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 Streel 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,

represented by the Directorate General of Hydrocarbons, Plot No. 2, Tower A, OIDB 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

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

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

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

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 crones 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

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

		demand (which pertatins 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. 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.
Cauvery offshore - PR-OSN-2004/1	Interest on delayed payment of 'PEL fee' paid on 3rd Year and 4th Year. 11th year PEL fee: Differential Amount INR 3,06,50,400, and applicable interest.	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 Anncxure E. Thus, such a claim / demand is not required to be disclosed.

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.

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. <u>RJ Block</u>

Against MoPNG's Representation that VEDL has not correctly specified the quantum of the liability involved in *Vedanta Limiled & Cairn Energy Hydrocarbon Limiled 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,

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.	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. 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.
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.

	under JU Block Dispute.	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 Anncxure I. 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. In view of the foregoing it is reiterated that the RJ Block Dispute has been comprehensively disclosed by VEDL. Hence, the asserting that such demands post implementation of the Award have not been disclosed by VEDL is not correct.
3.	Short Paid PP for Q2 (FY 2023-2024) and Q1	The said demands pertain to the RJ Block. Please refer to the responses

	(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

	annexure 4 of the MoPNG Representation	of SAED against the Short Paid petroleum profit.

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. <u>Ravva Block</u>

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.

#	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.	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. 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.

		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

		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	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. 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 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.

iii. <u>CB Block</u>

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.	In terms of the CB Block PSC, ONGC is the licensee of the CB Block. Accordingly, the licensee i.e., ONGC, is liable for payment of royalty dues for the CB Block and not VEDL. 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.
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.

	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.	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. 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.
4.	Royalty dues amounting to USD 1.4 Million as stated by MoPNG in #2(c) of annexure 4 of the MoPNG Representation	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 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

		said demand. A copy of the letter dated October 23, 2024 is annexed to this affidavit as Annexure N. 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 Exchages.

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 0. 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

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 Appliation and paragraph B(a)(ii) of annexure U of the*

		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. *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."*
2.	Item-wise disclosure of all demands raised by MoPNG, which remain outstanding and not honoured.	Para. 20, 21 and 22 of the Affidavit in Reply dated 01.05.2025 filed by VEDL, interalia states that: *"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*

		required to be disclosed in terms of the Act, CAA Rules, and Observation Letters. *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.* *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*

		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 ..."
3.	Disclosures of short paid GoI share of PP with details of all outstanding liabilities.	Para. 47 of the Affidavit in Reply/Surrejoinder dated 20.06.2025 filed by VEDL, interalia states that: *"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*

		30, 2024 (annexed as annexure F of the Notices)" Para. 28 of the Affidavit in Reply dated 01.05.2025 filed by VEDL, interalia states that: *"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 bas 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.*
4.	Disclose validity period of each Block listed in the Scheme, specifically identifying blocked sites and expired licenses.	Para. 28 and 29 of the Affidavit in Reply/Surrejoinder dated 20.06.2025 filed by VEDL, interalia states that: *"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*

		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. *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*

		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."
5.	Provide the structural relationship of MALCO and Cairn Energy who is an indirect subsidiary of Vedanta Ltd. post Demerger.	Para. 39 of the Affidavit in Reply dated 01.05.2025 filed by VEDL, interalia states that: *"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*

		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.	Para. 11(g)(h) of the Further Surrejoinder dated 01.07.2025 filed by VEDL, interalia states that: *"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.* *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*

		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."

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.

(A) GoI 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 its order dated 29 April 2024 has denied GoI's interim relief application in favour of the Company. GoI 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, GoI has submitted its calculation of the quantum basis the Award. GoI has claimed a sum of US$ 224 million from the Company. The Company is of the view that the GoI 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 GoI in their calculation of the quantum. The Company has responded to the GoI with its detailed analysis and is awaiting a response. (B) GoI 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 GoI 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 202*1, 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*

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/DIL1/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 20101].* 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

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)

Sd/-
Nilesh Sharma
Member (Judicial)

Omkar, LRA.

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 l") 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

Sensitivity: Internal (C3)

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. CIN: L13209MH1965PLC291394	) … First Petitioner Company / 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 CIN: U24202MH2023PLC411663	) … Second Petitioner Company / 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) ... 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)
CIN: U31300MH2001PLC428719) ... Third Petitioner Company/
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

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 CIN: U24109MH2023PLC411777	) ... Fifth Petitioner Company/ 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.

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;

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

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:
   a. Part II of the Scheme: Clause 39.1 and Clause 39.2;
   b. Part III of the Scheme: Clause 39.1 and Clause 39.3;
   c. Part IV of the Scheme: Clause 39.1 and Clause 39.4;
   d. Part V of the Scheme: Clause 39.1 and Clause 39.5.

7. **Nature of Business: -**

   i. 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.

   ii. The Resulting Company 1 is Vedanta Aluminium Metal Limited, a wholly owned subsidiary of the Demerged Company. Following the

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

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)**

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	

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*

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*

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

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

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

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)	*That on examination of the report of the Registrar of Companies, Mumbai dated 11.06.2025*	No response is warranted.

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		(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.* *The ROC, Mumbai has further submitted that in his report dated 11.06.2025 which are as under:-* i. *That the ROC Mumbai in his report dated*	

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		11.06.2025 has also stated that No Inquiry, Inspection, Investigations, Prosecutions, Complaints under CA, 2013 have been pending against the Petitioner Companies.	
	2(a)(ii)(1)	*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.*	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

#	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)	*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 networth. Even when the company has negative networth the Financials are prepared on a going concern basis.*	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

#	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. Facts may be considered on merit as deemed fit and proper.* *4. Interest of the creditors & Employees should be protected.*	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)*

#	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

#	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)	*In compliance of Accounting Standard-14 or IND-AS-103, as may be applicable, the Resulting Company shall pass such accounting entries*	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

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 or IND AS-8 etc.	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)	*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.*	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

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			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. 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 *(as directed under the First Motion Order)* approved the Scheme, as modified.

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
			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. 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.
	2(d)	*The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities*	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

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		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.	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)	*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*	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

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		each of the Parts II to V of the Scheme may be a different date. *"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*	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.

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		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.*	

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		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. *"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*	

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		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. *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*	

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		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. *The Petitioners may be asked to comply with the requirements as*	

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		clarified vide circular no. F. No. 7/12/2019/CL-I dated 21 August 2019 issued by the Ministry of Corporate Affairs.	
	2(f)	*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*	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.

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		duly placed before the Tribunal.	
	2(g)	*Petitioner Companies shall undertake to comply with the directions of the Income Tax Department & GST Department, if any.*	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 *inter alia* that the pursuant to the demerger, the tax demands /proceedings shall be transferred to the Resulting

#	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)	*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.*	The Petitioner Companies submit that as mentioned in paragraph E *(Treatment of the Scheme under Income Tax Act, 1961)* of the Scheme, the Scheme is in compliance with Section 2(19AA) of the Income Tax Act, 1961.

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
	2(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.* *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*	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. 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

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		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.	prejudice to the interests of the creditors. 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. 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

#	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)	*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*	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.

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
		Regulation 37 of SEBI (LODR) Regulation, 2015. Further, the Hon'ble NCLT proper in the facts and merits of the case. *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.*	

#	Paragraph number of the Report	Observations from the Report	Response of the Petitioner Companies
	2(k)	*Petitioner Transferee Company has foreign shareholders; hence Petitioner Transferee Company shall undertake to comply with rules, regulations, guidelines of FEMA, FERA and RBI.*	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

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**

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

(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:		

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

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*

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.

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,

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, the 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."

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)

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

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.

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.

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.

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)

Sd/-
Nilesh Sharma
Member (Judicial)

OmkarD.