>The Petitioner Companies submit that the Scheme, as modified, was enclosed in the Notices and in the notices served to the sectoral regulators under Section 230(5) of the Companies Act, 2013 ("Joint Notices"). On February 18, 2025, the equity shareholders, secured and unsecured creditors of the Petitioner Companies (<i>as directed under the First Motion Order</i>) approved the Scheme, as modified.</p>



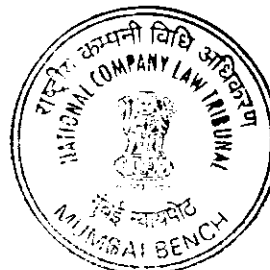


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			<p>Accordingly, the aforesaid modified Scheme, as approved and notified to the sectoral regulators, has been annexed to the Company Petition for sanction by the Hon'ble Tribunal.</p> <p>The Petitioner Companies further submit that BSE and NSE have issued revised observation letters dated June 3, 2025 ("Revised Observation Letters"), providing no comments or adverse observations to the modified Scheme.</p>
	2(d)	<i>The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities</i>	The Petitioner Companies submit that the Joint Notices have been served to the concerned authorities which are likely to be affected by the amalgamation or arrangement, as per provisions of Section



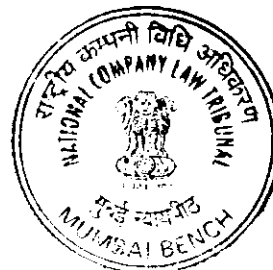


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<i>which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.</i>	230(5) of the Companies Act 2013. The Petitioner Companies undertake that the approval of the Scheme by this Hon'ble Tribunal will not deter such appropriate authorities to deal with any issues that may arise, after giving effect to the Scheme, since the appropriate remedies available to such authorities shall continue to be available, under the applicable laws.
	2(e)	<i>As per Definition of the Scheme, "Appointed Date" in respect of any of Parts II to V of the Scheme, shall mean the Effective Date in respect of such Part of the Scheme, and the Appointed Date for</i>	It is submitted that Appointed Date (as defined in the Scheme) shall be Effective Date for each part of the Scheme. The Petitioner Companies confirm and undertake that upon the order sanctioning this Scheme, as passed by the Hon'ble Tribunal, being filed by the



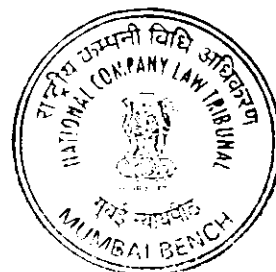


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<p><i>each of the Parts II to V of the Scheme may be a different date.</i></p> <p><i>"Effective Date" means, in respect of (i) Part II of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.2 are fulfilled, obtained or waived as applicable in accordance with this Scheme.</i></p> <p><i>(ii) Part III of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.3 are fulfilled, obtained or waived, as applicable</i></p>	<p>Petitioner Companies with the Registrar of Companies, Mumbai the Scheme shall take effect from the Appointed Date, in compliance with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated August 21, 2019, issued by the Ministry of Corporate Affairs and as directed by the Hon'ble Tribunal.</p>



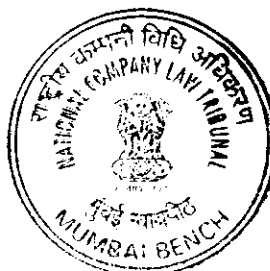


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<p><i>in accordance with this Scheme.</i></p> <p><i>(iii) Part IV of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.4 are fulfilled, obtained or waived, as applicable in accordance with this Scheme.</i></p> <p><i>(iv) Part V of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.5 are fulfilled, obtained or waived, as applicable in accordance with this Scheme.</i></p>	





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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<p>References in any of this Scheme to the date of" coming into effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date in respect of such Part of the Scheme.</p> <p>"Record Date" means the date to be fixed by the Board of Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4 respectively in consultation with the Board of the Demerged Company for the purpose of determining the shareholders of the Demerged Company for issue of the</p>	



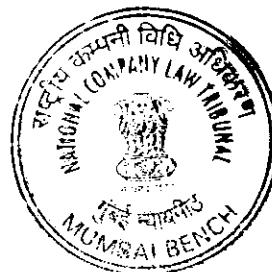


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<p>Resulting Company 1 New Equity Shares, Resulting Company 2 New Equity Shares, Resulting Company 3 New Equity Shares and Resulting Company 4 New Equity Shares respectively and the Record Date for each of the Parts II to V of the Scheme may be different dates.</p> <p>In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be</p>	



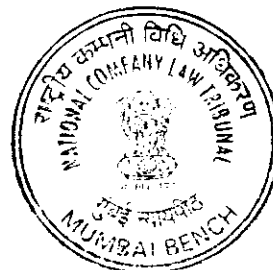


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<p><i>deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers and may consider to fix appointed date keeping in view of Ministry's circular dt. 21.08.2019 and should not be more than 30 days for the date of order of composite scheme by which petitioner companies are required to file INC 28 with ROG.</i></p> <p><i>The Petitioners may be asked to comply with the requirements as</i></p>	



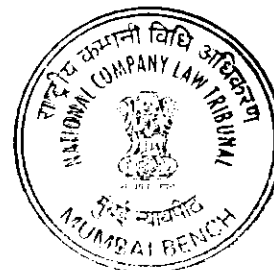


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<i>clarified vide circular no. F. No. 7/12/2019/CL-I dated 21 August 2019 issued by the Ministry of Corporate Affairs.</i>	
	2(f)	<i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meeting duly held in terms of Section 230(1) read with 7 subsection (3) to (5) of Section 230 of the Act in which Hon'ble NCLT Mumbai has not granted dispensation vide order dated 21.11.2024 in CA No. 171 of 2024 and the Minutes thereof are</i>	<i>The Petitioner Companies submits that the Scheme is approved by the requisite majority of members and creditors of the Petitioner Companies, as per Section 230(6) of the Companies Act, 2013 in the meetings duly held in terms of Section 230(1) read with sub-section (3) to (5) of Section 230 of the Companies Act, 2013 for Petitioner Companies where the Hon'ble Tribunal has not granted dispensation in the First Motion Order and the minutes thereof are duly placed before the Hon'ble Tribunal.</i>





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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<i>duly placed before the Tribunal.</i>	
	2(g)	<i>Petitioner Companies shall undertake to comply with the directions of the Income Tax Department & GST Department, if any.</i>	The Petitioner Companies submit that no representations have been received from the Income Tax Department, pursuant to the Scheme. It is submitted that pursuant to the Joint Notices served on the sectoral regulators, the Office of the Commissioner of State Tax, Government of Goa at Goa Rajya Kar Bhavan, Altinho, Panaji Goa (" Goa GST Authorities ") have filed their representation with the Hon'ble Tribunal dated February 7, 2025. The Demerged Company had responded to the representations by way of letter dated May 30, 2025 providing <i>inter alia</i> that the pursuant to the demerger, the tax demands /proceedings shall be transferred to the Resulting





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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			Company 4 and the said tax demands / proceedings shall continue against the Resulting Company 4 subject to the conclusion of the proceedings. The Petitioner Companies undertake to comply with the direction of the Goa GST Authorities, without prejudice to remedies available to the Petitioner Companies under the applicable laws. Hereto marked and annexed as Annexure B is the letter by the Demerged Company to Goa GST Authority.
	2(h)	<i>The Petitioner Company may be directed to undertake that the present scheme is in compliance with Section 2(19AA) of the Income Tax Act, 1961.</i>	The Petitioner Companies submit that as mentioned in paragraph E (<i>Treatment of the Scheme under Income Tax Act, 1961</i>) of the Scheme, the Scheme is in compliance with Section 2(19AA) of the Income Tax Act, 1961.



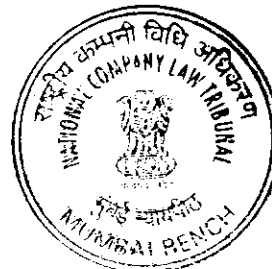


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
	2(i)	<p><i>The Petitioner Company vide letter dated 24 June 2025 (Copy enclosed) has submitted the list of assets and liabilities to be transferred to the resulting companies and the asset value transferred are in excess of liabilities to the resulting companies. Therefore, the Hon'ble NCLT may ensure that the interest of creditors may be protected.</i></p> <p><i>Further, the Hon'ble Tribunal may consider to direct to Demerged company and all 4 resulting companies to undertake that they will be jointly or</i></p>	<p><i>The Petitioner Companies submit that in terms of Clause 4.1, Clause 11.1, Clause 18.1 and Clause 26.1 of Scheme, all assets and liabilities of each of the relevant undertakings of the Demerged Company shall stand transferred to the relevant Resulting Company on a going concern basis. Therefore, all the liabilities of relevant undertakings shall be transferred to the Resulting Companies and the relevant Resulting Company shall be severally, not jointly, liable for the liabilities arising out of such transferred undertaking.</i></p> <p><i>Further, as mentioned above at paragraph 4(d), the Scheme has been approved by the secured and unsecured creditors of the Petitioner Companies (as applicable). Therefore, Scheme is without</i></p>





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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<i>severally liable for payment of creditors of demerged undertaking as on appointed date as the asset value transferred are in excess of liabilities to the resulting companies.</i>	<p>prejudice to the interests of the creditors.</p> <p>In any event, as mentioned 2 (c) above, pursuant to the Scheme the net-worth of each of the Resulting Company will become net-worth positive ensuring that the interests of creditors are protected.</p> <p>Additionally, it is submitted on behalf of the Petitioner Companies that no prejudice would be caused to the creditors of the Demerged Company pursuant to the implementation of the Scheme. The Ld. Counsel has drawn attention to the independent auditor's certificate dated January 2, 2025, issued by M/s. SBH & Co., to demonstrate that post-demerger, the asset base of the Demerged Company, will be</p>



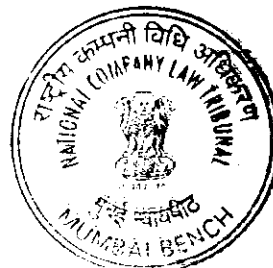


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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			INR 62,254 crores, while the liabilities will only be INR 16,149 crores. Therefore, the demerged undertaking has sufficient asset base to cover the liabilities post demerger.
	2(j)	<i>The Petitioner Companies shall undertake to comply with Rules & Regulations of BSE, NSE, SEBI and also comply with BSE observations letter dt. 31 July 2024, 13 February 2025 & 03 June 2025 and NSE observation letter dt. 30 July 2024 & 03 June 2025 in this regard. Further, Demerged company being a Listed company shall also comply under</i>	The Petitioner Companies submit that BSE and NSE have issued Revised Observation Letters, providing no comments or adverse observations to the modified Scheme. Further the Revised Observation Letters provide that the Scheme shall be subject to the orders of the Hon'ble NCLT and NCLAT. The Petitioner Companies undertake to comply with the directions of the Hon'ble Tribunal in the matter, without prejudice to remedies available to the Petitioner Companies under the applicable laws.





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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		<p>Regulation 37 of SEBI (LODR) Regulation, 2015. Further, the Hon'ble NCLT proper in the facts and merits of the case.</p> <p>It is submitted that on perusal of observation letter of BSE and NSE, it appears that clear NOC and Regulation 37 of SEBI (LODR) 2015 have not been granted by Stock Exchange, therefore, the Hon'ble NCLT after considering the further submission of BSE/NSE/SEBI may consider the Scheme on merit to protect the interest of minority shareholders and creditors of the listed Petitioner Company.</p>	





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#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
	2(k)	<i>Petitioner Transferee Company has foreign shareholders; hence Petitioner Transferee Company shall undertake to comply with rules, regulations, guidelines of FEMA, FERA and RBI.</i>	It is submitted that the Petitioner Companies hereby undertake to ensure compliance with the rules and regulations of FEMA (FERA) & RBI guidelines, as applicable.

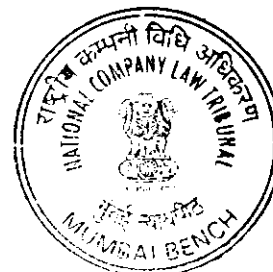
25. This tribunal vide order dated 12.11.2025, passed the following order:

"Heard Ld. Counsel for the Petitioner Companies and Mr. Altap Shaikh, AD for RD, Western Region. Mr. Altap Shaikh, AD on behalf of the RD submits that the reply/rejoinder filed consequent to their observations by or on behalf of the Petitioner Companies are satisfactory and there are no further observations/objections to the proposed Scheme.

*The matter is **reserved for orders**"*

Accordingly, no further objection has been raised by the RD to the proposed Scheme.

26. The Official Liquidator, by its report dated June 25, 2025, has submitted that, as per para 43 (Remaining Business of VEDL) of the Composite Scheme of Arrangement, the first Petitioner Company (Demerged Company) continues its corporate existence and, as such, is not being





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contemplated to be dissolved without winding up. In view of the same, the Liquidator has no comments/observation/representation to make in the aforesaid scheme.

27. As per the Independent Auditor's Certificated dated 02.01.2025, the Pre and Post Scheme Net worth of the Petitioner Companies as on 30th September 2024, is as follows:

i. Vedanta Limited

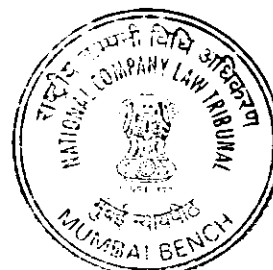
(Rs in Crores)

Particulars	Pre-demerger	Post-demerger
Issued, subscribed and paid-up equity share capital	391	391
Reserves & Surplus:		
Securities Premium	27,424	24,121
Capital Redemption Reserve (Including Preference Share Redemption Reserve)	3,125	3,125
General Reserve	12,587	12,587
Retained earnings/ Surplus in Statement of Profit and Loss	2,755	2,755
Share based Payment Reserve	251	251
Net Worth as at 30 September 2024	46,533	43,230

ii. Vedanta Aluminium Metal Limited

(Rs in Crores)

Particulars	Pre-demerger	Post-demerger
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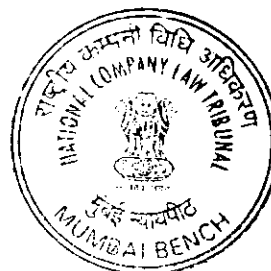
Issued, subscribed and paid-up equity share capital	0.01	391
Reserves & Surplus:		
Securities Premium	-	4,573
Retained earnings/ Deficit in Statement of Profit and Loss	(0.03)	(0.03)
Net Worth as at 30 September 2024	(0.02)	4,964

iii. Talwandi Sabo Power Limited

(Rs in Crores)

Particulars	Pre-demerger	Post-demerger
Issued, subscribed and paid-up equity share capital	3,207	3,910
Reserves & Surplus:		
Securities Premium	-	3,898
Retained earnings/ Surplus in Statement of Profit and Loss	399	399
Net Worth as at 30 September 2024	3,606	8,207

iv. Malco Energy Limited





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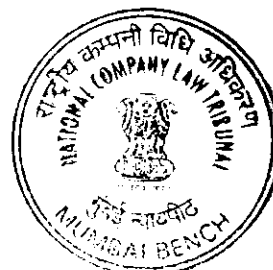
(Rs in Crores)

Particulars	Pre-demerger	Post-demerger
Issued, subscribed and paid-up equity share capital	5	391
Compulsorily & mandatorily convertible debentures which are convertible within a period of 10 years from the date of issue	6,135	6,135
Reserves & Surplus:		
Securities Premium	100	6,981
Retained earnings/ Surplus in Statement of Profit and Loss	(6,412)	-
Net Worth as at 30 September 2024	(172)	13,507

v. Vedanta Iron and Steel Limited

(Rs in Crores)

Particulars	Pre-demerger	Post-demerger
Issued, subscribed and paid-up equity share capital	0.01	391
Reserves & Surplus:		





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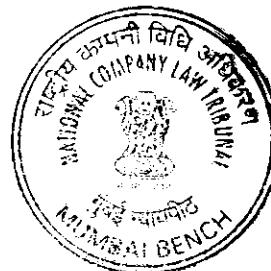
Securities Premium	-	2,394
Retained earnings/ Deficit in Statement of Profit and Loss	(0.03)	
Net Worth as at 30 September 2024	(0.02)	2,785

28. The Learned Counsel for the Petitioner Company submits that pursuant to the notices issued in compliance with the order dated November 21, 2024, passed by this Tribunal in CA(CAA) No. 171/MB/2024, the Petitioner Companies received a representation from the Office of the Commissioner of State Tax, Government of Goa ("**Sales Tax Authority**") dated February 07, 2025. In the said representation, the following observations as to the pending dues have been made:

"The Taxpayer Vedanta Limited is issued Order U/s 73 of Goa GST Act, 2017 for the year 2019-20 for Rs.7,55,17,699/- (Copy of DRC 07 issued is enclosed) and Show cause notice is issued U/s 73 of GST Act, 2017 for the year 2020-2021 for Rs.68,68,314/- (copy of DRC 01 is enclosed) as per the report submitted by State Tax Officer, Panaji ward"

The Petitioner Companies have by way of a letter dated May 30, 2025, stated that the tax demands raised by the Sales Tax Authority have been appealed by the First Petitioner Company and are subject to the conclusion of such appeal proceedings. A copy of the letter dated May 30, 2025, is annexed as **Annexure B (pg. 22)** to the affidavit in reply dated July 01, 2025, filed by the Petitioner Companies.

29. The SEBI served its reply dated July 16, 2025 to the VEDL regarding violation of Paragraph A(11) of Part I of the SEBI Master Circular bearing





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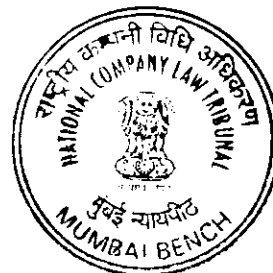
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no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Master Circular**"), arising from the modification of the Scheme (with regard to exclusion of Part V of the Original Scheme) without its consent.

30. The Petitioner Companies filed their joint affidavit in rejoinder dated August 05, 2025, reiterating that the BSE Ltd. and National Stock Exchange of India Ltd. ("Stock Exchanges"), by way of their letters dated June 03, 2025, have already provided their "no adverse observations" in relation to the Scheme, and also, undertook to extend full cooperation to SEBI in its ongoing independent examination of compliance with the SEBI Master Circular.
31. Thereafter, the SEBI has issued an Administrative Warning dated 13.08.2025 to the VEDL, observing that the modification of the Scheme amounts to noncompliance with the SEBI Master Circular. Accordingly, in the Warning Letter, SEBI inter alia advised the First Petitioner Company "to be careful in future to avoid recurrences of such lapses". SEBI further advised the First Petitioner Company to place the Warning Letter before its Board of Directors ("Board") and forward its comments to SEBI. In compliance with SEBI's aforesaid directions, the Warning Letter was placed before the First Petitioner Company's Board at its meeting held on August 21, 2025. In the said meeting, the Board reviewed and deliberated upon the contents of the Warning Letter and recorded its observations. The said observations were communicated to SEBI by way of a letter dated August 22, 2025.
32. Accordingly, the SEBI has filed an Affidavit dated 02.09.2025, relevant paragraphs of the said Affidavit are reproduced below:

"6. I say that the First Petitioner Company has subsequently disclosed the above SEBI Administrative Letter to the stock exchanges, i.e., the National Stock Exchange of India Ltd. and the BSE Ltd. through its disclosure dated 14 August 2025 in terms of the provisions of the





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Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Vedanta Disclosure"). A copy of the aforesaid Vedanta Disclosure, along with the SEBI Administrative Letter, is hereto annexed and marked as Exhibit-C.

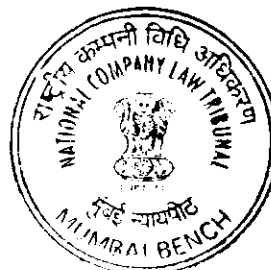
7. It is repeated and reiterated that without prejudice to anything mentioned herein above it is humbly submitted that in light of the approvals of the Modified Scheme by the equity shareholders and the secured and the unsecured creditors, and considering that the approval of the Modified Scheme is subject to the orders that may be passed by this Hon'ble Tribunal or the Hon'ble National Company Law Appellate Tribunal, SEBI respectfully submits that it has no further comments to offer at this stage, save and except the contentions raised herein above regarding the non-compliance with Clause 11 of Part I-A of the SEBI Master Circular

8. It is therefore respectfully submitted that the Hon'ble Tribunal may be pleased to adjudicate the Petition without making any specific finding or determination on whether the First Petitioner Company has complied with the requirements of the SEBI Master Circular in light of the SEBI Administrative Letter dated 13 July 2025."

33. Subsequently, the SEBI filed Intervention Petition 13 of 2025 for the sole purpose of placing on record the affidavit dated 02.09.2025. Thereafter, this Tribunal by order dated 29.10.2025 passed the following order:

"IVN.P/13/2025- This Intervention Application has been filed by Securities Exchange Board of India Limited seeking following prayers:

a) This Hon'ble Tribunal may be pleased to allow the present Intervention Application and direct the Original Petitioner Companies to implead the Applicant as a party to the Original Company Petition No. 79 of 2025.





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b) This Hon'ble Tribunal be pleased to pass any such other and further relief(s) or order(s) as this Hon'ble Tribunal deems fit in light of the facts and circumstances of the present case.

*Ld. Counsel for the Intervenor submits that the sole purpose of filing this IA was to place on record their affidavit dated 02.09.2025 which is enclosed from Page No. 13 to 16 of the IA. The Respondent in this Intervention Petition is the Vedanta Limited i.e. the first Petitioner Company in C.P.(CAA)/79(MB)2025. Ld. Counsel for the Respondent submits that the affidavit which is sought to be brought on record by the SEBI dated 02.09.2025 may be taken on record and their Petition may be proceeded further. Accordingly, the affidavit dated 02.09.2025 of SEBI is taken record, and, this INV. P 13 of 2025 is **disposed of**."*

In view of their affidavit taken on record, the SEBI has not made any further observation or has raised any further objections in respect of this Scheme before this Tribunal.

34. The Government of India, through the Ministry of Petroleum and Natural Gas (MoPNG), has filed Company Application 230 of 2025, thereby seeking certain disclosures and/or rejection of the present scheme on the basis of alleged non-disclosure on the part of the Demerged Company. During the course of the hearing, the VEDL has submitted an Affidavit dated 14.08.2025 and has undertaken that, i) VEDL will release the charge created on fixed assets of VEDL prior to implementation of the Scheme and, ii) VEDL will provide a corporate guarantee on behalf of the MEL, in the event MEL fails to satisfy its liabilities towards MoPNG. Based on the submissions, undertakings and adequacy of disclosures, this Tribunal has **disposed of** the said Company Application vide order dated 16.12.2025 by passing the following directions: -

"However, during the course of the final hearing, it was submitted on behalf of the MoPNG that the VEDL has produced NOCs from 8 banks,





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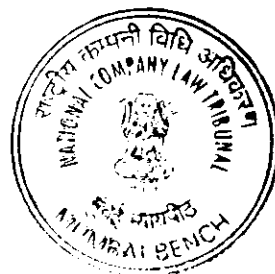
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stating that the charge over the petroleum assets has been removed. Ld. Counsel appearing on behalf of the MoPNG sought following directions from this Tribunal to direct the VEDL:

- (i) to update the details as to the removal of charges on the RoC website, and
- (ii) to furnish as also place on record of this Tribunal the Corporate Guarantee to the effect that upon effectiveness of the Scheme, in the event MEL is unable to meet or satisfy its liability towards MoPNG, arising under the PSCs or RSCs, then VEDL shall meet such liability on behalf of MEL in proper and prescribed format.

Accordingly, the VEDL is hereby directed to update the requisite details on the RoC website and also place on record such NOCs before this Tribunal by way of an Affidavit. VEDL has stated at the time of the final hearing, that it had created charge in favour of 8 banks only and that the said assets are now totally free from any charge. However, we direct VEDL to file an undertaking/affidavit affirming the said facts. Further, VEDL has already vide its affidavit dated 14.08.2025 undertaken to provide guarantee to the effect that upon effectiveness of the Scheme, in the event MEL is unable to meet or satisfy its liability towards MoPNG, arising under the PSCs or RSCs, then VEDL shall meet such liability on behalf of MEL. The VEDL is accordingly, also directed to furnish as also place on record of this Tribunal the said Corporate Guarantee. The said Corporate Guarantee shall be made after making the necessary compliance under applicable law. The compliance affidavit/s in respect of the above directions be filed within 2 months of this order or before the effective date of the scheme, whichever is earlier."



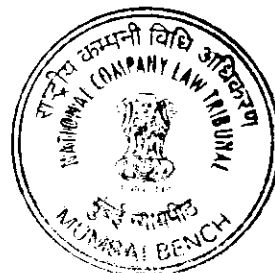


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35. It is submitted that the non-implementation of Part V of the Original Scheme will have no impact on the share entitlement ratio for other Parts of the Original Scheme and Resulting Companies. Upon the Scheme (with modifications to exclude Part V of the Original Scheme) becoming effective, the share capital of each of the Resulting Companies shall stand altered to mirror the shareholding of First Petitioner Company / Demerged Company. As such, a shareholder holding in the Demerged Company (which will include the Base Metals Undertaking) will be replicated in each of the Resulting Companies.
36. It is submitted that other than non-implementation of Part V of the Original Scheme, the Original Scheme will be implemented as originally envisaged, including there being no alterations to the share entitlement ratio of 1:1 for demerger of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking (as defined under the Scheme). Therefore, non-implementation of Part V of the Original Scheme does not impact or have an effect on the share entitlement ratio reports.
37. The Learned Counsel for the Petitioner Companies also submits that Resulting Company 2 had filed a separate Company Scheme Application before this Tribunal being CA(CAA) No. 220/MB/2024 since the Non-Petitioner Company was in the process of changing its registered office from the State of Punjab to the State of Maharashtra at the time of filing of the company scheme application in the present matter. The said application pertains to the demerger of the Merchant Power Undertaking (as defined in the Scheme) of the First Petitioner Company / Demerged Company to the Resulting Company 2. The NCLT, by way of its order dated 17 October 2025, allowed the said application and *inter alia* directed (i) dispensation of the meeting of equity shareholders of TSPL; and (ii)





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convening of meetings of its Secured Creditors and Unsecured Creditors within 90 days of the date of receipt of the order.

38. No further objections have been received by the Tribunal opposing the Company Scheme Petition nor has any party controverted any averments made in the Company Scheme Petition.

ORDER

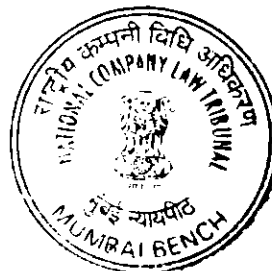
39. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition bearing No. **C.P.(CAA)/79/MB/2025** is approved. Consequently, **Sanction** is hereby **Granted** to the Scheme under Sections 230 to 232 of the Companies Act, 2013, in terms of the following directions:

a. The sanction of the present Scheme is subject to the following conditions, each of which shall be complied with **within two months of this order or before the effective date of the Scheme, whichever is earlier**:

- i. the prior release of the charge created over the fixed assets of VEDL and consequent updation of the same on the site of ROC; and
- ii. the furnishing of a corporate guarantee on behalf of MEL, in accordance with the undertaking provided by VEDL vide Affidavit dated 14.08.2025.

Furthermore, the approval of the present Scheme Petition shall not affect, nor shall it prejudice, any arbitration proceedings initiated or pending before any court of law or competent authority.

b. If there is any deficiency found or, the violation committed qua any enactment, statutory rule or regulation, the sanction granted by this





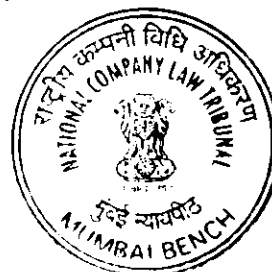
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Tribunal will not come in the way of action being taken, albeit in accordance with law, against the concerned persons, directors and officials of the petitioner companies.

- c. While approving the Scheme, we clarify that this Order should not, in any way, be construed as an order granting exemption from payment of stamp duty, taxes or other charges, if any, and payment in accordance with law or in respect of any permission or compliance with other requirements which may be specifically required under any law or Regulations.
- d. Further, effectiveness of this Scheme shall not deter any regulatory authorities to initiate action, proceedings, prosecution, investigation or any regulatory action against the Demerged Company and Resulting Companies.
- e. As per the provisions of Section 232(4) of the Companies Act, 2013, by virtue of this order, on the Scheme becoming effective, the properties and liabilities provided to be transferred in the Scheme being approved, the properties shall be transferred to the respective Transferee Company and the liabilities shall be transferred to and become the liabilities of the respective Transferee Company and the properties provided in the Scheme being approved to be freed from any charge, shall be freed from the said charge.
- f. The Income Tax Department will be at liberty to examine the aspect of any tax payable by the Petitioner Companies or by the Shareholders of the Demerged Company. It shall be open to the Income Tax Authorities to take necessary action as permissible under the Income Tax Law. The decision of Income Tax Department shall be binding on the Demerged Company and also relevant Resulting Companies and their Directors, Shareholders etc. as the case may be.



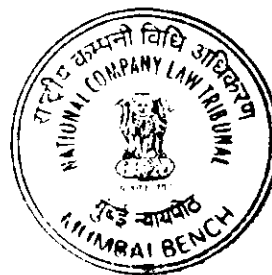


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- g. All the Duties, Direct and Indirect taxes (including any Advance Taxes), GST liabilities, liabilities under the erstwhile provisions of the VAT Act, Sales Tax Act, Customs Duty, Excise Duty and any other tax obligations or litigations thereunder for any tax laws for Demerged Company in respect of the demerged undertakings shall be transferred to the respective Resulting Company, as a result of the Scheme.
- h. The Petitioner Companies are directed to file a Certified Copy of this order along with a copy of the Scheme duly authenticated/certified by the Deputy Registrar or the Joint Registrar or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Registrar of Companies, electronically, in e-Form INC-28 within 30 (thirty) days from the date of receipt of this Order, duly certified by the Deputy Registrar or the Assistant Registrar, as the case may be, of this Tribunal.
- i. The Certified Copy of this Order be also submitted to all applicable Statutory Authorities.
- j. The Petitioner Companies to lodge a certified copy of this Order and the Scheme duly authenticated by the Deputy Registrar or the Assistant Registrar, as the case may be, of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 working days from the date of receipt of the certified copy of this order.
- k. The Petitioner Companies shall be bound by the undertaking given by them to the Regional Director, Govt. of India through MoPNG, SEBI including the undertaking to protect the interest of all Creditors, and forms integral part of this order.



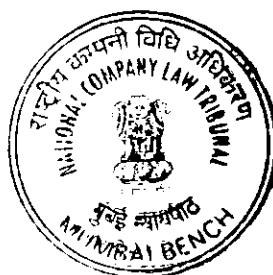


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- l. Any proceedings now pending by or against the Demerged Company be continued by or against the relevant Resulting Companies.
- m. All the properties, rights, liabilities, duties and powers of the Demerged Company, in respect of the Demerged Undertaking be transferred without further act or deed, to the relevant Resulting Company and accordingly the same shall, pursuant to Section 232 of the Companies Act, 2013, be transferred to and vest in the relevant Resulting Company.
- n. All the employees of the relevant undertaking of the Demerged Company in service, on the date immediately preceding the date on which the Scheme takes effect i.e. the Effective Date, shall become the employees of the respective Resulting Companies on such date, without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Demerged Company on the said date.
- o. In compliance of Accounting Standard-14 or IND-AS-103, as may be applicable, the Resulting Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 or IND AS-8 etc. The net-worths of the Demerged Company and of the Resulting Companies shall finally be based on the Accounting treatment as given by the respective Company in its books of account in accordance with the said Accounting Standards.
- p. The Registrar of Companies is entitled to proceed against the Resulting Companies for violation/ offences committed by Demerged Company, in so far as it relates to such Resulting Company, if any.





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- q. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.
- r. In case, there is an inconsistency in the provisions of Scheme and of this order being passed by this Tribunal, the provisions of this order shall prevail.
- s. Any concerned authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.
- t. All authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai.
40. Ordered Accordingly and the Company Scheme Petition with C.P.(CAA)/79/MB/2025 in C.A. (CAA) / 171 (MB) / 2024 stands **disposed of**.
41. File be consigned to record storage (current).

Sd/-

Charanjeet Singh Gulati

Member (Technical)

OmkarD.

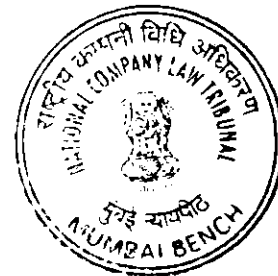
Sd/-

Nilesh Sharma

Member (Judicial)

Certified True Copy _____
Date of Application 19/12/2025
Number of Pages 53
Fee Paid Rs. 265/-
Applicant's declaration on 21/1/2026
Copy produced on 20/1/2026
Copy issued on 21/1/2026

P.H. Gauri
20/1/26
Assistant Registrar
National Company Law Tribunal Mumbai Bench



ANNEXURE B

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

VEDANTA LIMITED

AND

VEDANTA ALUMINIUM METAL LIMITED

AND

TALWANDI SABO POWER LIMITED

AND

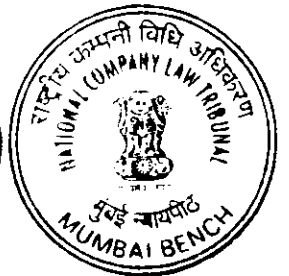
MALCO ENERGY LIMITED

AND

VEDANTA IRON AND STEEL LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013

A) PREAMBLE

1. This composite scheme of arrangement (hereinafter referred to as the "Scheme") *inter alia* provides for:

- (i) Demerger of the Aluminium Undertaking (*as defined hereinafter*) of Vedanta Limited ("VEDL") to Vedanta Aluminium Metal Limited ("Resulting Company 1"), and corresponding issuance of equity shares of Resulting Company 1 to the shareholders of VEDL and reduction and cancellation of the entire paid-up share capital of Resulting Company 1 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.
- (ii) Demerger of the Merchant Power Undertaking (*as defined hereinafter*) of VEDL to Talwandi Sabo Power Limited ("Resulting Company 2"), and corresponding issuance of equity shares of Resulting Company 2 to shareholders of VEDL and reduction and cancellation of the paid-up share capital of the Resulting Company 2 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.
- (iii) Demerger of the Oil and Gas Undertaking (*as defined hereinafter*) of VEDL to MALCO Energy Limited ("Resulting Company 3"), and corresponding issuance of equity shares of Resulting Company 3 to shareholders of VEDL and reduction and cancellation of the paid-up share capital of the Resulting Company 3 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.
- (iv) Demerger of the Iron Ore Undertaking (*as defined hereinafter*) of VEDL to Vedanta Iron and Steel Limited ("Resulting Company 4"), and corresponding issuance of equity shares of Resulting Company 4 to shareholders of VEDL and reduction and cancellation of the paid-up share capital of the Resulting Company 4 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

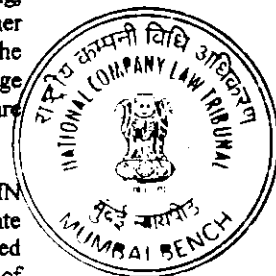
The Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4 are collectively referred to as the "Resulting Companies".

2. This Scheme also provides for various other matters consequent and incidental thereto.

B) INTRODUCTION

1. VEDL is a company incorporated under the Companies Act, 1956 with CIN L13209MH1965PLC291394 and registered office situated at 1st Floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East) Mumbai - 400093. VEDL is a diversified natural resource company engaged in the business of extraction, refining, manufacture and sale of various metals and minerals, generation and sale of power and other businesses including semiconductor manufacturing, display glass manufacturing, etc. The equity shares of VEDL are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Listed Debt Securities (*as defined hereinafter*) of VEDL are listed on the BSE.

2. Resulting Company 1 is a company incorporated under the Companies Act, 2013 with CIN U24202MH2023PLC411663 and registered office situated at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai-400093, Maharashtra and is a wholly owned subsidiary of VEDL. The Resulting Company 1 has been incorporated with the objective of *inter alia* carrying on the business of metallurgists and miners including beneficiation, dressing,

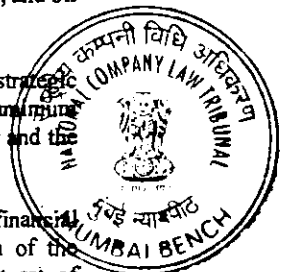


concentration, smelting, refining and the extraction, manufacture and fabrication, purchase and sale of metals and in particular to manufacture, produce and/or otherwise deal in alumina, aluminium and aluminium products and by-products and the sale, dealing or other disposition of alumina, aluminium and aluminium products and by-products. Following the coming into effect of Part II of the Scheme, the Resulting Company 1 will carry on the Aluminium Business (*as defined hereinafter*). The equity shares of the Resulting Company 1 are presently not listed on the Stock Exchanges (*as defined hereinafter*).

3. Resulting Company 2 is Talwandi Sabo Power Limited, a company incorporated under the Companies Act, 1956 with CIN U40101PB2007PLC031035 and is a wholly owned subsidiary of VEDL. The Resulting Company 2 is engaged in the business of *inter alia* generation, transmission and distribution of power for supply to the state electricity boards, power utilities, generating companies, transmission companies, distribution companies, etc. Following the coming into effect of Part III of the Scheme, the Resulting Company 2 will carry on the Merchant Power Business (*as defined hereinafter*). The equity shares of the Resulting Company 2 are presently not listed on the Stock Exchanges.
4. Resulting Company 3 is MALCO Energy Limited, a company incorporated under the Companies Act, 1956 with CIN U31300TN2001PLC069645 and is a wholly owned subsidiary of VEDL. Currently, Resulting Company 3 is engaged in the business of *inter alia* processing ferrous and non-ferrous metals and mining, refining and preparing of market ores, minerals, metals and substances of every kind and description and processing them. Following the coming into effect of Part IV of the Scheme, the Resulting Company 3 will carry on the Oil and Gas Business (*as defined hereinafter*). The equity shares of the Resulting Company 3 are presently not listed on the Stock Exchanges.
5. Resulting Company 4 is a company incorporated under the Companies Act, 2013 with CIN U24109MH2023PLC411777 and registered office situated at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai-400093, Maharashtra and is a wholly owned subsidiary of VEDL. The Resulting Company 4 has been incorporated with the objective of *inter alia* carrying on business as explorers and miners of ferrous ores and minerals and manufacturers, exporters, importers, buyers, sellers and dealers in all kinds and description of iron and steel, their alloys and any other special steel group and their products, and all varieties of profiles and products whether forged, rolled, cast or drawn and all products intermediated and by-products consequent to or obtained in the process of manufacture of above articles. Following the coming into effect of Part V of the Scheme, the Resulting Company 4 will carry on the Iron Ore Business (*as defined hereinafter*). The equity shares of the Resulting Company 4 are presently not listed on the Stock Exchanges.

C) RATIONALE

- (i) VEDL has interests in multiple businesses including metals, mining, and exploration of natural resources (zinc-lead-silver, iron ore, steel, copper, aluminium, nickel, and oil and gas) and power generation.
- (ii) Each of the varied businesses carried on by VEDL by itself or through strategic investments in subsidiaries or through affiliate companies (including the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking and the Iron Ore Undertaking) have significant potential for growth and profitability.
- (iii) The nature of risk and competition involved in each of these businesses, financial profiles and return ratios are distinct from others and consequently each of the abovementioned business undertakings is capable of attracting a different set of investors, lenders, strategic partners, and other stakeholders. The manner of handling and management of each of the abovementioned businesses is also distinct.



- (iv) In order to lend enhanced focus to the operation of identified businesses, VEDL proposes to segregate and organize these businesses as separate entities, through demergers of each of the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking and the Iron Ore Undertaking.
- (v) The following benefits shall accrue on demergers of the Aluminium Business (*as defined hereinafter*), the Merchant Power Business (*as defined hereinafter*), the Oil and Gas Business (*as defined hereinafter*) and the Iron Ore Business (*as defined hereinafter*):
- creation of independent global scale companies focusing exclusively on mining, production and/or supply of aluminium, iron-ore, copper, oil & gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the said respective sectors;
 - enabling greater focus of management in the relevant businesses thereby allowing new opportunities to be explored for each business efficiently and allowing a focused strategy in operations;
 - each of the independent companies can attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in these specific companies without committing the existing organization in its entirety;
 - enabling investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles;
 - enabling focused and sharper capital market access (debt and equity) and thereby unlocking the value of the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking, and the Iron Ore Undertaking and creating enhanced value for shareholders.

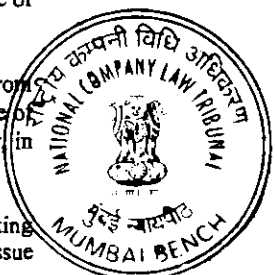
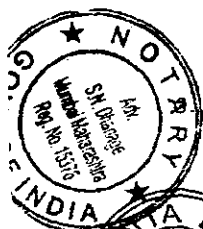
The Scheme is in the interests of all stakeholders of VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4.

D) PARTS OF THE SCHEME

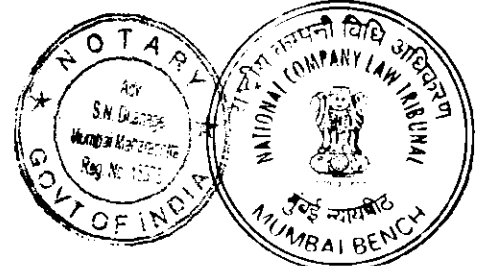
The Scheme is divided into the following parts:

- PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme;
- PART II** deals with the demerger, transfer and vesting of the Aluminium Undertaking from the Demerged Company into Resulting Company 1 on a going concern basis and the issue of equity shares by the Resulting Company 1 to the shareholders of the Demerged Company, in consideration thereof;

PART III deals with the demerger, transfer and vesting of the Merchant Power Undertaking from the Demerged Company into Resulting Company 2 on a going concern basis and the issue of equity shares by the Resulting Company 2 to the shareholders of the Demerged Company, in consideration thereof;



4. **PART IV** deals with the demerger, transfer and vesting of the Oil and Gas Undertaking from the Demerged Company into Resulting Company 3 on a going concern basis and the issue of equity shares by the Resulting Company 3 to the shareholders of the Demerged Company, in consideration thereof;
 5. **PART V** deals with the demerger, transfer and vesting of the Iron Ore Undertaking from the Demerged Company into Resulting Company 4 on a going concern basis and the issue of equity shares by the Resulting Company 4 to the shareholders of the Demerged Company, in consideration thereof;
 6. **PART VI** deals with the general terms and conditions applicable to this Scheme.
- E) TREATMENT OF THE SCHEME UNDER INCOME TAX ACT, 1961**
1. The provisions of Parts II to V of this Scheme have been drawn up to comply with the conditions relating to "demerger" as defined under Section 2(19AA) of the Income Tax Act and the demerger of each of the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking and the Iron Ore Undertaking and their respective transfer and vesting into the Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4 respectively shall be in compliance with Section 2(19AA) of the Income Tax Act, 1961.
 2. If any of the terms or provisions of Parts II to V of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section 2(19AA) at a later date including as a result of an amendment of law or for any other reason whatsoever, the said Section 2(19AA) shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA). Such modification shall not affect the other parts of the Scheme.



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PART I

DEFINITIONS, SHARE CAPITAL OF THE PARTIES, DATE OF TAKING EFFECT

1. DEFINITIONS

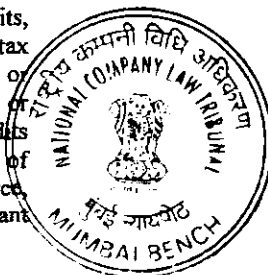
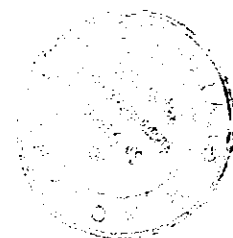
- 1.1. In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

"Act" means the Companies Act, 2013 as amended from time to time and the rules made thereunder;

"Aluminium Business" means all the businesses, undertakings, activities, properties and liabilities of whatsoever nature and kind and wherever situated, pertaining and / or related to the Demerged Company's division engaged in mining and processing of bauxite and refining of alumina and extraction, manufacture, and sale of aluminium;

"Aluminium Undertaking" means the undertaking of the Demerged Company pertaining to the Aluminium Business as on the Appointed Date and shall include (without limitation):

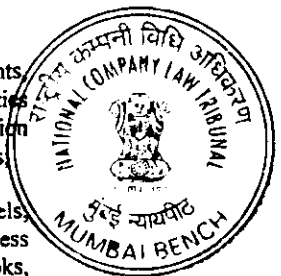
- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, residential premises occupied by the employees engaged for the purpose of the Aluminium Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Aluminium Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (ii) All assets as are movable in nature pertaining to the Aluminium Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants), actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., including investments in BALCO, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits or set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Aluminium Business;
- (iii) all mines, including applications for mining leases and letters of intent issued in respect of the mines, with all necessary licenses, approvals, clearances, all mine infrastructures



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standing on the mining lease land and surface rights, composite licenses for the mines, whether already granted or for which an application is pending or in process as on the Effective Date;

- (iv) mining infrastructure such as tangible assets used for mining operations, being civil works, workshops, immovable ore winning equipment, foundations, embankments, pavements, electrical systems, communication systems, relief centers, site administrative offices, fixed installations, ore handling arrangements, crushing and conveying systems, railway sidings, pits, shafts, inclines, underground transport systems, hauling systems land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by mining operations under the relevant Law;
- (v) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Aluminium Business ("**Aluminium Undertaking Liabilities**") and / or arising out of and / or relatable to the Aluminium Business including:
 - (a) the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Aluminium Business;
 - (b) specific loans and borrowings raised, incurred, and utilised solely for the activities or operations of the Aluminium Business;
 - (c) existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Aluminium Business;
 - (d) liabilities other than those referred to in subclauses (a) and (b) above and not directly relatable to the Remaining Business of the Demerged Company being the amounts of general and multipurpose borrowings of the Demerged Company that shall be allocated to the Aluminium Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of the assets of Demerged Company immediately prior to giving effect to Part II of the Scheme;
- (vi) contracts, agreements, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, undertakings, memoranda of agreement, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, hire purchase agreements, lease / license agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with supplier / manufacturer or goods or service providers, schemes, other arrangements, undertakings, deeds, bonds, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Aluminium Business;
- (vii) all Permits, quotas, incentives, right of way, powers, authorities, allotments, rights, benefits, advantages, credits, awards, sanctions, exemptions, concessions, liberties including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Aluminium Business;
- (viii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames, trademarks, goodwill, trade secrets in relation to the Aluminium Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, hardware, computer programs, domain names, software licenses (whether proprietary or otherwise).

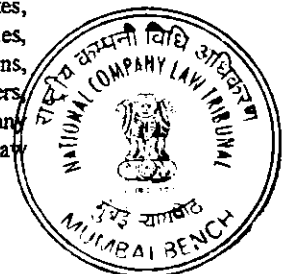
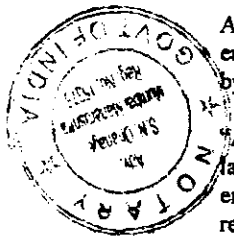


research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Aluminium Business;

- (ix) rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership or possession of or in control of or vested in or granted in favour of or enjoyed in respect of the Aluminium Business;
- (x) all legal or other proceedings of whatsoever nature that pertain to the Aluminium Business;
- (xi) entire experience, credentials, past record, and market share of the Demerged Company pertaining to the Aluminium Business;
- (xii) all employees employed by / engaged in the Aluminium Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;
- (xiii) (a) The aluminium smelter units of the Demerged Company situated in Jharsuguda, Odisha, (b) the aluminium refinery of the Demerged Company situated in Lanjigarh, Odisha, and (c) the bauxite mine of the Demerged Company located in Sijimali, Odisha; and
- (xiv) (a) 4 (four) captive power plants of the Demerged Company of total capacity 3015 MW situated in Jharsuguda, Odisha; (b) 1 (one) captive power plant of the Demerged Company of capacity 90 MW situated in Lanjigarh, Odisha, (c) coal mines of the Demerged Company situated in Jamkhani, Radhikapur West, Kuraloi and Ghogharpalli; (d) capital work in progress in relation to plant of capacity 130 MW situated in Lanjigarh, Odisha.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Aluminium Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company 1.

"Applicable Law" or "Law" means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, press notes, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a person, as may be in force from time to time;



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"Appointed Date" in respect of any of Parts II to V of the Scheme, shall mean the Effective Date in respect of such Part of the Scheme, and the Appointed Date for each of the Parts II to V of the Scheme may be a different date;

"Appropriate Authority" means:

- (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission, or other authority thereof;
- (ii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority including without limitation, SEBI, and the Tribunal; and
- (iii) any Stock Exchange.

"BALCO" means Bharat Aluminium Company Limited, a public limited company incorporated under the Companies Act, 1956 with CIN U74899DL1965PLC004518 and registered office situated at Aluminium Sadan Core – 6scope Office Complex, 7 Lodhi Road, New Delhi – 110003;

"Board" in relation to a Party, means the board of directors of such Party, and shall include a committee of directors or any person authorised by such board of directors or such committee of directors;

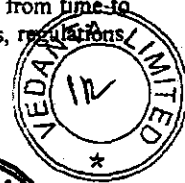
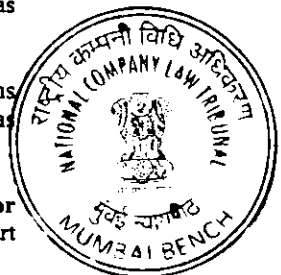
"Demerged Company" means VEDL;

"Effective Date" means, in respect of:

- (i) Part II of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.2 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;
- (ii) Part III of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.3 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;
- (iii) Part IV of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.4 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;
- (iv) Part V of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 39.1 and Clause 39.5 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;

References in any Part of this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" shall mean the Effective Date in respect of such Part of the Scheme;

"Income Tax Act" or "IT Act" means the Income-tax Act, 1961, as amended from time to time or any statutory modification / reenactment thereof together with the rules, regulations, circulars, notifications, clarifications, and orders issued thereunder;

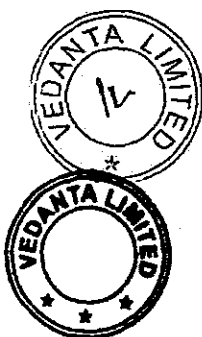
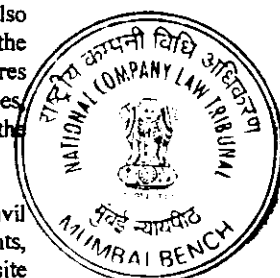


"INR" or "Rupee(s)" means Indian Rupee(s), the lawful currency of the Republic of India;

"Iron Ore Business" means all the businesses, undertakings, activities, properties and liabilities of whatsoever nature and kind and wherever situated, pertaining and / or related to the Demerged Company's division engaged in mining, processing and sale of iron ore;

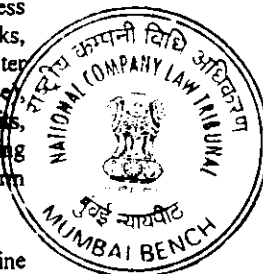
"Iron Ore Undertaking" means the undertaking of the Demerged Company pertaining to the Iron Ore Business as on the Appointed Date and shall include (without limitation):

- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, residential premises occupied by the employees engaged for the purpose of the Iron Ore Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Iron Ore Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (ii) All assets as are movable in nature pertaining to the Iron Ore Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants) actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits or set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Iron Ore Business;
- (iii) all mines (including the iron ore mines situated in Goa and Karnataka) and also including applications for mining leases and letters of intent issued in respect of the mines, with all necessary licenses, approvals, clearances, all mine infrastructures standing on the mining lease land and surface rights, composite licenses for the mines whether already granted or for which an application is pending or in process as on the Effective Date;
- (iv) mining infrastructure such as tangible assets used for mining operations, being civil works, workshops, immovable ore winning equipment, foundations, embankments, pavements, electrical systems, communication systems, relief centers, site administrative offices, fixed installations, ore handling arrangements, crushing and conveying systems, railway sidings, pits, shafts, inclines, underground transport



systems, hauling systems land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by mining operations under the relevant Law;

- (v) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Iron Ore Business ("**Iron Ore Undertaking Liabilities**") and / or arising out of and / or relatable to the Iron Ore Business including:
- the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Iron Ore Business;
 - specific loans and borrowings raised, incurred, and utilised solely for the activities or operations of the Iron Ore Business;
 - existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Iron Ore Business;
 - liabilities other than those referred to in subclauses (a) and (b) above and not directly relatable to the Remaining Business of the Demerged Company being the amounts of general and multipurpose borrowings of the Demerged Company that shall be allocated to the Iron Ore Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of the assets of Demerged Company immediately prior to giving effect to Part V of the Scheme;
- (vi) contracts, agreements, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, undertakings, memoranda of agreement, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, hire purchase agreements, lease / license agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with supplier / manufacturer or goods or service providers, schemes, other arrangements, undertakings, deeds, bonds, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Iron Ore Business;
- (vii) all Permits, quotas, incentives, right of way, powers, authorities, allotments, rights, benefits, advantages, credits, awards, sanctions, exemptions, concessions, liberties including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Iron Ore Business;
- (viii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames, trademarks, goodwill, trade secrets in relation to the Iron Ore Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, hardware, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Iron Ore Business;
- (ix) rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other



rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership or possession of or in control of or vested in or granted in favour of or enjoyed in respect of the Iron Ore Business;

- (x) all legal or other proceedings of whatsoever nature that pertain to the Iron Ore Business;
- (xi) entire experience, credentials, past record, and market share of the Demerged Company pertaining to the Iron Ore Business;
- (xii) all employees employed by / engaged in the Iron Ore Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise; and
- (xiii) Value added business (comprising of pig iron plant, metallurgical coke plant, two power plants, and beneficiation plant in Goa), and metallurgical coke plant in Vazare.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Iron Ore Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company 4.

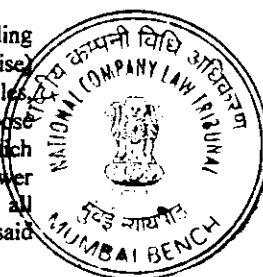
"Listed Debt Securities" mean any outstanding listed debt securities as on Effective Date including non-convertible debentures, non-convertible redeemable preference shares, bonds, commercial papers, etc. issued by VEDL and listed on the Stock Exchanges, including the redeemable, non-cumulative, non-convertible debentures issued by VEDL with the following international securities identification numbers:

- (i) INE205A07196;
- (ii) INE205A07212;
- (iii) INE205A07220; and
- (iv) INE205A08012.

"Merchant Power Business" means all the businesses, undertakings, activities, properties, and liabilities of whatsoever nature of the Demerged Company in relation to generation, distribution, trading, supply and sale of power.

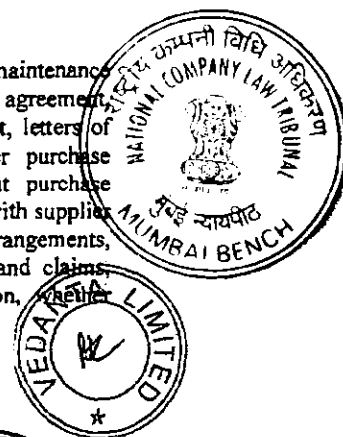
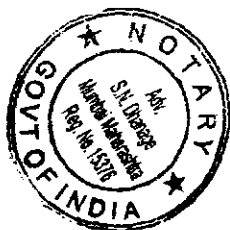
"Merchant Power Undertaking" means the undertaking of the Demerged Company pertaining to the Merchant Power Business as on the Appointed Date and shall include (without limitation):

- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, steel structures, cables, conductors, residential premises occupied by the employees engaged for the purpose of the Merchant Power Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Merchant Power Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;



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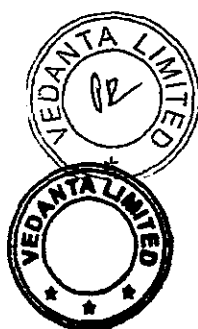
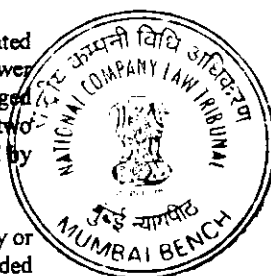
- (ii) All assets as are movable in nature pertaining to the Merchant Power Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants), actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., including investments in Resulting Company 2, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits or set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Merchant Power Business;
- (iii) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Merchant Power Business and / or arising out of and / or relatable to the Merchant Power Business ("**Merchant Power Undertaking Liabilities**") including:
- the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Merchant Power Business;
 - specific loans and borrowings raised, incurred, and utilised solely for the activities or operations of the Merchant Power Business;
 - existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Merchant Power Business;
 - liabilities other than those referred to in subclauses (a) and (b) above and not directly relatable to the Remaining Business of the Demerged Company being the amounts of general and multipurpose borrowings of the Demerged Company that shall be allocated to the Merchant Power Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of the assets of the Demerged Company immediately prior to giving effect to Part III of the Scheme;
- (iv) contracts, agreements, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, undertakings, memoranda of agreement, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, hire purchase agreements, lease / license agreements, power purchase agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with supplier / manufacturer or goods or service providers, schemes, other arrangements, undertakings, deeds, bonds, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether



written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Merchant Power Business;

- (v) all Permits, quotas, incentives, right of way, powers, authorities, allotments, rights, benefits, advantages, credits, awards, sanctions, exemptions, concessions, liberties including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Merchant Power Business;
- (vi) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames, trademarks, goodwill, trade secrets in relation to the Merchant Power Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, hardware, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Merchant Power Business;
- (vii) rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership or possession of or in control of or vested in or granted in favour of or enjoyed in respect of the Merchant Power Business;
- (viii) all legal or other proceedings of whatsoever nature that pertain to the Merchant Power Business;
- (ix) entire experience, credentials, past record, and market share of the Demerged Company pertaining to the Merchant Power Business;
- (x) amounts claimed or to be claimed including the receivables by the Merchant Power Business from any third party including from distribution companies (with whom the Merchant Power Business has executed power purchase agreements);
- (xi) all employees employed by / engaged in the Merchant Power Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise; and
- (xii) (a) 1 (one) unit of the Demerged Company of total gross capacity of 600 MW situated in Jharsuguda, Odisha; (b) all the assets and liabilities of Athena Chhattisgarh Power Limited ("Athena"), which is in the process of being amalgamated with the Demerged Company pursuant to the Insolvency and Bankruptcy Code, 2016, including the two units of total capacity of 1,200 MW situated in Chhattisgarh (owned and operated by Athena);

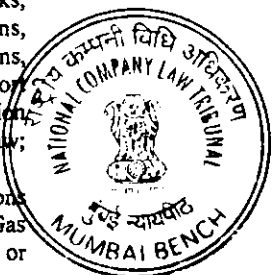
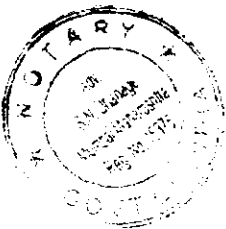
Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Merchant Power Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company 2.



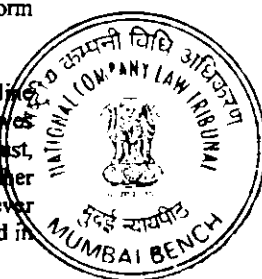
"Oil and Gas Business" means all the businesses, undertakings, activities, properties and liabilities of whatsoever nature and kind and wherever situated, pertaining and / or related to the Demerged Company's division engaged in exploration, discovery, development, production, extraction, storage and sale of hydrocarbons;

"Oil and Gas Undertaking" means the undertaking of the Demerged Company pertaining to the Oil and Gas Business as on the Appointed Date and shall include (without limitation):

- (i) All immovable properties i.e. land together with the buildings and structures standing thereon and resources underneath (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, residential premises provided by the Demerged Company and occupied by the employees engaged for the purpose of the Oil and Gas Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Oil and Gas Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties held by the Demerged Company;
- (ii) All assets as are movable in nature pertaining to the Oil and Gas Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants), actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits or set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Oil and Gas Business;
- (iii) infrastructure such as tangible assets used for exploration operations, being civil works, equipment, rigs, foundations, embankments, pavements, electrical systems, communication systems, relief centers, site administrative offices, fixed installations, handling arrangements, pipelines and conveying systems, underground transport systems, hauling systems, land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by exploration operations under the relevant Law;
- (iv) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Oil and Gas Business (**"Oil and Gas Undertaking Liabilities"**) and / or arising out of and / or relatable to the Oil and Gas Business including:



- (a) the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Oil and Gas Business;
- (b) specific loans and borrowings raised, incurred, and utilised solely for the activities or operations of the Oil and Gas Business;
- (c) existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Oil and Gas Business;
- (d) liabilities other than those referred to in subclauses (a) and (b) above and not directly relatable to the Remaining Business of the Demerged Company being the amounts of general and multipurpose borrowings of the Demerged Company that shall be allocated to the Oil and Gas Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of the assets of Demerged Company immediately prior to giving effect to Part IV of the Scheme;
- (v) contracts (including production sharing contracts and revenue sharing contracts for hydrocarbon blocks), operatorship and participating interests, agreements, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, undertakings, memoranda of agreement, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, hire purchase agreements, lease / license agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with supplier / manufacturer or goods or service providers, schemes, other arrangements, undertakings, deeds, bonds, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Oil and Gas Business;
- (vi) all Permits, quotas, incentives, right of way, powers, authorities, allotments, rights, benefits, advantages, credits, awards, sanctions, exemptions, concessions, liberties including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Oil and Gas Business;
- (vii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames, trademarks, goodwill, trade secrets in relation to the Oil and Gas Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, hardware, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Oil and Gas Business;
- (viii) rights to use and avail telephones, telexes, facsimile, email, internet, leased lines, connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership or possession of or in control of or vested in or granted in favour of or enjoyed in respect of the Oil and Gas Business;
- (ix) all legal or other proceedings of whatsoever nature that pertain to the Oil and Gas Business;



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- (x) entire experience, credentials, past record, and market share of the Demerged Company pertaining to the Oil and Gas Business;
- (xi) all employees employed by / engaged in the Oil and Gas Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise; and
- (xii) Operatorship and participating interest for all hydrocarbon blocks including the hydrocarbon blocks set out in Annexure I of this Scheme, whether pursuant to production sharing contracts, revenue sharing contracts or otherwise.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Oil and Gas Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company 3.

"Parties" shall collectively mean VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4; and "Party" means each of them, individually;

"Permits" means all consents, licenses, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory, or otherwise as required under Applicable Law;

"Person" means an individual, a partnership, a corporation, a limited liability partnership, a company, an association, a trust, a joint venture, an unincorporated organization, or an Appropriate Authority;

"Record Date" means the date to be fixed by the Boards of Resulting Company 1, Resulting Company 2, Resulting Company 3 and Resulting Company 4 respectively in consultation with the Board of the Demerged Company for the purpose of determining the shareholders of the Demerged Company for issue of the Resulting Company 1 New Equity Shares, Resulting Company 2 New Equity Shares, Resulting Company 3 New Equity Shares and Resulting Company 4 New Equity Shares respectively and the Record Date for each of the Parts II to V of the Scheme may be different dates;

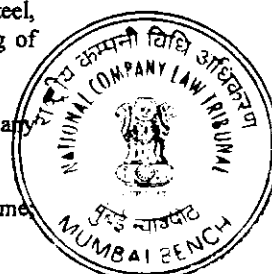
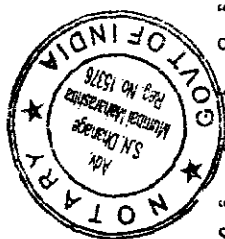
"Remaining Business" means all the business, units, divisions, undertakings, and assets and liabilities of VEDL other than the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking, including VEDL's investment in Hindustan Zinc Limited, VEDL's interest in semiconductors and glass displays, stainless steel, Ferrochrome and Nickel and base metals business in relation to mining and processing of certain base metals such as Copper and manufacture and sale of Copper;

"RoC" means the relevant jurisdictional Registrar of Companies having jurisdiction over any of the Parties;

"Scheme" or "this Scheme" means this scheme of arrangement as modified from time to time;

"SEBI" means the Securities and Exchange Board of India;

"SEBI Circular" means the circular issued by the SEBI, being SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time;



"SEBI LODR Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"Stock Exchanges" means BSE and NSE collectively and Stock Exchange shall mean each of them individually;

"Tax Laws" means all Applicable Laws dealing with Taxes including but not limited to income tax, goods and service tax, customs duty, or any other levy of similar nature;

"Taxation" or "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties and all penalties, charges, costs and interest relating thereto;

"Tribunal" means the relevant bench of the National Company Law Tribunal having jurisdiction over the Parties; and

"VEDL" means Vedanta Limited, a company incorporated under the Companies Act, 1956, having corporate identity number L13209MH1965PLC291394 and having its registered office 1st Floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai 400 093, Maharashtra, India.

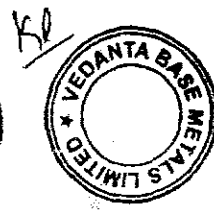
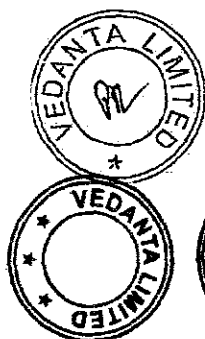
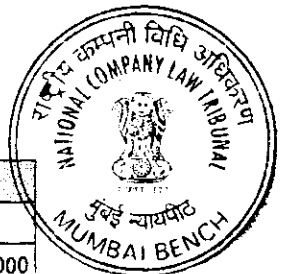
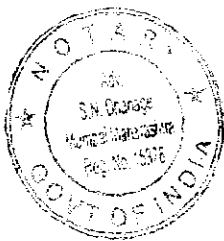
1.2. In this Scheme, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) headings, subheadings, titles, subtitles to clauses and sub-clauses are for convenience only and shall be ignored in construing the Scheme;
- (iii) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications, or supplement(s) to, or replacement, re-enactment, restatement, or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and
- (iv) all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, or any other Applicable Laws, rules, regulations, or bye laws, as the case may be.

2. SHARE CAPITAL

2.1. The share capital of VEDL as on November 7, 2023, is as follows:

Particulars	INR
Authorised Share Capital	
44,02,01,00,000 equity shares of INR 1 each	44,02,01,00,000
3,01,00,00,000 preference shares of INR 10 each	30,10,00,00,000



Total	74,12,01,00,000
Issued and Subscribed Share Capital	
3,71,75,04,871 equity shares of INR 1 each	3,71,75,04,871
Total	3,71,75,04,871
Paid-up Share Capital	
3,71,75,04,871 equity shares of INR 1 each	3,71,75,04,871
Total	3,71,75,04,871
Listed Capital	
3,71,72,06,239* equity shares of INR 1 each	3,71,72,06,239
Total	

*2,98,632 shares are under abeyance category which are pending for allotment being sub-judice. Separately, 7,200 equity shares have been released from abeyance category during Q1 FY 24 and have received listing and trading approval effective from October 25, 2023.

2.2. The share capital of the Resulting Company 1 as on October 6, 2023, is as follows:

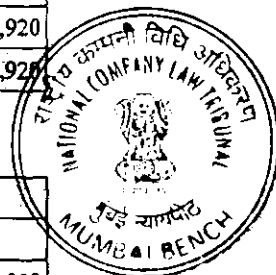
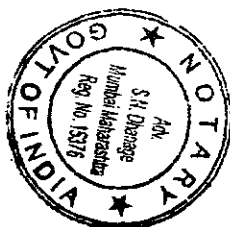
Particulars	INR
Authorised Share Capital	
1,00,000 equity shares of INR 1 each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up Share Capital	
1,00,000 equity shares of INR 1 each	1,00,000
Total	1,00,000

2.3. The share capital of the Resulting Company 2 as on September 15, 2023, is as follows:

Particulars	INR
Authorised Share Capital	
4,00,00,00,000 equity shares of INR 10 each	40,00,00,00,000
Total	40,00,00,00,000
Issued, Subscribed and Paid-up Share Capital	
3,20,66,09,692 equity shares of INR 10 each	32,06,60,96,920
Total	32,06,60,96,920

2.4. The share capital of the Resulting Company 3 as on September 15, 2023, is as follows:

Particulars	INR
Authorised Share Capital	
88,00,00,00,000 equity shares of INR 2 each	176,00,00,00,000
12,50,000 preference shares of INR 1,000 each	125,00,00,000



Total	301,00,00,000
Issued, Subscribed and Paid-up Share Capital*	
2,33,66,406 equity shares of INR 2 each	4,67,32,812
Total	4,67,32,812

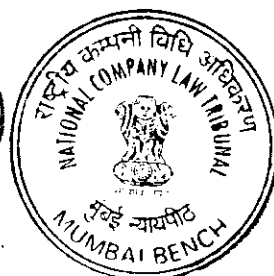
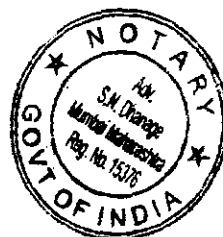
* At present, Resulting Company 3 has issued 613,54,483 compulsory convertible debentures of face value INR 100 each to the Demerged Company.

- 2.5. The share capital of the Resulting Company 4 as on October 11, 2023, is as follows:

Particulars	INR
Authorised Share Capital	
1,00,000 equity shares of INR 1 each	1,00,000
Total	1,00,000
Issued, Subscribed and Paid-up Share Capital	
1,00,000 equity shares of INR 1 each	1,00,000
Total	1,00,000

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 3.1. The Scheme as set out in its present form or with any modifications (as may be approved, imposed, or directed by the Tribunal), or with any modifications or waivers undertaken in the manner prescribed in this Scheme, shall become effective from the Appointed Date and operative on and from the Effective Date.



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PART II

DEMERGER AND VESTING OF THE ALUMINIUM UNDERTAKING

4. DEMERGER AND VESTING OF THE ALUMINIUM UNDERTAKING

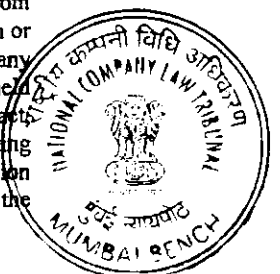
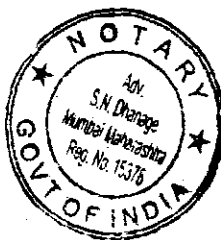
4.1. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Aluminium Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 1 on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 1 by virtue of operation of law, and in the manner provided in this Scheme.

4.2. Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer of the Aluminium Undertaking under this Scheme, is as follows:

4.2.1. In respect of such of the assets and properties forming part of the Aluminium Undertaking which are movable in nature (including but not limited to all intangible assets, intellectual property and intellectual property rights (whether or not recorded), including any applications for the same, of any nature whatsoever including but not limited to brands, registered or unregistered trademarks and goodwill forming part of the Aluminium Undertaking, and all rights of a commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company 1 upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company 1 without requiring any deed or instrument of conveyance for transfer of the same. The Resulting Company 1 shall also be entitled to use the "Vedanta" brand and all associated trademarks on the same terms and conditions as the Demerged Company. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

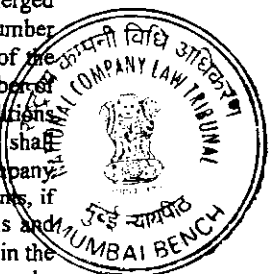
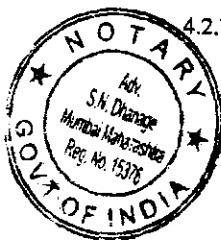
4.2.2. With respect to the moveable assets of the Aluminium Undertaking other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company 1, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company 1. With regard to the licenses of the properties, the Resulting Company 1 will enter into novation agreements, if it is so required;

4.2.3. In respect of such of the assets and properties forming part of the Aluminium Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto,



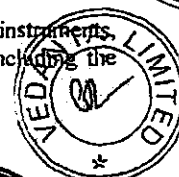
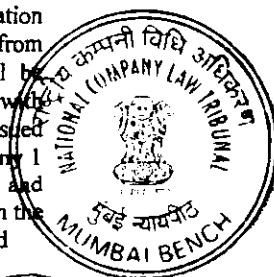
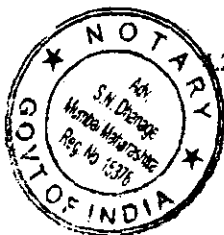
the same shall stand transferred to the Resulting Company 1 with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company 1;

- 4.2.4. For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.6 below, it is clarified that, with respect to the immovable properties comprised in the Aluminium Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company 1 may register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Aluminium Undertaking takes place and the Aluminium Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, Permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 1.
- 4.2.6. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Aluminium Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company 1, if the Resulting Company 1 so decides, the Demerged Company and the Resulting Company 1, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company 1 in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.7. Upon the effectiveness of the Scheme, all Aluminium Undertaking Liabilities as on the Appointed Date shall, without any further act or deed, become the liabilities of the Resulting Company 1 to the extent that they are outstanding as on the Appointed Date, including such number of the Listed Debt Securities as the Boards of the Demerged Company and Resulting Company 1 may mutually agree. The holders of such number of Listed Debt Securities whose names are recorded in the relevant registers of the Demerged Company on the Record Date, shall continue holding the same number of Listed Debt Securities in the Resulting Company 1 on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and shall become and stand vested in and shall be exercised by or against the Resulting Company 1 as if it was the issuer of such Listed Debt Securities. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, such Listed Debt Securities vested in the Resulting Company 1, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the Listed Debt Securities are currently listed, subject to applicable regulations and prior approval requirements, if any. The Board of



Directors of the Resulting Company 1 and Demerged Company shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing.

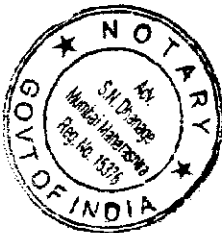
- 4.2.8. Post the Effective Date, the Demerged Company may, at the request of the Resulting Company 1, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Aluminium Undertaking stands transferred to the Resulting Company 1 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 4.2.9. In so far as encumbrances, if any, in respect of the Aluminium Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to, and shall operate only over the assets comprised in the Aluminium Undertaking which have been encumbered in respect of the Aluminium Undertaking Liabilities as transferred to the Resulting Company 1 pursuant to this Scheme. Further, in so far as the assets comprised in the Aluminium Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company 1 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company may provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above;
- 4.2.10. Subject to Clause 4 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Aluminium Undertaking, the Demerged Company shall, if so required by the Resulting Company 1, issue notices in such form as the Resulting Company 1 may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company 1, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company 1 and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 4.2.11. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Aluminium Undertaking, shall be accepted by the bankers of the Resulting Company 1 and credited to the account of the Resulting Company 1, if presented by the Resulting Company 1;
- 4.2.12. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Aluminium Undertaking, shall be transferred to the Resulting Company 1 from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned thereon, in favour of the Resulting Company 1 as if the same were originally given by, issued to or executed in favour of the Resulting Company 1 and the Resulting Company 1 shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 1 to carry on the operations of the Aluminium Undertaking without any hindrance, whatsoever; and
- 4.2.13. Contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, letters of authority, licenses and leases (including the



mining leases, prospecting licenses and letters of authority for mines and any applications made for such mining leases, prospective licenses or letters of authority) in relation to the Aluminium Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company 1 pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect, such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company 1 shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

4.2.14. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company 1 may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Aluminium Undertaking transferred to and registered in, the name of the Resulting Company 1, as per Applicable Law.

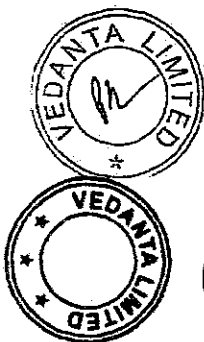
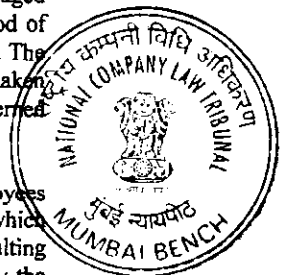
4.2.15. Upon the Scheme being effective, for the purpose of satisfying any eligibility criteria including technical and/ or financial parameters for participating and qualifying in invitations for expression of interest(s) and/ or bid(s) and/ or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or a combination thereof, related to the Aluminium Business, in addition to its own technical experience and/ or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company 1 shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill, and all other rights, claims and powers of whatsoever nature belonging to the Demerged Company in connection with or pertaining or relatable to the Aluminium Undertaking for all intents and purposes and specifically including but not limited to financial credentials including the turnover, profitability, net-worth, technical expertise, market share, project management experience, incorporation history, track record of having undertaken, performed and/or executed the business and / or orders by the Demerged Company, etc.



5. EMPLOYEES

5.1. With effect from the Appointed Date, all employees of the Demerged Company engaged in or in relation to the Aluminium Undertaking shall become the employees of the Resulting Company 1 on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service, and with the period of service to the Demerged Company being taken into consideration for retirement benefits. The decision on whether or not an employee is part of the Aluminium Undertaking shall be taken by the Demerged Company, and such decision shall be final and binding on all concerned Parties.

5.2. The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company 1 set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company 1. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the



existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.

6. LEGAL PROCEEDINGS

6.1. Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Aluminium Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company 1 in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company 1 shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Aluminium Undertaking.

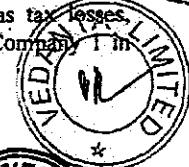
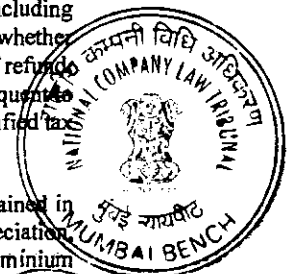
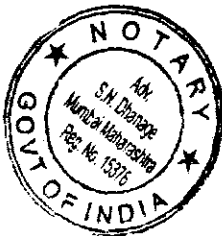
6.2. The Resulting Company 1 undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company 1 to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company 1 shall make relevant applications and take all steps as may be required in this regard.

6.3. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Aluminium Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Aluminium Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company 1. However, if the Demerged Company is unable to get the Resulting Company 1 replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company 1 and at the cost of the Resulting Company 1 and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

7. TAXES/ DUTIES/ CESS

7.1. The Resulting Company 1 shall be entitled to, *inter alia*, file/ or revise its income tax returns, tax audit reports, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value-added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Demerged Company) including receipt of refund credit, etc., if any, pertaining to the Aluminium Undertaking as may be required consequent to implementation of this Scheme. The Resulting Company 1 shall be entitled to file modified tax returns in accordance with the provisions of IT Act.

7.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, brought forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Demerged Company relating to the Aluminium Undertaking as on the Appointed Date, shall, for all purposes; be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of the Resulting Company 1 in



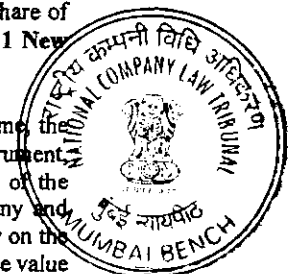
accordance with the provisions of IT Act. It is further clarified that any book losses and/ or unabsorbed depreciation of Demerged Company relating to the Aluminium Undertaking as specified in their respective books of accounts shall be included as book losses and/or unabsorbed depreciation of the Resulting Company 1 for the purposes of computation of minimum alternate tax, if applicable.

- 7.3. Upon the Scheme becoming effective and from the Appointed Date, all un-availed credits, exemptions, deductions (including Chapter VIA deductions), tax holidays and other statutory benefits, including in respect of income Tax, CENVAT, customs, VAT, sales Tax, service tax, entry Tax and goods and service Tax entitled to/enjoyed/availed by Demerged Company relating to the Aluminium Undertaking shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 1 and shall be allowed to be enjoyed/availed/utilized by the Resulting Company 1 on and from the Appointed Date in the same manner as would have been entitled to/enjoyed/availed/utilized by the Demerged Company before implementation of this Scheme in accordance with the provisions of IT Act.
- 7.4. The Parties shall be allowed a deduction in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the financial year in which Demerger takes place in accordance with the provisions of IT Act.
- 7.5. If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Aluminium Undertaking under any Tax Law or Applicable Law, the Resulting Company 1 shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company 1 in accordance with Applicable Law.
- 7.6. Upon the Scheme becoming effective, the Demerged Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.

It is further clarified that the Resulting Company 1 shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Aluminium Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.

8. CONSIDERATION AND DISCHARGE OF CONSIDERATION

- 8.1. The consideration for the demerger of the Aluminium Undertaking shall be the issue by the Resulting Company 1 of 1 (One) fully paid-up equity share of the Resulting Company 1 having face value of INR 1 (Indian Rupee One) each for every 1 (one) fully paid-up equity share of INR 1 (Indian Rupee One) each of the Demerged Company ("Resulting Company 1 New Equity Shares").
- 8.2. Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, the Resulting Company 1 shall, without any further application, act, deed, consent or instrument, issue and allot, the Resulting Company 1 New Equity Share(s) to the shareholders of the Demerged Company who hold fully paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date, in the ratio of 1 (One) equity share of the Resulting Company 1 having face value of INR 1 (Indian Rupee One) each, credited as fully paid up, for every 1 (one) fully paid up equity share of INR 1 (Indian Rupee One) each held in the Demerged Company.

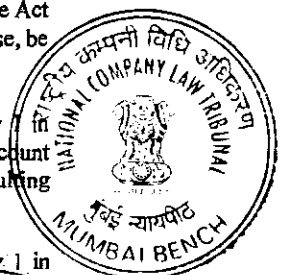
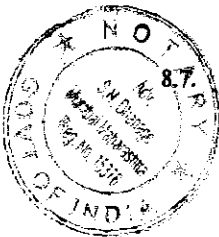


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- 8.3. The issue price of Resulting Company 1 New Equity Shares shall be the price arrived at by dividing the book value of assets minus liabilities of the Aluminium Undertaking as on the Effective Date by the total number of equity shares issued and allotted by the Resulting Company 1 pursuant to this Clause 8. The difference between the issue price and the face value of the equity shares to be issued and allotted by the Resulting Company 1 will be recorded as 'Securities Premium' under the head 'Other Equity'.
- 8.4. The Resulting Company 1 New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company 1, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the Resulting Company 1 New Equity Shares.
- 8.5. The Resulting Company 1 New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company 1 to enable it to issue the Resulting Company 1 New Equity Share(s) in dematerialised form.
- 8.6. For the purpose of allotment of the Resulting Company 1 New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company 1 shall deal with the relevant shares in such manner as they may deem fit and in the best interest of such eligible shareholder, including by way of issuing the Resulting Company 1 New Equity Share(s) in dematerialised form to a trustee nominated by the Board of the Resulting Company 1 ("Trustee of the Resulting Company 1") who shall hold these equity shares in trust for the benefit of such shareholder. The Resulting Company 1 New Equity Share(s) held by the Trustee of the Resulting Company 1 for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Trustee of the Resulting Company 1, along with such other documents as may be required by the Trustee of the Resulting Company 1.
- 8.7. The issue and allotment of the Resulting Company 1 New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company 1 or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the members of the Resulting Company 1 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company 1 New Equity Shares under applicable provisions of the Act.
- 8.8. The equity shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company 1.
- 8.9. The Resulting Company 1 New Equity Shares to be issued by the Resulting Company 1 in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company 1.
- 8.10. The Resulting Company 1 New Equity Shares to be issued by the Resulting Company 1 in respect of the shares of the Demerged Company held in the Investor Education and Protection



Fund shall be credited to the Investor Education and Protection Fund created for shareholders of the Resulting Company 1.

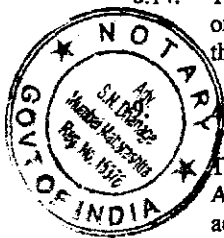
- 8.11. In the event the Demerged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio set out in Clause 8.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.

Upon the Scheme becoming effective but prior to the issue of the Resulting Company 1 New Equity Shares, the authorised share capital of the Resulting Company 1 shall stand altered, reclassified, and increased, without any further act, instrument, or deed on the part of the Resulting Company 1 to mirror the shareholding of the Demerged Company. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 1 shall, without any act, instrument or deed be and stand altered, modified and amended.

- 8.12. It is clarified that the approval of the members of the Resulting Company 1 to this Scheme, shall be deemed to be their consent/approval for the alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company 1 shall pay the requisite stamp duty and RoC fees and shall file the required returns/information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.

- 8.13. The Resulting Company 1 shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Resulting Company 1 New Equity Shares allotted by the Resulting Company 1 in terms of Clause 8.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company 1 between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

- 8.14. The Resulting Company 1 shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.



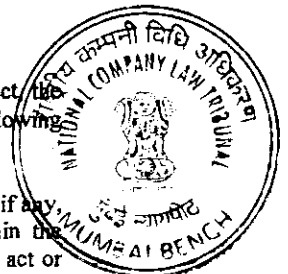
ACCOUNTING TREATMENT

The Demerged Company and Resulting Company 1 shall account for the demerger for Aluminium Undertaking of the Demerged Company in compliance with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

- 9.1. In the books of the Demerged Company

With effect from the Effective Date and upon Part II of the Scheme coming into effect, the Demerged Company shall account for the demerger in its books of account in the following manner:

- 9.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;

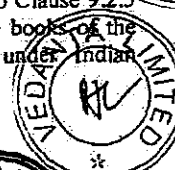


- 9.1.2. The Demerged Company shall de-recognize the carrying values of all the assets and liabilities pertaining to Aluminium Undertaking of the Demerged Company, as on the Effective Date, that are held in and /or transferred to Resulting Company 1 pursuant to this Scheme in accordance with the applicable de-recognition related stipulations contained in the relevant accounting standards;
- 9.1.3. The difference, if any, between the book value of assets of the Aluminium Undertaking of the Demerged Company transferred to Resulting Company 1 and the book value of the liabilities of the Aluminium Undertaking of the Demerged Company transferred to the Resulting Company 1, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any; thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and
- 9.1.4. The Demerged Company's investment in Resulting Company 1 as on the Effective Date, if any, shall be cancelled pursuant to Clause 10 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity' in the order specified in Clause 9.1.3 above.

9.2. In the books of Resulting Company 1

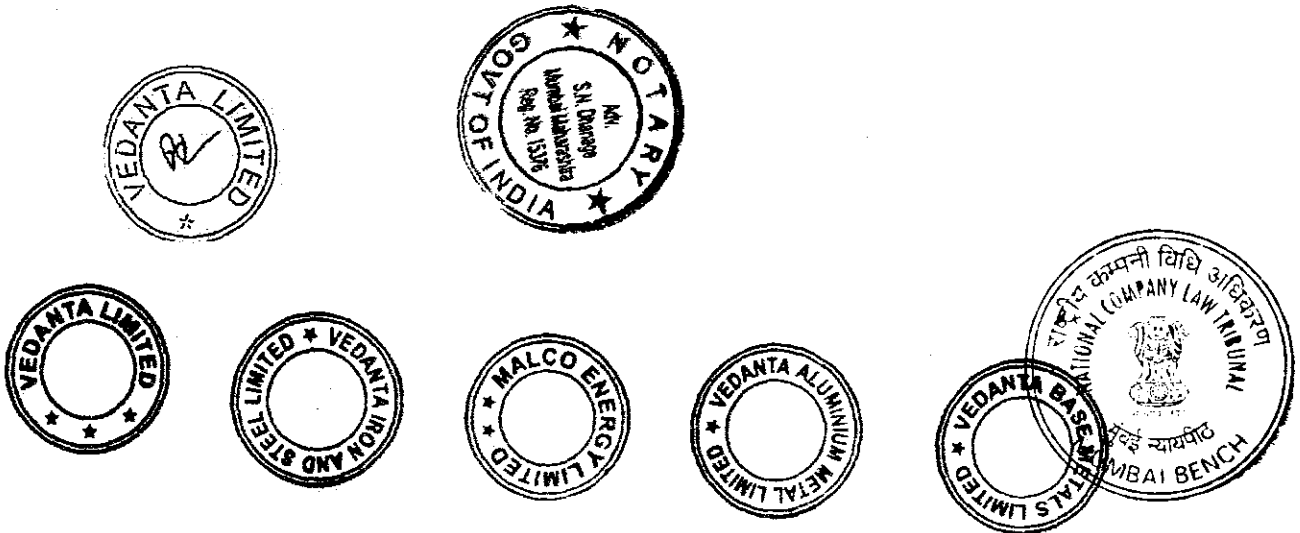
With effect from the Effective Date and upon Part II of the Scheme coming into effect, Resulting Company 1 shall account for the demerger in its books of account in the following manner:

- 9.2.1. Resulting Company 1 shall record all assets and liabilities of the Aluminium Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;
- 9.2.2. Resulting Company 1 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;
- 9.2.3. The difference between (A) the book value of assets minus liabilities so recorded in the books of the Resulting Company 1, and (B) the value of the Resulting Company 1 New Equity Shares issued and allotted to the shareholders of the Demerged Company (i.e., number of Resulting Company 1 New Equity Shares issued multiplied by issue price of Resulting Company 1 New Equity Shares) as consideration, if any, shall be credited to the 'Other Equity (Capital Reserve)' of the Resulting Company 1;
- 9.2.4. The Resulting Company 1's share capital as on the Effective Date shall be cancelled pursuant to Clause 10 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity (Capital Reserve)';
- 9.2.5. If the accounting policies adopted by the Resulting Company 1 are different from those adopted by the Demerged Company, the assets and liabilities of the Aluminium Undertaking shall be accounted in the books of the Resulting Company 1 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- 9.2.6. Any change effected in the book value of the assets and liabilities of the Aluminium Undertaking, as at the beginning of the comparative period, pursuant to Clause 9.2.5 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 1 with appropriate disclosures as required under Indian



Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and

- 9.2.7. The Resulting Company 1 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 1, whichever is later.
- 9.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 9.1.3 and 9.1.4 above, being consequential in nature, is proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.
10. **REDUCTION AND CANCELLATION OF ENTIRE SHARE CAPITAL OF THE RESULTING COMPANY 1**
- 10.1. Immediately prior to the allotment of the Resulting Company 1 New Equity Shares, the entire paid-up share capital of the Resulting Company 1 as on Effective Date ("**Resulting Company 1 Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company 1, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Resulting Company 1 shall not be required to separately comply with the applicable provisions of the Act including Section 66 of the Act.
- 10.2. It is clarified that the approval of the members of the Resulting Company 1 to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company 1 under applicable provisions of the Act.
- 10.3. Notwithstanding the reduction in the share capital of the Resulting Company 1, the Resulting Company 1 shall not be required to add "And Reduced" as suffix to its name.



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PART III

DEMERGER AND VESTING OF THE MERCHANT POWER UNDERTAKING

11. DEMERGER AND VESTING OF THE MERCHANT POWER UNDERTAKING

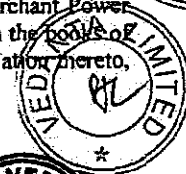
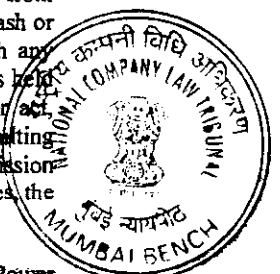
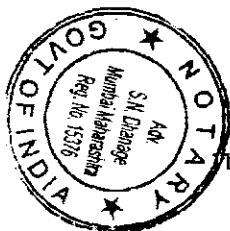
11.1. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Merchant Power Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 2 on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 2 by virtue of operation of law, and in the manner provided in this Scheme.

11.2. Without prejudice to the generality of the provisions of Clause 11.1 above, the manner of transfer of the Merchant Power Undertaking under this Scheme, is as follows:

11.2.1. In respect of such of the assets and properties forming part of the Merchant Power Undertaking which are movable in nature (including but not limited to all intangible assets, intellectual property and intellectual property rights (whether or not recorded), including any applications for the same, of any nature whatsoever including but not limited to brands, registered or unregistered trademarks and goodwill forming part of the Merchant Power Undertaking, and all rights of a commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company 2 upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company 2 without requiring any deed or instrument of conveyance for transfer of the same. The Resulting Company 2 shall also be entitled to use the "Vedanta" brand and all associated trademarks on the same terms and conditions as the Demerged Company. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

11.2.2. With respect to the moveable assets of the Merchant Power Undertaking other than those referred to in Clause 11.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company 2, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company 2. With regard to the licenses of the properties, the Resulting Company 2 will enter into novation agreements, if it is so required;

11.2.3. In respect of such of the assets and properties forming part of the Merchant Power Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation hereto,



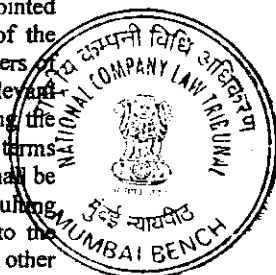
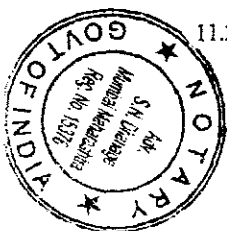
the same shall stand transferred to the Resulting Company 2 with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company 2;

11.2.4. For the avoidance of doubt and without prejudice to the generality of Clause 11.2.3 above and Clause 11.2.6 below, it is clarified that, with respect to the immovable properties comprised in the Merchant Power Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company 2 may register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 11.2.4 or Clause 11.2.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Merchant Power Undertaking takes place and the Merchant Power Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;

11.2.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, Permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 2;

11.2.6. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Merchant Power Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company 2, if the Resulting Company 2 so decides, the Demerged Company and the Resulting Company 2, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company 2 in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;

11.2.7. Upon the effectiveness of the Scheme, all Merchant Power Undertaking Liabilities as on the Appointed Date shall, without any further act or deed, become the liabilities of the Resulting Company 2 to the extent that they are outstanding as on the Appointed Date, including such number of the Listed Debt Securities as the Boards of the Demerged Company and Resulting Company 2 may mutually agree. The holders of such number of Listed Debt Securities whose names are recorded in the relevant registers of the Demerged Company on the Record Date, shall continue holding the same number of Listed Debt Securities in the Resulting Company 2 on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and shall become and stand vested in and shall be exercised by or against the Resulting Company 2 as if it was the issuer of such Listed Debt Securities. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, such Listed Debt Securities vested in the Resulting Company 2, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the Listed Debt Securities are currently listed, subject to applicable regulations and prior approval requirements, if any. The

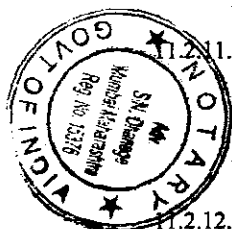


Board of Directors of the Resulting Company 2 and Demerged Company shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing;

11.2.8. Post the Effective Date, the Demerged Company may, at the request of the Resulting Company 2, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Merchant Power Undertaking stands transferred to the Resulting Company 2 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;

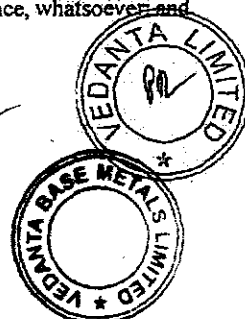
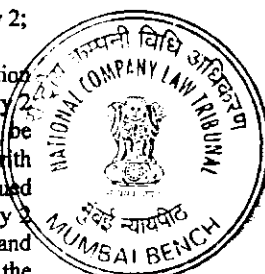
11.2.9. In so far as encumbrances, if any, in respect of the Merchant Power Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to, and shall operate only over the assets comprised in the Merchant Power Undertaking which have been encumbered in respect of the Merchant Power Undertaking Liabilities as transferred to the Resulting Company 2 pursuant to this Scheme. Further, in so far as the assets comprised in the Merchant Power Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company 2 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company may provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above;

11.2.10. Subject to this Clause 11 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Merchant Power Undertaking, the Demerged Company shall, if so required by the Resulting Company 2, issue notices in such form as the Resulting Company 2 may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company 2, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company 2 and that appropriate entries should be passed in their respective books to record the aforesaid changes;



11.2.11. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Merchant Power Undertaking, shall be accepted by the bankers of the Resulting Company 2 and credited to the account of the Resulting Company 2, if presented by the Resulting Company 2;

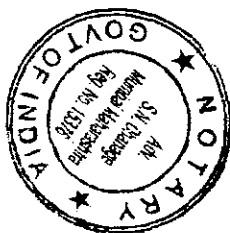
11.2.12. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Merchant Power Undertaking, shall be transferred to the Resulting Company 2 from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company 2 as if the same were originally given by, issued to or executed in favour of the Resulting Company 2 and the Resulting Company 2 shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 2 to carry on the operations of the Merchant Power Undertaking without any hindrance, whatsoever and



11.2.13. Contracts in relation to the Merchant Power Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company 2 pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company 2 shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

11.2.14. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 11 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company 2 may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Merchant Power Undertaking transferred to and registered in, the name of the Resulting Company 2, as per Applicable Law.

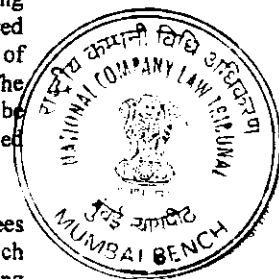
11.2.15. Upon the Scheme being effective, for the purpose of satisfying any eligibility criteria including technical and/ or financial parameters for participating and qualifying in invitations for expression of interest(s) and/ or bid(s) and/ or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or a combination thereof, related to the Merchant Power Business, in addition to its own technical experience and/ or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company 2 shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill, and all other rights, claims and powers of whatsoever nature belonging to the Demerged Company in connection with or pertaining or relating to the Merchant Power Undertaking for all intents and purposes and specifically including but not limited to financial credentials including the turnover, profitability, net-worth, technical expertise, market share, project management experience, incorporation history, track record of having undertaken, performed and/or executed the business and / or orders by the Demerged Company, etc.



12. EMPLOYEES

12.1. With effect from the Appointed Date, all employees of the Demerged Company engaged in or in relation to the Merchant Power Undertaking shall become the employees of the Resulting Company 2 on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service, and with the period of service to the Demerged Company being taken into consideration for retirement benefits. The decision on whether or not an employee is part of the Merchant Power Undertaking shall be taken by the Demerged Company, and such decision shall be final and binding on all concerned Parties.

12.2. The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company 2 set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company 2. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the

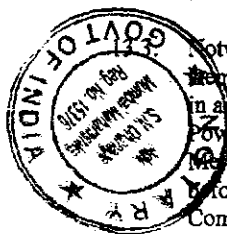


existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.

13. LEGAL PROCEEDINGS

13.1. Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Merchant Power Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company 2 in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company 2 shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Merchant Power Undertaking.

13.2. The Resulting Company 2 undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 13.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company 2 to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company 2 shall make relevant applications and take all steps as may be required in this regard.

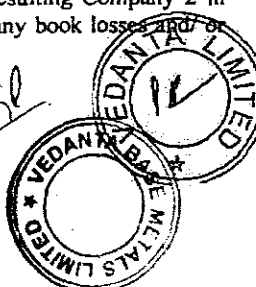
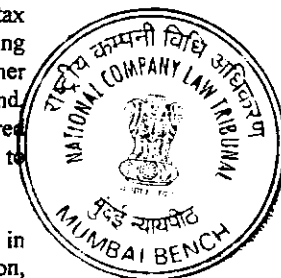


Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Merchant Power Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Merchant Power Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company 2. However, if the Demerged Company is unable to get the Resulting Company 2 replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company 2 and at the cost of the Resulting Company 2 and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

14. TAXES/ DUTIES/ CESS

14.1. The Resulting Company 2 shall be entitled to, *inter alia*, file/ or revise its income tax returns, tax audit reports, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value-added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Demerged Company) including receipt of refund credit, etc., if any, pertaining to the Merchant Power Undertaking as may be required consequent to implementation of this Scheme. The Resulting Company 2 shall be entitled to file modified tax returns in accordance with the provisions of IT Act.

14.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, brought forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Demerged Company relating to the Merchant Power Undertaking as on the Appointed Date, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of the Resulting Company 2 in accordance with the provisions of IT Act. It is further clarified that any book losses and/or

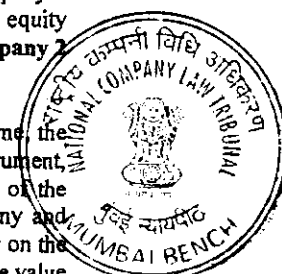
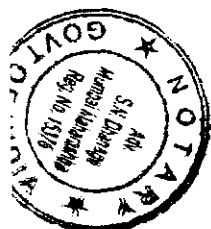


unabsorbed depreciation of Demerged Company relating to the Merchant Power Undertaking as specified in their respective books of accounts shall be included as book losses and/or unabsorbed depreciation of the Resulting Company 2 for the purposes of computation of minimum alternate tax, if applicable.

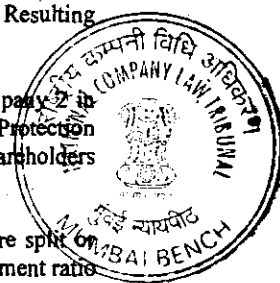
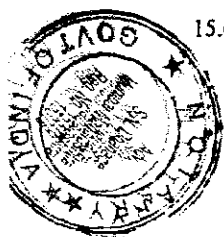
- 14.3. Upon the Scheme becoming effective and from the Appointed Date, all un-availed credits, exemptions, deductions (including Chapter VIA deductions), tax holidays and other statutory benefits, including in respect of income Tax, CENVAT, customs, VAT, sales Tax, service tax, entry Tax and goods and service Tax entitled to/enjoyed/availed by Demerged Company relating to the Merchant Power Undertaking shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 2 and shall be allowed to be enjoyed/availed/utilized by the Resulting Company 2 on and from the Appointed Date in the same manner as would have been entitled to/enjoyed/availed/utilized by the Demerged Company before implementation of this Scheme in accordance with the provisions of IT Act.
- 14.4. The Parties shall be allowed a deduction in accordance with Section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which Demerger takes place in accordance with the provisions of IT Act.
- 14.5. If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Merchant Power Undertaking under any Tax Law or Applicable Law, the Resulting Company 2 shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company 2 in accordance with Applicable Law.
- 14.6. Upon the Scheme becoming effective, the Demerged Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.
- 14.7. It is further clarified that the Resulting Company 2 shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Merchant Power Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.

15. CONSIDERATION AND DISCHARGE OF CONSIDERATION

- 15.1. The consideration for the demerger of the Merchant Power Undertaking shall be the issue by the Resulting Company 2 of 1 (One) fully paid-up equity share of the Resulting Company 2 having face value of INR 10 (Indian Rupees Ten) each for every 1 (one) fully paid-up equity share of INR 1 (Indian Rupee One) each of the Demerged Company ("Resulting Company 2 New Equity Shares").
- 15.2. Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, the Resulting Company 2 shall, without any further application, act, deed, consent or instrument, issue and allot, the Resulting Company 2 New Equity Share(s) to the shareholders of the Demerged Company who hold fully paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date, in the ratio of 1 (One) equity share of the Resulting Company 2 having face value of INR 10 (Indian Rupees Ten) each, credited as fully paid up, for every 1 (one) fully paid up equity share of INR 1 (Indian Rupee One) each held in the Demerged Company.



- 15.3. The Resulting Company 2 New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company 2, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the Resulting Company 2 New Equity Shares.
- 15.4. The Resulting Company 2 New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company 2 to enable it to issue the Resulting Company 2 New Equity Share(s) in dematerialised form.
- 15.5. For the purpose of allotment of the Resulting Company 2 New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company 2 shall deal with the relevant shares in such manner as they may deem fit and in the best interest of such eligible shareholder, including by way of issuing the Resulting Company 2 New Equity Share(s) in dematerialised form to a trustee nominated by the Board of the Resulting Company 2 ("Trustee of the Resulting Company 2") who shall hold these equity shares in trust for the benefit of such shareholder. The Resulting Company 2 New Equity Share(s) held by the Trustee of the Resulting Company 2 for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Trustee of the Resulting Company 2, along with such other documents as may be required by the Trustee of the Resulting Company 2.
- 15.6. The issue and allotment of the Resulting Company 2 New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company 2 or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the members of the Resulting Company 2 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company 2 New Equity Shares under applicable provisions of the Act.
- 15.7. The equity shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company 2.
- 15.8. The Resulting Company 2 New Equity Shares to be issued by the Resulting Company 2 in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company 2.
- 15.9. The Resulting Company 2 New Equity Shares to be issued by the Resulting Company 2 in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund created for shareholders of the Resulting Company 2.
- 15.10. In the event the Demerged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio set out in Clause 15.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.



Upon the Scheme becoming effective but prior to the issue of the Resulting Company 2 New Equity Shares, the authorised share capital of the Resulting Company 2 shall stand altered and reclassified, without any further act, instrument, or deed on the part of the Resulting Company 2 to mirror the shareholding of the Demerged Company. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 2 shall, without any act, instrument or deed be and stand altered, modified and amended.

- 15.11. It is clarified that the approval of the members of the Resulting Company 2 to this Scheme, shall be deemed to be their consent/approval for the alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company 2 shall pay the requisite stamp duty and RoC fees and shall file the required returns/information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.
- 15.12. The Resulting Company 2 shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Resulting Company 2 New Equity Shares allotted by the Resulting Company 2 in terms of Clause 15.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company 2 between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 15.13. The Resulting Company 2 shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

16. ACCOUNTING TREATMENT



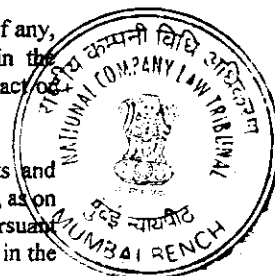
The Demerged Company and Resulting Company 2 shall account for the demerger for Merchant Power Undertaking of the Demerged Company in compliance with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

16.1. In the books of the Demerged Company

With effect from the Effective Date and upon Part III of the Scheme coming into effect, the Demerged Company shall account for the demerger in its books of account in the following manner:

- 16.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any, as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;
- 16.1.2. The Demerged Company shall de-recognize the carrying values of all assets and liabilities pertaining to Merchant Power Undertaking of the Demerged Company, as on the Effective Date, that are held in and /or transferred to Resulting Company 2 pursuant to this Scheme in accordance with de-recognition related stipulations contained in the relevant accounting standards; and

- 16.1.3. The difference, if any, between the book value of assets of the Merchant Power Undertaking of the Demerged Company transferred to Resulting Company 2 and the



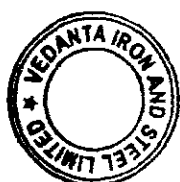
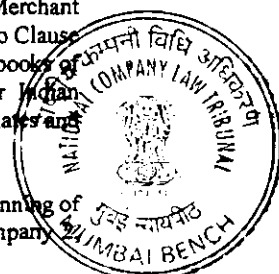
book value of the liabilities of the Merchant Power Undertaking of the Demerged Company transferred to the Resulting Company 2, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any; thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and

16.2. In the books of Resulting Company 2

With effect from the Effective Date and upon Part III of the Scheme coming into effect, Resulting Company 2 shall account for the demerger in its books of account in the following manner:

- 16.2.1. Resulting Company 2 shall record all assets and liabilities of the Merchant Power Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;
- 16.2.2. Resulting Company 2 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;
- 16.2.3. The difference between (A) the book value of assets minus liabilities recorded in the books of the Resulting Company 2, and (B) the face value of the Resulting Company 2 New Equity Shares issued and allotted to the shareholders of the Demerged Company (number of Resulting Company 2 New Equity Shares issued multiplied by face value of Resulting Company 2 New Equity Shares) as consideration, if any, shall be credited to 'Other Equity (Capital Reserve)' of the Resulting Company 2;
- 16.2.4. Any debit balance lying in surplus of 'Statement of Profit and Loss' of Resulting Company 2 prior to the effectiveness of the Scheme, to be adjusted against Other Equity (Capital Reserve) of the Resulting Company 2;
- 16.2.5. The Resulting Company 2's share capital as on the Effective Date stands cancelled pursuant to Clause 17 of this Scheme and the resultant impact, if any, will be adjusted in Other Equity (Capital Reserve);
- 16.2.6. If the accounting policies adopted by the Resulting Company 2 are different from those adopted by the Demerged Company, the assets and liabilities of the Merchant Power Undertaking shall be accounted in the books of the Resulting Company 2 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- 16.2.7. Any change effected in the book value of the assets and liabilities of the Merchant Power Undertaking, as at the beginning of the Comparative period, pursuant to Clause 16.2.6 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 2 with appropriate disclosures as required under Indian Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and
- 16.2.8. The Resulting Company 2 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 2 whichever is later.

- 16.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 16.1.3 above, being consequential in nature, is



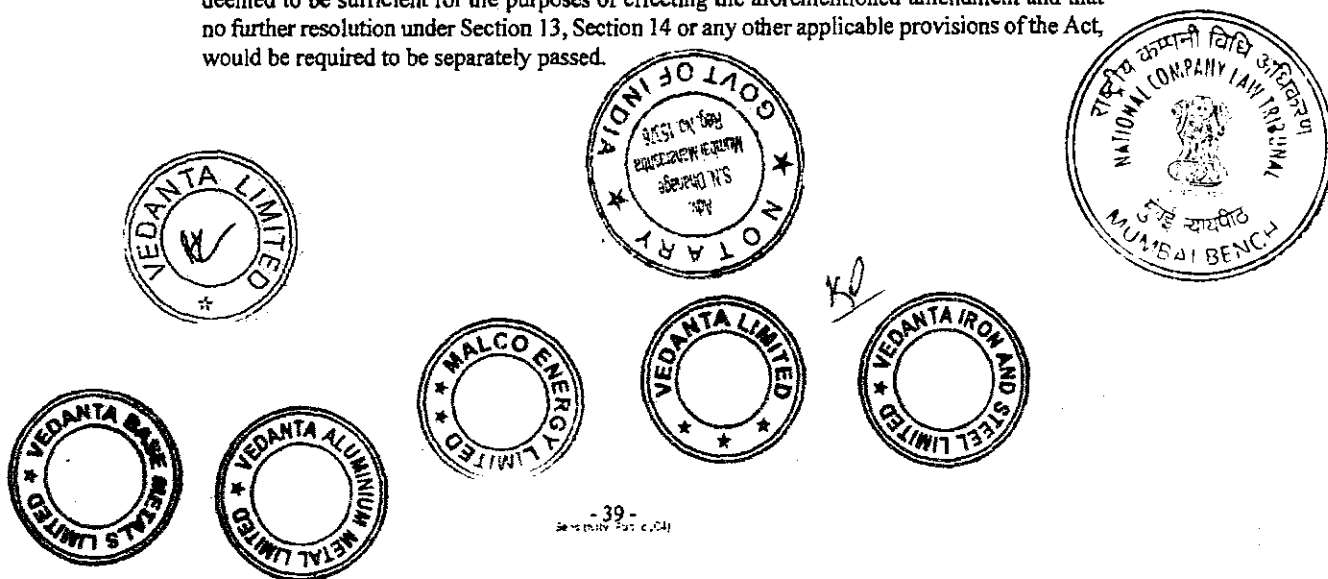
proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.

17. **REDUCTION AND CANCELLATION OF ENTIRE SHARE CAPITAL OF THE
RESULTING COMPANY 2**

- 17.1. Immediately prior to the allotment of the Resulting Company 2 New Equity Shares, the entire paid-up share capital of the Resulting Company 2 as on Effective Date ("**Resulting Company 2 Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company 2, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Resulting Company 2 shall not be required to separately comply with the applicable provisions of the Act including Section 66 of the Act.
- 17.2. It is clarified that the approval of the members of the Resulting Company 2 to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company 2 under applicable provisions of the Act.
- 17.3. Notwithstanding the reduction in the share capital of the Resulting Company 2, the Resulting Company 2 shall not be required to add "And Reduced" as suffix to its name.

17A. CHANGE OF NAME OF RESULTING COMPANY 2

- 17A.1. Upon this Scheme becoming effective, the name of the Resulting Company 2 shall stand changed to 'Vedanta Power Company Limited' or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate consent, approval, act, procedure, instrument, or deed shall be required to be obtained or followed under the Act.
- 17A.2. Consequently, subject to Clause 17A.1 above, Clause I of the memorandum of association of the Resulting Company 2 shall without any act, procedure, instrument or deed be and stand altered, modified and amended, to reflect the revised name of the Resulting Company 2, pursuant to Sections 13, 232 and other applicable provisions of the Act.
- 17A.3. It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 17A.1 and 17A.2, the consent of the shareholders of the Resulting Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.



PART IV

DEMERGER AND VESTING OF THE OIL AND GAS UNDERTAKING

18. DEMERGER AND VESTING OF THE OIL AND GAS UNDERTAKING

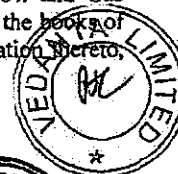
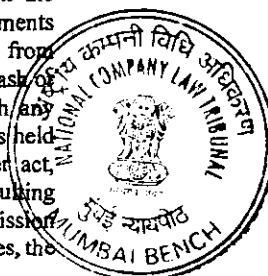
18.1. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Oil and Gas Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 3 on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 3 by virtue of operation of law, and in the manner provided in this Scheme.

18.2. Without prejudice to the generality of the provisions of Clause 18.1 above, the manner of transfer of the Oil and Gas Undertaking under this Scheme, is as follows:

18.2.1. In respect of such of the assets and properties forming part of the Oil and Gas Undertaking which are movable in nature (including but not limited to all intangible assets, intellectual property and intellectual property rights (whether or not recorded), including any applications for the same, of any nature whatsoever including but not limited to brands, registered or unregistered trademarks and goodwill forming part of the Oil and Gas Undertaking, and all rights of a commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company 3 upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company 3 without requiring any deed or instrument of conveyance for transfer of the same. The Resulting Company 3 shall also be entitled to use the "Vedanta" brand and all associated trademarks on the same terms and conditions as the Demerged Company. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

18.2.2. With respect to the moveable assets of the Oil and Gas Undertaking other than those referred to in Clause 18.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company 3, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company 3. With regard to the licenses of the properties, the Resulting Company 3 will enter into novation agreements, if it is so required;

18.2.3. In respect of such of the assets and properties forming part of the Oil and Gas Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto,



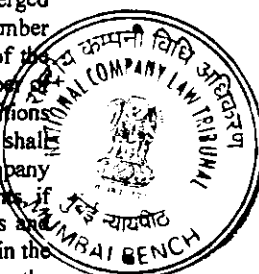
the same shall stand transferred to the Resulting Company 3 with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company 3;

18.2.4. For the avoidance of doubt and without prejudice to the generality of Clause 18.2.3 above and Clause 18.2.6 below, it is clarified that, with respect to the immovable properties comprised in the Oil and Gas Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company 3 may register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 18.2.4 or Clause 18.2.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Oil and Gas Undertaking takes place and the Oil and Gas Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;

18.2.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, Permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 3;

18.2.6. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Oil and Gas Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company 3, if the Resulting Company 3 so decides, the Demerged Company and the Resulting Company 3, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company 3 in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;

18.2.7. Upon the effectiveness of the Scheme, all Oil and Gas Undertaking Liabilities as on the Appointed Date shall, without any further act or deed, become the liabilities of the Resulting Company 3 to the extent that they are outstanding as on the Appointed Date, including such number of the Listed Debt Securities as the Boards of the Demerged Company and Resulting Company 3 may mutually agree. The holders of such number of Listed Debt Securities whose names are recorded in the relevant registers of the Demerged Company on the Record Date, shall continue holding the same number of Listed Debt Securities in the Resulting Company 3 on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and shall become and stand vested in and shall be exercised by or against the Resulting Company 3 as if it was the issuer of such Listed Debt Securities. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, such Listed Debt Securities vested in the Resulting Company 3, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the Listed Debt Securities are currently listed, subject to applicable regulations and prior approval requirements, if any. The Board of



Directors of the Resulting Company 3 and Demerged Company shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing;

18.2.8. Post the Effective Date, the Demerged Company may, at the request of the Resulting Company 3, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Oil and Gas Undertaking stands transferred to the Resulting Company 3 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;

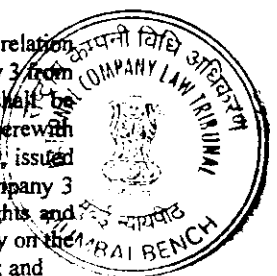
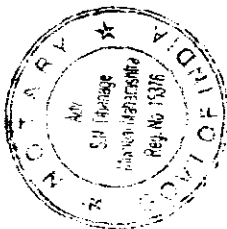
18.2.9. In so far as encumbrances, if any, in respect of the Oil and Gas Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Oil and Gas Undertaking which have been encumbered in respect of the Oil and Gas Undertaking Liabilities as transferred to the Resulting Company 3 pursuant to this Scheme. Further, in so far as the assets comprised in the Oil and Gas Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company 3 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company may provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above;

18.2.10. Subject to Clause 18 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Oil and Gas Undertaking, the Demerged Company shall, if so required by the Resulting Company 3, issue notices in such form as the Resulting Company 3 may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company 3, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company 3 and that appropriate entries should be passed in their respective books to record the aforesaid changes;

18.2.11. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Oil and Gas Undertaking, shall be accepted by the bankers of the Resulting Company 3 and credited to the account of the Resulting Company 3, if presented by the Resulting Company 3;

18.2.12. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Oil and Gas Undertaking, shall be transferred to the Resulting Company 3 from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company 3 as if the same were originally given by, issued to or executed in favour of the Resulting Company 3 and the Resulting Company 3 shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 3 to carry on the operations of the Oil and Gas Undertaking without any hindrance, whatsoever; and

18.2.13. Contracts in relation to the Oil and Gas Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company 3 pursuant to the Scheme



becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company 3 shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

18.2.14. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 18 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company 3 may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Oil and Gas Undertaking transferred to and registered in, the name of the Resulting Company 3, as per Applicable Law.

18.2.15. Upon the Scheme being effective, for the purpose of satisfying any eligibility criteria including technical and/ or financial parameters for participating and qualifying in invitations for expression of interest(s) and/ or bid(s) and/ or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or a combination thereof, related to the Oil and Gas Business, in addition to its own technical experience and/ or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company 3 shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill, and all other rights, claims and powers of whatsoever nature belonging to the Demerged Company in connection with or pertaining or relating to the Oil and Gas Undertaking for all intents and purposes and specifically including but not limited to financial credentials including the turnover, profitability, net-worth, technical expertise, market share, project management experience, incorporation history, track record of having undertaken, performed and/or executed the business and / or orders by the Demerged Company, etc.



19. EMPLOYEES

19.1. With effect from the Appointed Date, all employees of the Demerged Company engaged in or in relation to the Oil and Gas Undertaking shall become the employees of the Resulting Company 3 on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service, and with the period of service to the Demerged Company being taken into consideration for retirement benefits. The decision on whether or not an employee is part of the Oil and Gas Undertaking shall be taken by the Demerged Company, and such decision shall be final and binding on all concerned Parties.

19.2. The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company 3 set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company 3. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.



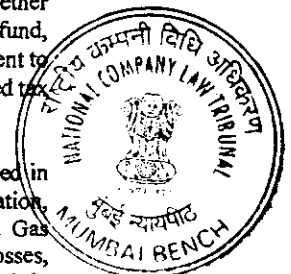
20. LEGAL PROCEEDINGS

- 20.1. Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Oil and Gas Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company 3 in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company 3 shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible for or liable in relation to any such legal or other proceedings in relation to the Oil and Gas Undertaking.
- 20.2. The Resulting Company 3 undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 20.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company 3 to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company 3 shall make relevant applications and take all steps as may be required in this regard.
- 20.3. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Oil and Gas Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Oil and Gas Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company 3. However, if the Demerged Company is unable to get the Resulting Company 3 replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company 3 and at the cost of the Resulting Company 3 and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.



21. TAXES/ DUTIES/ CESS

- 21.1. The Resulting Company 3 shall be entitled to, *inter alia*, file/ or revise its income tax returns, tax audit reports, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value-added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Demerged Company) including receipt of refund, credit, etc., if any, pertaining to the Oil and Gas Undertaking as may be required consequent to implementation of this Scheme. The Resulting Company 3 shall be entitled to file modified tax returns in accordance with the provisions of IT Act.
- 21.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, brought forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Demerged Company relating to the Oil and Gas Undertaking as on the Appointed Date, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of the Resulting Company 3 in accordance with the provisions of IT Act. It is further clarified that any book losses and/ or unabsorbed depreciation of Demerged Company relating to the Oil and Gas Undertaking as specified in their respective books of accounts shall be included as book losses and/ or



unabsorbed depreciation of the Resulting Company 3 for the purposes of computation of minimum alternate tax, if applicable.

- 21.3. Upon the Scheme becoming effective and from the Appointed Date, all un-availed credits, exemptions, deductions (including Chapter VIA deductions), tax holidays and other statutory benefits, including in respect of income Tax, CENVAT, customs, VAT, sales Tax, service tax, entry Tax and goods and service Tax entitled to/enjoyed/availed by Demerged Company relating to the Oil and Gas Undertaking shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 3 and shall be allowed to be enjoyed/availed/utilized by the Resulting Company 3 on and from the Appointed Date in the same manner as would have been entitled to/enjoyed/availed/utilized by the Demerged Company before implementation of this Scheme in accordance with the provisions of IT Act.
- 21.4. The Parties shall be allowed a deduction in accordance with Section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which Demerger takes place in accordance with the provisions of IT Act.
- 21.5. If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Oil and Gas Undertaking under any Tax Law or Applicable Law, the Resulting Company 3 shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or credits, as the case may be, without any specific approval or permission and such benefit or incentives or credits, as the case may be, shall be available for dematerialization to the Resulting Company 3 in accordance with Applicable Law.
- 21.6. Upon the Scheme becoming effective, the Demerged Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.
- 21.7. It is further clarified that the Resulting Company 3 shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Oil and Gas Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.

22. CONSIDERATION AND DISCHARGE OF CONSIDERATION

- 22.1. The consideration for the demerger of the Oil and Gas Undertaking shall be the issue by the Resulting Company 3 of 1 (One) fully paid-up equity share of the Resulting Company 3 having face value of INR 1 (Indian Rupee One) each for every 1 (one) fully paid-up equity share of INR 1 (Indian Rupee One) each of the Demerged Company ("Resulting Company 3 New Equity Shares").
- 22.2. Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, the Resulting Company 3 shall, without any further application, act, deed, consent or instrument, issue and allot, the Resulting Company 3 New Equity Share(s) to the shareholders of the Demerged Company who hold fully paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date, in the ratio of 1 (One) equity share of the Resulting Company 3 having face value of INR 1 (Indian Rupee One) each, credited as fully paid up, for every 1 (one) fully paid up equity share of INR 1 (Indian Rupee One) each held in the Demerged Company.

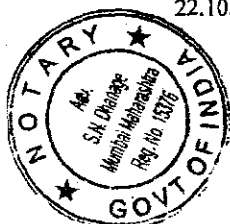
The Resulting Company 3 New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company 3, including



with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the Resulting Company 3 New Equity Shares.

- 22.4. The Resulting Company 3 New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialized form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company 3 to enable it to issue the Resulting Company 3 New Equity Share(s) in dematerialized form.
- 22.5. For the purpose of allotment of the Resulting Company 3 New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company 3 shall deal with the relevant shares in such manner as they may deem fit and in the best interest of such eligible shareholder, including by way of issuing the Resulting Company 3 New Equity Share(s) in dematerialized form to a trustee nominated by the Board of the Resulting Company 3 ("Trustee of the Resulting Company 3") who shall hold these equity shares in trust for the benefit of such shareholder. The Resulting Company 3 New Equity Share(s) held by the Trustee of the Resulting Company 3 for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Trustee of the Resulting Company 3, along with such other documents as may be required by the Trustee of the Resulting Company 3.
- 22.6. The issue and allotment of the Resulting Company 3 New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company 3 or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the members of the Resulting Company 3 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company 3 New Equity Shares under applicable provisions of the Act.
- 22.7. The equity shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company 3.
- 22.8. The Resulting Company 3 New Equity Shares to be issued by the Resulting Company 3 in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company 3.
- 22.9. The Resulting Company 3 New Equity Shares to be issued by the Resulting Company 3 in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund created for shareholders of the Resulting Company 3.
- 22.10. In the event the Demerged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio set out in Clause 22.1 shall be suitably adjusted considering the effect of such corporate action, without requirement of any further approval from shareholders or Appropriate Authority.

Upon the Scheme becoming effective but prior to the issue of the Resulting Company 3 New Equity Shares, the authorised share capital of the Resulting Company 3 shall stand ~~increased~~ reclassified, and increased, without any further act, instrument, or deed on the part of the



Resulting Company 3 to mirror the shareholding of the Demerged Company. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 3 shall, without any act, instrument or deed be and stand altered, modified and amended.

- 22.11. It is clarified that the approval of the members of the Resulting Company 3 to this Scheme, shall be deemed to be their consent/approval for the alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company 3 shall pay the requisite stamp duty and RoC fees and shall file the required returns/information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.
- 22.12. The Resulting Company 3 shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Resulting Company 3 New Equity Shares allotted by the Resulting Company 3 in terms of Clause 20.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company 3 between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 22.13. The Resulting Company 3 shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

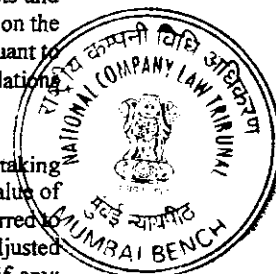
23. ACCOUNTING TREATMENT

The Demerged Company and Resulting Company 3 shall account for the demerger for Oil and Gas Undertaking of the Demerged Company in compliance with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

23.1. In the books of the Demerged Company

With effect from the Effective Date and upon Part IV of the Scheme coming into effect, the Demerged Company shall account for the demerger in its books of account in the following manner:

- 23.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any, as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;
- 23.1.2. The Demerged Company shall de-recognize the carrying values of all the assets and liabilities pertaining to Oil and Gas Undertaking of the Demerged Company, as on the Effective Date, that are held in and /or transferred to Resulting Company 3 pursuant to this Scheme in accordance with the applicable de-recognition related stipulations contained in the relevant accounting standards;
- 23.1.3. The difference, if any, between the book value of assets of the Oil and Gas Undertaking of the Demerged Company transferred to Resulting Company 3 and the book value of the liabilities of the Oil and Gas Undertaking of the Demerged Company transferred to the Resulting Company 3, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any;



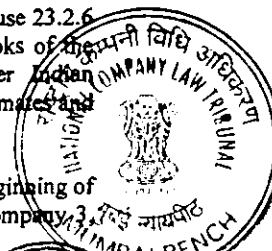
thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and

- 23.1.4. The Demerged Company's investment in Resulting Company 3 as on the Effective Date, if any, shall be cancelled pursuant to Clause 24 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity' in the order specified in Clause 23.1.3 above.

23.2. In the books of Resulting Company 3

With effect from the Effective Date and upon Part IV of the Scheme coming into effect, Resulting Company 3 shall account for the demerger in its books of account in the following manner:

- 23.2.1. Resulting Company 3 shall record all assets and liabilities of the Oil and Gas Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;
- 23.2.2. Resulting Company 3 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;
- 23.2.3. The difference between (A) the book value of assets minus liabilities, recorded in the books of the Resulting Company 3, and (B) the face value of the Resulting Company 3 New Equity Shares issued and allotted to the shareholders of the Demerged Company (number of Resulting Company 3 New Equity Shares issued multiplied by face value per Resulting Company 3 New Equity Shares) as consideration, if any, shall be credited to the 'Other Equity (Capital Reserve)' of the Resulting Company 3;
- 23.2.4. Any debit balance lying in surplus of 'Statement of Profit and Loss' of Resulting Company 3 prior to the effectiveness of the Scheme to be adjusted against Other Equity (Capital Reserve) of the Resulting Company 3;
- 23.2.5. The Resulting Company 3's share capital as on the Effective Date shall be cancelled pursuant to Clause 24 of this Scheme and the resultant impact, if any, will be adjusted in Other Equity (Capital Reserve);
- 23.2.6. If the accounting policies adopted by the Resulting Company 3 are different from those adopted by the Demerged Company, the assets and liabilities of the Oil and Gas Undertaking shall be accounted in the books of the Resulting Company 3 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- 23.2.7. Any change effected in the book value of the assets and liabilities of the Oil and Gas Undertaking, as at the beginning of the comparative period, pursuant to Clause 23.2.6 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 3 with appropriate disclosures as required under Indian Accounting Standard – 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and
- 23.2.8. The Resulting Company 3 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 3, whichever is later.



- 23.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 23.1.3 and 23.1.4 above, being consequential in nature, is proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.

24. REDUCTION AND CANCELLATION OF ENTIRE SHARE CAPITAL OF THE RESULTING COMPANY 3

- 24.1. Immediately prior to the allotment of the Resulting Company 3 New Equity Shares, the entire paid-up share capital of the Resulting Company 3 as on Effective Date ("Resulting Company 3 Cancelled Shares") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company 3, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Resulting Company 3 shall not be required to separately comply with the applicable provisions of the Act including Section 66 of the Act.

- 24.2. It is clarified that the approval of the members and creditors of the Resulting Company 3 to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company 3 under applicable provisions of the Act.

- 24.4. Notwithstanding the reduction in the share capital of the Resulting Company 3, the Resulting Company 3 shall not be required to add "And Reduced" as suffix to its name.

25. ALTERATION OF NAME AND OBJECTS CLAUSE OF RESULTING COMPANY 3

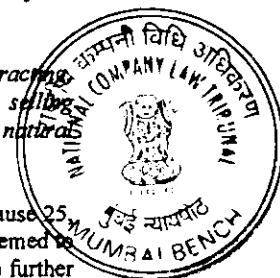
- 25.1. Upon this Scheme becoming effective, the name of the Resulting Company 3 shall stand changed to 'Vedanta Oil and Gas Limited' or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate consent, approval, act, procedure, instrument, or deed shall be required to be obtained or followed under the Act.

- 25.2. Consequently, subject to Clause 25.1 above, Clause I of the memorandum of association of the Resulting Company 3 shall without any act, procedure, instrument or deed be and stand altered, modified and amended, to reflect the revised name of the Resulting Company 3, pursuant to Sections 13, 232 and other applicable provisions of the Act.

- 25.3. The existing objects clause of the Memorandum of Association of the Resulting Company 3 shall without any act, instrument or deed be and stand altered, modified, and amended by the addition of the following clause as Paragraph 2A:

"To carry on all or any of the businesses of exploring, drilling, development, extracting, producing, treating (including refining), producing, storing, transporting, exporting, selling and generally dealing in, or with, hydrocarbon and other crude oils, asphalt, bitumen, natural gas, chemicals and any such substances as aforesaid inside or outside India."

- 25.4. It is hereby clarified that, for the purposes of acts and events as mentioned in this Clause 25, the consent of the shareholders of the Resulting Company 3 to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.



PART V

DEMERGER AND VESTING OF THE IRON ORE UNDERTAKING

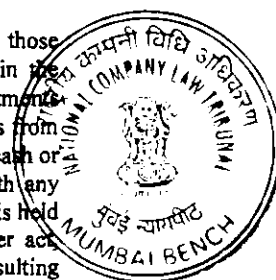
26. DEMERGER AND VESTING OF THE IRON ORE UNDERTAKING

26.1. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Iron Ore Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 4 on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 4 by virtue of operation of law, and in the manner provided in this Scheme.

26.2. Without prejudice to the generality of the provisions of Clause 26.1 above, the manner of transfer of the Iron Ore Undertaking under this Scheme, is as follows:

26.2.1. In respect of such of the assets and properties forming part of the Iron Ore Undertaking which are movable in nature (including but not limited to all intangible assets, intellectual property and intellectual property rights (whether or not recorded), including any applications for the same, of any nature whatsoever including but not limited to brands, registered or unregistered trademarks and goodwill forming part of the Iron Ore Undertaking, and all rights of a commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company 4 upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company 4 without requiring any deed or instrument of conveyance for transfer of the same. The Resulting Company 4 shall also be entitled to use the "Vedanta" brand and all associated trademarks on the same terms and conditions as the Demerged Company. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

26.2.2. With respect to the moveable assets of the Iron Ore Undertaking other than those referred to in Clause 26.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company 4, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company 4. With regard to the licenses of the properties, the Resulting Company 4 will enter into novation agreements, if it is so required;



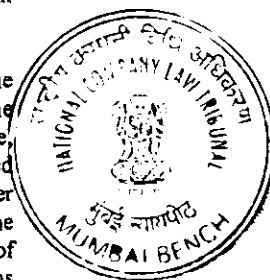
26.2.3. In respect of such of the assets and properties forming part of the Iron Ore Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company 4 with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company 4;

26.2.4. For the avoidance of doubt and without prejudice to the generality of Clause 26.2.3 above and Clause 26.2.6 below, it is clarified that, with respect to the immovable properties comprised in the Iron Ore Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company 4 may register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 26.2.4 or Clause 26.2.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Iron Ore Undertaking takes place and the Iron Ore Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;

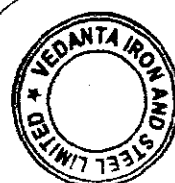
26.2.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, Permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 4;

26.2.6. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Iron Ore Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company 4, if the Resulting Company 4 so decides, the Demerged Company and the Resulting Company 4, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company 4 in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;

26.2.7. Upon the effectiveness of the Scheme, all Iron Ore Undertaking Liabilities as on the Appointed Date shall, without any further act or deed, become the liabilities of the Resulting Company 4 to the extent that they are outstanding as on the Appointed Date, including such number of the Listed Debt Securities as the Boards of the Demerged Company and Resulting Company 4 may mutually agree. The holders of such number of Listed Debt Securities whose names are recorded in the relevant registers of the Demerged Company on the Record Date, shall continue holding the same number of Listed Debt Securities in the Resulting Company 4 on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and shall become and stand vested in and shall be exercised by or against the Resulting Company 4 as if it was the issuer of such Listed Debt Securities. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, such Listed Debt Securities vested in the



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Resulting Company 4, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the Listed Debt Securities are currently listed, subject to applicable regulations and prior approval requirements, if any. The Board of Directors of the Resulting Company 4 and Demerged Company shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing;

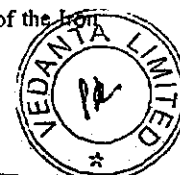
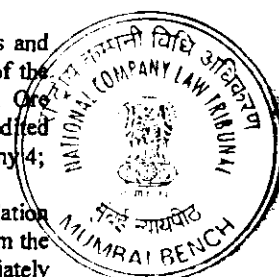
26.2.8. Post the Effective Date, the Demerged Company may, at the request of the Resulting Company 4, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Iron Ore Undertaking stands transferred to the Resulting Company 4 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;

26.2.9. In so far as encumbrances, if any, in respect of the Iron Ore Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to, and shall operate only over the assets comprised in the Iron Ore Undertaking which have been encumbered in respect of the Iron Ore Undertaking Liabilities as transferred to the Resulting Company 4 pursuant to this Scheme. Further, in so far as the assets comprised in the Iron Ore Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company 4 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company may provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above;

26.2.10. Subject to Clause 26 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Iron Ore Undertaking, the Demerged Company shall, if so required by the Resulting Company 4, issue notices in such form as the Resulting Company 4 may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company 4, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company 4 and that appropriate entries should be passed in their respective books to record the aforesaid changes;

26.2.11. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Iron Ore Undertaking, shall be accepted by the bankers of the Resulting Company 4 and credited to the account of the Resulting Company 4, if presented by the Resulting Company 4;

26.2.12. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Iron Ore Undertaking, shall be transferred to the Resulting Company 4 from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company 4 as if the same were originally given by, issued to or executed in favour of the Resulting Company 4 and the Resulting Company 4 shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 4 to carry on the operations of the Iron Ore Undertaking without any hindrance, whatsoever; and



26.2.13. Contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, letters of authority, licenses and leases (including the mining leases, prospecting licenses and letters of authority for mines and any applications made for such mining leases, prospective licenses or letters of authority) in relation to the Iron Ore Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company 4 pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company 4 shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

26.2.14. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 26 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company 4 may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Iron Ore Undertaking transferred to and registered in, the name of the Resulting Company 4, as per Applicable Law.

26.2.15. Upon the Scheme being effective, for the purpose of satisfying any eligibility criteria including technical and/ or financial parameters for participating and qualifying in invitations for expression of interest(s) and/ or bid(s) and/ or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or a combination thereof, related to the Iron Ore Business, in addition to its own technical experience and/ or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company 4 shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill, and all other rights, claims and powers of whatsoever nature belonging to the Demerged Company in connection with or pertaining or relatable to the Iron Ore Undertaking for all intents and purposes and specifically including but not limited to financial credentials including the turnover, profitability, net-worth, technical expertise, market share, project management experience, incorporation history, track record of having undertaken, performed and/ or executed the business and / or orders by the Demerged Company, etc.



27. EMPLOYEES

27.1. With effect from the Appointed Date, all employees of the Demerged Company engaged in or in relation to the Iron Ore Undertaking shall become the employees of the Resulting Company 4 on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service, and with the period of service to the Demerged Company being taken into consideration for retirement benefits. The decision on whether or not an employee is part of the Iron Ore Undertaking shall be taken by the Demerged Company, and such decision shall be final and binding on all concerned Parties.

27.2. The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company 4 set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company 4. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the



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existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.

28. LEGAL PROCEEDINGS

28.1. Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Iron Ore Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company 4 in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company 4 shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible for or liable in relation to any such legal or other proceedings in relation to the Iron Ore Undertaking.

28.2. The Resulting Company 4 undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 28.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company 4 to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company 4 shall make relevant applications and take all steps as may be required in this regard.

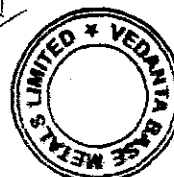
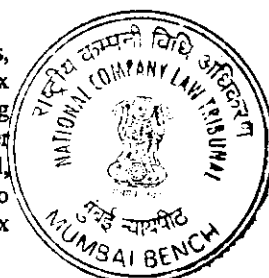
28.3. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Iron Ore Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Iron Ore Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company 4. However, if the Demerged Company is unable to get the Resulting Company 4 replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company 4 and at the cost of the Resulting Company 4 and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.



29. TAXES/ DUTIES/ CESS

29.1. The Resulting Company 4 shall be entitled to, *inter alia*, file/ or revise its income tax returns, tax audit reports, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value-added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Demerged Company) including receipt of refund, credit, etc., if any, pertaining to the Iron Ore Undertaking as may be required consequent to implementation of this Scheme. The Resulting Company 4 shall be entitled to file modified tax returns in accordance with the provisions of IT Act.

29.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, brought forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Demerged Company relating to the Iron Ore Undertaking as on the Appointed Date, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of the Resulting Company 4 in accordance with the provisions of IT Act. It is further clarified that any book losses and



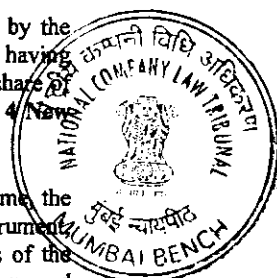
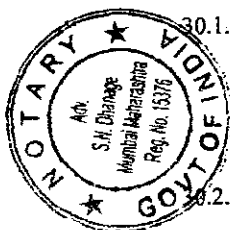
unabsorbed depreciation of Demerged Company relating to the Iron Ore Undertaking as specified in their respective books of accounts shall be included as book losses and/or unabsorbed depreciation of the Resulting Company 4 for the purposes of computation of minimum alternate tax, if applicable.

- 29.3. Upon the Scheme becoming effective and from the Appointed Date, all un-availed credits, exemptions, deductions (including Chapter VIA deductions), tax holidays and other statutory benefits, including in respect of income Tax, CENVAT, customs, VAT, sales Tax, service tax, entry Tax and goods and service Tax entitled to/enjoyed/availed by Demerged Company relating to the Iron Ore Undertaking shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 4 and shall be allowed to be enjoyed/availed/utilized by the Resulting Company 4 on and from the Appointed Date in the same manner as would have been entitled to/enjoyed/availed/utilized by the Demerged Company before implementation of this Scheme in accordance with the provisions of IT Act.
- 29.4. The Parties shall be allowed a deduction in accordance with Section 35DD of the IT Act over a period of five (5) years beginning with the financial year in which Demerger takes place in accordance with the provisions of IT Act.
- 29.5. If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Iron Ore Undertaking under any Tax Law or Applicable Law, the Resulting Company 4 shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company 4 in accordance with Applicable Law.
- 29.6. Upon the Scheme becoming effective, the Demerged Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.
- 29.7. It is further clarified that the Resulting Company 4 shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Iron Ore Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.

30. CONSIDERATION AND DISCHARGE OF CONSIDERATION

- 30.1. The consideration for the demerger of the Iron Ore Undertaking shall be the issue by the Resulting Company 4 of 1 (One) fully paid-up equity share of the Resulting Company 4 having face value of INR 1 (Indian Rupee One) each for every 1 (one) fully paid-up equity share of INR 1 (Indian Rupee One) each of the Demerged Company ("Resulting Company 4 New Equity Shares").

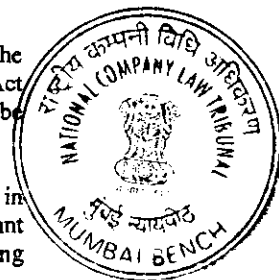
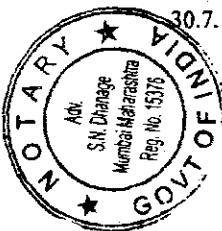
- 30.2. Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, the Resulting Company 4 shall, without any further application, act, deed, consent or instrument, issue and allot, the Resulting Company 4 New Equity Share(s) to the shareholders of the Demerged Company who hold fully paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date, in the ratio of 1 (One) equity share of the Resulting Company 4 having face value of INR 1 (Indian Rupee One) each, credited as fully paid up, for every 1 (one) fully paid up equity share of INR 1 (Indian Rupee One) each held in the Demerged Company.



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- 30.3. The issue price of Resulting Company 4 New Equity Shares shall be the price arrived at by dividing the book value of assets minus liabilities of the Iron Ore Undertaking as on the Effective Date by the total number of equity shares issued and allotted by the Resulting Company 4 pursuant to this Clause 30. The difference between the issue price and the face value of the equity shares to be issued and allotted by the Resulting Company 4 will be recorded as 'Securities Premium' under the head 'Other Equity'.
- 30.4. The Resulting Company 4 New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company 4, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the Resulting Company 4 New Equity Shares.
- 30.5. The Resulting Company 4 New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company 4 to enable it to issue the Resulting Company 4 New Equity Share(s) in dematerialised form.
- 30.6. For the purpose of allotment of the Resulting Company 4 New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company 4 shall deal with the relevant shares in such manner as they may deem fit and in the best interest of such eligible shareholder, including by way of issuing the Resulting Company 4 New Equity Share(s) in dematerialised form to a trustee nominated by the Board of the Resulting Company 4 ("Trustee of the Resulting Company 4") who shall hold these equity shares in trust for the benefit of such shareholder. The Resulting Company 4 New Equity Share(s) held by the Trustee of the Resulting Company 4 for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Trustee of the Resulting Company 4, along with such other documents as may be required by the Trustee of the Resulting Company 4.
- 30.7. The issue and allotment of the Resulting Company 4 New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company 4 or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the members of the Resulting Company 4 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company 4 New Equity Shares under applicable provisions of the Act.
- 30.8. The equity shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company 4.
- 30.9. The Resulting Company 4 New Equity Shares to be issued by the Resulting Company 4 in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company 4.
- 30.10. The Resulting Company 4 New Equity Shares to be issued by the Resulting Company 4 in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund created for shareholders of the Resulting Company 4.



- 30.11. In the event the Demerged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio set out in Clause 30.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.

Upon the Scheme becoming effective but prior to the issue of the Resulting Company 4 New Equity Shares, the authorised share capital of the Resulting Company 4 shall stand altered, reclassified, and increased, without any further act, instrument, or deed on the part of the Resulting Company 4 to mirror the shareholding of the Demerged Company. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 4 shall, without any act, instrument or deed be and stand altered, modified and amended.

- 30.12. It is clarified that the approval of the members of the Resulting Company 4 to this Scheme, shall be deemed to be their consent/approval for the alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company 4 shall pay the requisite stamp duty and RoC fees and shall file the required returns/information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.
- 30.13. The Resulting Company 4 shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Resulting Company 4 New Equity Shares allotted by the Resulting Company 4 in terms of Clause 30.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company 4 between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 30.14. The Resulting Company 4 shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

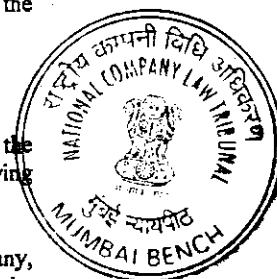
31. ACCOUNTING TREATMENT

The Demerged Company and Resulting Company 4 shall account for the demerger for Iron Ore Undertaking of the Demerged Company in compliance with generally accepted accounting practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

31.1. In the books of the Demerged Company

With effect from the Effective Date and upon Part V of the Scheme coming into effect, the Demerged Company shall account for the demerger in its books of account in the following manner:

- 31.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any, as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;
- 31.1.2. The Demerged Company shall de-recognize the carrying values of all assets and liabilities pertaining to Iron Ore Undertaking of the Demerged Company as on the Effective Date, that are held in and /or transferred to Resulting Company 4 pursuant to



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this Scheme in accordance with de-recognition related stipulations contained in the relevant accounting standards;

31.1.3. The difference, if any, between the book value of assets of the Iron Ore Undertaking of the Demerged Company transferred to Resulting Company 4 and the book value of the liabilities of the Iron Ore Undertaking of the Demerged Company transferred to the Resulting Company 4, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any; thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and

31.1.4. The Demerged Company's investment in Resulting Company 4 as on the Effective Date, if any, shall be cancelled pursuant to Clause 32 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity' in the order specified in Clause 31.1.3 above.

31.2. In the books of Resulting Company 4

With effect from the Effective Date and upon Part V of the Scheme coming into effect, Resulting Company 4 shall account for the demerger in its books of account in the following manner:

31.2.1. Resulting Company 4 shall record all assets and liabilities, if any of the Iron Ore Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;

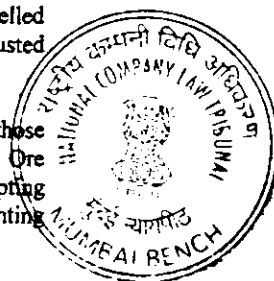
31.2.2. Resulting Company 4 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;

31.2.3. The difference between (A) the book value of assets minus liabilities if any, recorded in the books of the Resulting Company 4, and (B) the value of the Resulting Company 4 New Equity Shares issued and allotted to the shareholders of the Demerged Company (number of Resulting Company 4 New Equity Shares issued multiplied by issue price per Resulting Company 4 New Equity Shares) as consideration, if any, shall be credited to 'Other Equity (Capital Reserve)' of the Resulting Company 4;

31.2.4. The Resulting Company 4's share capital as on the Effective Date shall be cancelled pursuant to Clause 32 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity (Capital Reserve)';

31.2.5. If the accounting policies adopted by the Resulting Company 4 are different from those adopted by the Demerged Company, the assets and liabilities of the Iron Ore Undertaking shall be accounted in the books of the Resulting Company 4 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015;

31.2.6. Any change effected in the book value of the assets and liabilities of the Iron Ore Undertaking, as at the beginning of the comparative period, pursuant to Clause 31.2.5 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 4 with appropriate disclosures as required under Indian Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and



31.2.7. The Resulting Company 4 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 4, whichever is later.

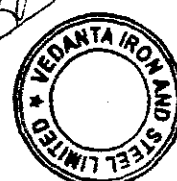
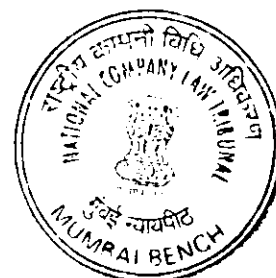
31.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 31.1.3 and 31.1.4 above, being consequential in nature, is proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.

32. REDUCTION AND CANCELLATION OF ENTIRE SHARE CAPITAL OF THE RESULTING COMPANY 4

32.1. Immediately prior to the allotment of the Resulting Company 4 New Equity Shares, the entire paid-up share capital of the Resulting Company 4 as on Effective Date ("**Resulting Company 4 Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company 4, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Resulting Company 4 shall not be required to separately comply with the applicable provisions of the Act including Section 66 of the Act.

32.2. It is clarified that the approval of the members of the Resulting Company 4 to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company 4 under applicable provisions of the Act.

32.3. Notwithstanding the reduction in the share capital of the Resulting Company 4 the Resulting Company 4 shall not be required to add "And Reduced" as suffix to its name.



PART VI

GENERAL TERMS AND CONDITIONS

33. BUSINESS UNTIL THE EFFECTIVE DATE

33.1. With effect from the date of approval of this Scheme by the respective Boards of the Parties and up to and including the Effective Date:

33.1.1. VEDL shall carry on the business of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto; and

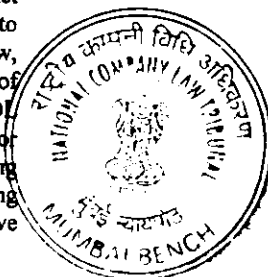
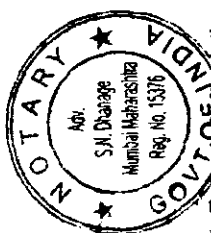
33.1.2. VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals, and sanctions which they may require to carry on the relevant business that is being transferred and vested in terms of this Scheme.

33.2. Notwithstanding anything to the contrary contained in this Clause 33 or the Scheme, prior to the coming into effect of the relevant Part of the Scheme, the Board of VEDL may transfer, sell or dispose of such of the assets, liabilities or properties pertaining to the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking and Iron Ore Undertaking, on such terms and to such party as it may deem appropriate, in accordance with Applicable Law.

34. PROPERTY IN TRUST AND DIVIDENDS

34.1. Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom (including rights to any mines or mining leases) pertaining to the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively, subject to Applicable Law, each of Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively are deemed to be authorised to enjoy the property, asset or the rights and benefits arising from the relevant license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement and may, subject to Applicable Law, occupy and operate such property or asset. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Parties, VEDL will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom (including rights to any mine or mining leases), in trust for and on behalf of the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively and the same will be deemed to be effective from the Appointed Date.

34.2. During the pendency of the Scheme, the Parties shall be entitled to declare and pay dividends to their respective shareholders in consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Parties. It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and



shall not be deemed to confer any right on any shareholder of the Parties to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Parties as the case may be, and subject to approval, if required, of the shareholders of the Parties as the case may be.

35. ANCILLARY PROVISION

In terms of provisions of the Scheme, any credit balance remaining in capital reserve of the respective Resulting Companies on the Effective Date shall be transferred to the Securities Premium of the respective Resulting Companies.

36. FACILITATION PROVISIONS

36.1. Notwithstanding anything to the contrary contained in this Scheme, each Resulting Company (subject to the relevant Part of the Scheme in respect of such Resulting Company having come into effect) and the Demerged Company, may provide to the other Resulting Companies, and each Resulting Company (subject to the relevant Part of the Scheme in respect of such Resulting Company having come into effect) may provide to the Demerged Company, such financial support and collateral and may enter into such arrangements with each other in this behalf as the Boards of the relevant Resulting Companies and the Demerged Company may determine, in order to facilitate the implementation of this Scheme or any Part thereof.

36.2. For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, each of the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking respectively in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively shall be entitled to exercise all rights and privileges and be liable to pay all Taxes and charges and fulfil all obligations in relation to or applicable to all immovable properties including mutation and/or substitution of the ownership or the title to or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively pursuant to the sanction of this Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4. It is clarified that the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

37. APPLICATIONS / PETITIONS

37.1. The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.



- 37.2. The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Resulting Company 1, Resulting Company 2, Resulting Company 3, or Resulting Company 4 may require to own the assets and / or liabilities of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking respectively and to carry on the business of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking, as applicable.

38. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 38.1. The respective Boards of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable, or appropriate. The Scheme may also be modified in accordance with the procedure laid down by the Board. The respective Boards of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 38.2. For the purposes of giving effect to this Scheme or to any modification hereof, the Board of VEDL on the one hand and the Board of each of Resulting Company 1, Resulting Company 2, Resulting Company 3, or Resulting Company 4 on the other hand, as may be relevant, give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively as if the same were specifically incorporated in this Scheme.

39. CONDITIONS PRECEDENT

- 39.1. This Scheme is conditional upon and subject to the following general conditions precedent:

39.1.1. Receipt of no-objection/ observation letter from the Stock Exchanges in relation to this Scheme under Regulations 11 and 37 of the SEBI LODR Regulations read with the SEBI Circular.

39.1.2. Approval of this Scheme by the requisite majority in number and value of each class of shareholders and creditors of the Parties as applicable or as may be required under the Act and Applicable Law and as may be directed by the Tribunal.

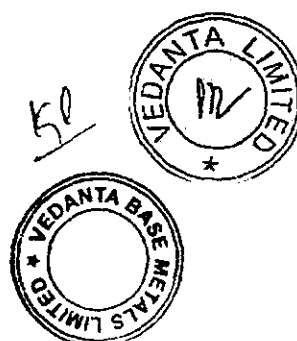
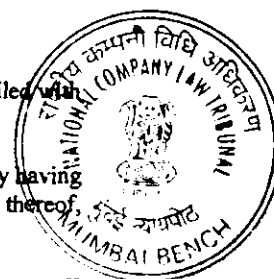
39.1.3. VEDL complying with the provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting.

39.1.4. Sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act;

39.1.5. Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the RoC; and

39.1.6. The Boards of the Demerged Company and the respective Resulting Company having passed a resolution confirming the effectiveness of the Scheme or any Parts thereof with respect to such Resulting Company.

- 39.2. In addition to the satisfaction of the conditions precedent set out in Clause 39.1 above, Part II of the Scheme is also conditional upon and subject to receipt of necessary approvals or deemed approvals from the (a) Central and State Governments for the transfer of the coal mines and (b) State Government for the transfer of the bauxite mine(s).



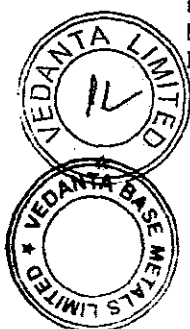
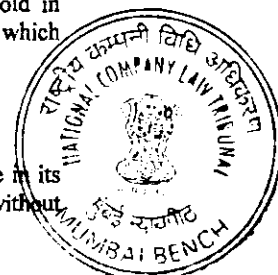
- 39.3. In addition to the satisfaction of the conditions precedent set out in Clause 39.1 above, Part III of the Scheme is also conditional upon and subject to the receipt of necessary approvals or deemed approvals from the counterparties to applicable power purchase agreements.
- 39.4. In addition to the satisfaction of the conditions precedent set out in Clause 39.1 above Part IV of the Scheme is also conditional upon and subject to the receipt of necessary approvals or deemed approvals from the Central Government and counterparties under the production sharing contracts, revenue sharing contracts and joint operating agreements for the transfer of operatorship and participating interests, as applicable.
- 39.5. In addition to the satisfaction of the conditions precedent set out in Clause 39.1 above, Part V of the Scheme is also conditional upon and subject to receipt of necessary approvals or deemed approvals from the State Governments for the transfer of the iron ore mines.
- 39.6. The respective parts of the Scheme shall be made effective in the following manner:
- 39.6.1. Part II of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 39.1 and Clause 39.2;
- 39.6.2. Part III of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 39.1 and Clause 39.3;
- 39.6.3. Part IV of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 39.1 and Clause 39.4;
- 39.6.4. Part V of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 39.1 and Clause 39.5.
- 39.7. In the event any of the conditions set out in Clause 39 above are not obtained or complied with by March 31, 2025 or such later date as the Boards of the respective Parties may agree, or if for any other reason, this Scheme or any Part thereof cannot be implemented, then the Boards of VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 may, as relevant, waive the conditions set out in Clause 39 above to the extent permitted under Applicable Law. In the event any condition set out in Clause 39 is not satisfied or waived in accordance with this Clause 39.7, the relevant Part of the Scheme concerned shall become null and void, and in that event, no rights and liabilities shall accrue or be incurred between VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, or Resulting Company 4 as applicable, or their shareholders or creditors or employees or any other Person, provided that any one or more Parts of the Scheme becoming null and void in accordance with this Clause shall not affect the validity of the other Parts of the Scheme which shall continue in full force and effect.

40. WITHDRAWAL OF THIS SCHEME

The Board of VEDL shall be at liberty to withdraw and not give effect to the Scheme in its entirety (or any one or more of Part II, Part III, Part IV, and Part V of the Scheme without affecting the validity of the other Parts of the Scheme) at any point of time.

41. COSTS AND EXPENSES

All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking in the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company



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4 respectively, in pursuance of this Scheme including stamp duty, if any, to the extent applicable and payable shall be borne and paid by the Parties in such proportion as may be agreed by their respective Boards.

42. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by VEDL in relation to the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, and Iron Ore Undertaking until the Effective Date, to the end and intent that the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively shall accept and adopt all acts, deeds and things done and executed by VEDL in respect thereto as done and executed on their behalf.

43. REMAINING BUSINESS OF VEDL

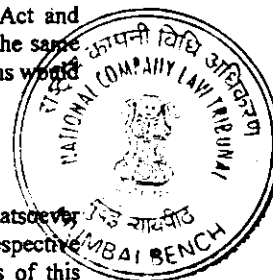
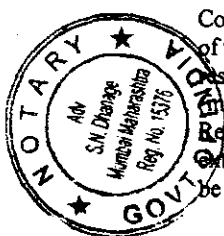
- 43.1. The Remaining Business of VEDL shall continue to belong to and be owned and managed by VEDL. VEDL shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Business and the Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4, shall not have any liability or obligation in relation to the Remaining Business.
- 43.2. If any of Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 respectively are in receipt of any demand, claim, notice and/or are impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of VEDL, then each of Resulting Company 1, Resulting Company 2, Resulting Company 3, or Resulting Company 4 as applicable shall take all such steps in the proceedings before the Appropriate Authority to substitute itself with VEDL. However, if any of Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4, as applicable is unable to have itself replaced with VEDL in such proceedings, it shall defend the same or deal with such demand at the cost of VEDL and the latter shall reimburse it, against all liabilities and obligations incurred by or against it, in respect thereof.

44. DEEMED APPROVAL

- 44.1. On the approval of this Scheme by the shareholders of VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, and Resulting Company 4 and such other classes of Persons of the said Parties, if any, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise under Applicable Law (including under Sections 13, 14, 52, 61, 64, 66, 180, 185, 186 and 188 of the Act and Regulation 23 and other applicable provisions of the SEBI LODR Regulations) to the same extent applicable in relation to the Scheme and related matters and no further resolutions would be required to be separately passed.

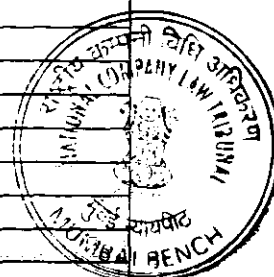
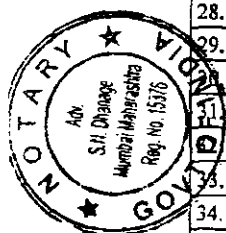
45. SEVERABILITY

- 45.1. If any Part and/or provision of this Scheme is found to be unworkable for any reason whatsoever or is withdrawn, the same shall not, subject to the decision of the Parties through their respective Boards, affect the validity or implementation of the other Parts and/or provisions of this Scheme.



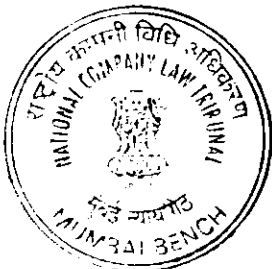
ANNEXURE I

#	Name of block	Location
Production Sharing Contracts		
1.	RJ-ON-90/1	Rajasthan
2.	Ravva oil and gas field	Offshore Andhra Pradesh
3.	CB/OS - 2	Gujarat
4.	KG-ONN-2003/1	Andhra Pradesh
5.	KG-OSN-2009/3	Andhra Pradesh
Revenue Sharing Contracts under the Hydrocarbon Exploration and Licensing Policy		
6.	AA-ONHP-2017/1	Assam
7.	AA-ONHP-2017/6	Assam
8.	AA-ONHP-2017/14	Assam
9.	AA-ONHP-2017/4	Assam
10.	AA-ONHP-2017/5	Assam
11.	AA-ONHP-2017/8	Assam
12.	AA-ONHP-2017/9	Assam
13.	AA-ONHP-2017/11	Assam
14.	AA-ONHP-2017/15	Assam
15.	AA-ONHP-2017/2	Assam
16.	AA-ONHP-2017/3	Assam
17.	KG-OSHP-2017/1	KG Offshore
18.	KG-DWHP-2017/1	KG Deepwater
19.	CY-OSHP-2017/1	Cauvery Offshore
20.	CY-OSHP-2017/2	Cauvery Offshore
21.	GK-ONHP-2017/1	Gujarat Kutch Onland and Offshore
22.	GK-OSHP-2017/1	Gujarat Kutch Offshore
23.	GS-OSHP-2017/1	Gujarat Kutch Offshore
24.	GS-OSHP-2017/2	Gujarat Kutch Offshore
25.	MB-OSHP-2017/2	Mumbai Offshore
26.	RJ-ONHP-2017/5	Barmer
27.	RJ-ONHP-2017/6	Barmer
28.	RJ-ONHP-2017/7	Barmer
29.	RJ-ONHP-2017/1	Barmer
30.	RJ-ONHP-2017/2	Barmer
31.	RJ-ONHP-2017/3	Barmer
32.	RJ-ONHP-2017/4	Barmer
33.	CB-ONHP-2017/1	Cambay
34.	CB-ONHP-2017/7	Cambay
35.	CB-ONHP-2017/10	Cambay
36.	CB-ONHP-2017/6	Cambay
37.	CB-ONHP-2017/2	Cambay
38.	CB-ONHP-2017/3	Cambay
39.	CB-ONHP-2017/4	Cambay
40.	CB-ONHP-2017/5	Cambay
41.	CB-ONHP-2017/11	Cambay
42.	HF-ONHP-2017/1	Himalaya Foreland



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	Name of block	Location
43.	GV-ONHP-2017/1	Ganga Valley
44.	CB-ONHP-2018/1	Cambay
45.	GK-OSHP-2018/1	Kutch
46.	GK-OSHP-2018/2	Kutch
47.	RJ-ONHP-2018/1	Rajasthan
48.	MN-OSHP-2018/1	Mahanadi
49.	AA-ONHP-2018/1	Assam
50.	CB-ONHP-2018/3	Cambay
51.	CB-ONHP-2018/4	Cambay
52.	SR-ONHP-CBM-2021/5	Chattisgarh
Revenue Sharing Contracts under the Discovered Small Fields Policy		
53.	AA/ONDSF/TUKBAI/2021	ASSAM
54.	AA/ONDSF/PATHARIA/2021	ASSAM
55.	CB/OSDSF/AMBE/2021	Cambay Offshore
56.	GK/OSDSF/GK1/2021	Kutch Offshore
57.	MB/OSDSF/BH68/2021	Mumbai offshore
58.	MB/OSDSF/B174/2021	Mumbai offshore
59.	KG/OSDSF/G4/2021	KG Offshore
60.	VN/ONDSF/NOHTA/2021	Madhya Pradesh
61.	AA/ONDSF/Hazariagan/2018	Assam
62.	KG/ONDSF/Kaza/2018	KG Onshore



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R.H.M.
 2-1-26
 Assistant Registrar

National Company Law Tribunal Mumbai Bench