

Annexure B

COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

VEDANTA LIMITED

AND

VEDANTA ALUMINIUM METAL LIMITED

AND

TALWANDI SABO POWER LIMITED

AND

MALCO ENERGY LIMITED

AND

VEDANTA BASE METALS LIMITED

AND

VEDANTA IRON AND STEEL LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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



A) **PREAMBLE**

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

- (i) Demerger of the Aluminium Undertaking (*as defined hereinafter*) of Vedanta Limited (“**VEDL**”) to Vedanta Aluminium Metal Limited (“**Resulting Company 1**”), and corresponding issuance of equity shares of Resulting Company 1 to the shareholders of VEDL and reduction and cancellation of the entire paid-up share capital of Resulting Company 1 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013
- (ii) Demerger of the Merchant Power Undertaking (*as defined hereinafter*) of VEDL to Talwandi Sabo Power Limited (“**Resulting Company 2**”), and corresponding issuance of equity shares of Resulting Company 2 to shareholders of VEDL and reduction and cancellation of the paid-up share capital of the Resulting Company 2 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.
- (iii) Demerger of the Oil and Gas Undertaking (*as defined hereinafter*) of VEDL to MALCO Energy Limited (“**Resulting Company 3**”), and corresponding issuance of equity shares of Resulting Company 3 to shareholders of VEDL and reduction and cancellation of the paid-up share capital of the Resulting Company 3 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.
- (iv) Demerger of the Base Metals Undertaking (*as defined hereinafter*) of VEDL to Vedanta Base Metals Limited (“**Resulting Company 4**”), and corresponding issuance of equity shares of Resulting Company 4 to shareholders of VEDL and reduction and cancellation of the paid-up share capital of the Resulting Company 4 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.
- (v) Demerger of the Iron Ore Undertaking (*as defined hereinafter*) of VEDL to Vedanta Iron and Steel Limited (“**Resulting Company 5**”), and corresponding issuance of equity shares of Resulting Company 5 to shareholders of VEDL and reduction and cancellation of the paid-up share capital of the Resulting Company 5 as on the Effective Date, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

The Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 are collectively referred to as the “**Resulting Companies**”.

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

B) **INTRODUCTION**

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



of India Limited ("NSE"). The Listed Debt Securities (*as defined hereinafter*) of VEDL are listed on the BSE.

2. Resulting Company 1 is a company incorporated under the Companies Act, 2013 with CIN U24202MH2023PLC411663 and registered office situated at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai-400093, Maharashtra and is a wholly owned subsidiary of VEDL. The Resulting Company 1 has been incorporated with the objective of *inter alia* carrying on the business of metallurgists and miners including beneficiation, dressing, concentration, smelting, refining and the extraction, manufacture and fabrication, purchase and sale of metals and in particular to manufacture, produce and/or otherwise deal in alumina, aluminium and aluminium products and by-products and the sale, dealing or other disposition of alumina, aluminium and aluminium products and by-products. Following the coming into effect of Part II of the Scheme, the Resulting Company 1 will carry on the Aluminium Business (*as defined hereinafter*). The equity shares of the Resulting Company 1 are presently not listed on the Stock Exchanges (*as defined hereinafter*).
3. Resulting Company 2 is Talwandi Sabo Power Limited, a company incorporated under the Companies Act, 1956 with CIN U40101PB2007PLC031035 and is a wholly owned subsidiary of VEDL. The Resulting Company 2 is engaged in the business of *inter alia* generation, transmission and distribution of power for supply to the state electricity boards, power utilities, generating companies, transmission companies, distribution companies, etc. Following the coming into effect of Part III of the Scheme, the Resulting Company 2 will carry on the Merchant Power Business (*as defined hereinafter*). The equity shares of the Resulting Company 2 are presently not listed on the Stock Exchanges.
4. Resulting Company 3 is MALCO Energy Limited, a company incorporated under the Companies Act, 1956 with CIN U31300TN2001PLC069645 and is a wholly owned subsidiary of VEDL. Currently, Resulting Company 3 is engaged in the business of *inter alia* processing ferrous and non-ferrous metals and mining, refining and preparing of market ores, minerals, metals and substances of every kind and description and processing them. Following the coming into effect of Part IV of the Scheme, the Resulting Company 3 will carry on the Oil and Gas Business (*as defined hereinafter*). The equity shares of the Resulting Company 3 are presently not listed on the Stock Exchanges.
5. Resulting Company 4 is a company incorporated under the Companies Act, 2013 with CIN U43121MH2023PLC411696 and registered office situated at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai-400093, Maharashtra and is a wholly owned subsidiary of VEDL. The Resulting Company 4 has been incorporated with the objective of *inter alia* carrying on the business of prospecting, exploring, mining, winning, importing, exporting, dealing, processing, buying, selling and distributing and generally dealing in earth and ore of all kinds including copper, zinc, precious metals and other metallic minerals. Following the coming into effect of Part V of the Scheme, the Resulting Company 4 will carry on the Base Metals Business (*as defined hereinafter*). The equity shares of the Resulting Company 4 are presently not listed on the Stock Exchanges.
6. Resulting Company 5 is a company incorporated under the Companies Act, 2013 with CIN U24109MH2023PLC411777 and registered office situated at C-103 Atul Projects, Corporate Avenue New Link, Chakala MIDC, Mumbai-400093, Maharashtra and is a wholly owned subsidiary of VEDL. The Resulting Company 5 has been incorporated with the objective of *inter alia* carrying on business as explorers and miners of ferrous ores and minerals and manufacturers, exporters, importers, buyers, sellers and dealers in all kinds and description of iron and steel, their alloys and any other special steel group and their products, and all varieties of profiles and products whether forged, rolled, cast or drawn and all products intermediated and by-products consequent to or obtained in the process of manufacture of above articles.



Following the coming into effect of Part VI of the Scheme, the Resulting Company 5 will carry on the Iron Ore Business (*as defined hereinafter*). The equity shares of the Resulting Company 5 are presently not listed on the Stock Exchanges.

C) RATIONALE

- (i) VEDL has interests in multiple businesses including metals, mining, and exploration of natural resources (zinc-lead-silver, iron ore, steel, copper, aluminium, nickel, and oil and gas) and power generation.
- (ii) Each of the varied businesses carried on by VEDL by itself or through strategic investments in subsidiaries or through affiliate companies (including the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking, the Base Metals 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, the Base Metals 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*), the Base Metals 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, the Base Metals 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, Resulting Company 4, and Resulting Company 5.

D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties (*as defined hereinafter*), date of taking effect and implementation of this Scheme;
2. **PART II** deals with the demerger, transfer and vesting of the Aluminium Undertaking from the Demerged Company into Resulting Company 1 on a going concern basis and the issue of equity shares by the Resulting Company 1 to the shareholders of the Demerged Company, in consideration thereof;
3. **PART III** deals with the demerger, transfer and vesting of the Merchant Power Undertaking from the Demerged Company into Resulting Company 2 on a going concern basis and the issue of equity shares by the Resulting Company 2 to the shareholders of the Demerged Company, in consideration thereof;
4. **PART IV** deals with the demerger, transfer and vesting of the Oil and Gas Undertaking from the Demerged Company into Resulting Company 3 on a going concern basis and the issue of equity shares by the Resulting Company 3 to the shareholders of the Demerged Company, in consideration thereof;
5. **PART V** deals with the demerger, transfer and vesting of the Base Metals Undertaking from the Demerged Company into Resulting Company 4 on a going concern basis and the issue of equity shares by the Resulting Company 4 to the shareholders of the Demerged Company, in consideration thereof;
6. **PART VI** deals with the demerger, transfer and vesting of the Iron Ore Undertaking from the Demerged Company into Resulting Company 5 on a going concern basis and the issue of equity shares by the Resulting Company 5 to the shareholders of the Demerged Company, in consideration thereof;
7. **PART VII** deals with the general terms and conditions applicable to this Scheme.

E) TREATMENT OF THE SCHEME UNDER INCOME TAX ACT, 1961

1. The provisions of Parts II to VI of this Scheme have been drawn up to comply with the conditions relating to "demerger" as defined under Section 2(19AA) of the Income Tax Act and the demerger of each of the Aluminium Undertaking, the Merchant Power Undertaking, the Oil and Gas Undertaking, the Base Metals Undertaking and the Iron Ore Undertaking and their respective transfer and vesting into the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively shall be in compliance with Section 2(19AA) of the Income Tax Act, 1961.
2. If any of the terms or provisions of Parts II to VI of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section 2(19AA) at a later date including as a result of an amendment of law or for any other reason whatsoever, the said Section 2(19AA) shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA). Such modification shall not affect the other parts of the Scheme.



PART I

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

1. DEFINITIONS

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

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

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

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

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



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

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



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

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

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

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



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

“Appropriate Authority” means:

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

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

“Base Metals Business” means all the businesses, undertakings, activities, properties and liabilities of whatsoever nature and kind and wherever situated, pertaining and / or related to the Demerged Company’s division engaged in mining and processing of certain base metals such as copper and manufacture and sale of copper;

“Base Metals Undertaking” means the undertaking of the Demerged Company pertaining to the Base Metals Business as on the Appointed Date and shall include (without limitation):

- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, residential premises occupied by the employees engaged for the purpose of the Base Metals Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Base Metals Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (ii) All assets as are movable in nature pertaining to the Base Metals Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants) actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits



set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Base Metals Business;

- (iii) all mines, including applications for mining leases and letters of intent issued in respect of the mines, with all necessary licenses, approvals, clearances, all mine infrastructures standing on the mining lease land and surface rights, composite licenses for the mines, whether already granted or for which an application is pending or in process as on the Effective Date;
- (iv) mining infrastructure such as tangible assets used for mining operations, being civil works, workshops, immovable ore winning equipment, foundations, embankments, pavements, electrical systems, communication systems, relief centers, site administrative offices, fixed installations, ore handling arrangements, crushing and conveying systems, railway sidings, pits, shafts, inclines, underground transport systems, hauling systems land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by mining operations under the relevant Law;
- (v) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Base Metals Business (“**Base Metals Undertaking Liabilities**”) and / or arising out of and / or relatable to the Base Metals Business including:
 - (a) the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Base Metals Business;
 - (b) specific loans and borrowings raised, incurred, and utilised solely for the activities or operations of the Base Metals Business;
 - (c) existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Base Metals Business;
 - (d) liabilities other than those referred to in subclauses (a) and (b) above and not directly relatable to the Remaining Business of the Demerged Company being the amounts of general and multipurpose borrowings of the Demerged Company that shall be allocated to the Base Metals Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of the assets of Demerged Company immediately prior to giving effect to Part V of the Scheme;
- (vi) contracts, agreements, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, undertakings, memoranda of agreement, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, hire purchase agreements, lease / license agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with supplier / manufacturer or goods or service providers, schemes, other arrangements, undertakings, deeds, bonds, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Base Metals Business;



- (vii) all Permits, quotas, incentives, right of way, powers, authorities, allotments, rights, benefits, advantages, credits, awards, sanctions, exemptions, concessions, liberties including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Base Metals Business;
- (viii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames, trademarks, goodwill, trade secrets in relation to the Base Metals Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, hardware, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Base Metals Business;
- (ix) rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership or possession of or in control of or vested in or granted in favour of or enjoyed in respect of the Base Metals Business;
- (x) all legal or other proceedings of whatsoever nature that pertain to the Base Metals Business;
- (xi) entire experience, credentials, past record, and market share of the Demerged Company pertaining to the Base Metals Business;
- (xii) all employees employed by / engaged in the Base Metals Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise; and
- (xiii) (a) The copper smelter, refinery, sulphuric acid plant, phosphoric acid plant and copper rod plant of the Demerged Company situated in Tuticorin, Tamil Nadu; (b) power plants, (c) the copper refinery and copper rod plants of the Demerged Company situated in Silvassa, western India; and (d) other ancillary units, by whatever name called, designed and implemented for improving the value chain.

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

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

“Demerged Company” means VEDL;

“Effective Date” means, in respect of:



- (i) Part II of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 45.1 and Clause 45.2 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 45.1 and Clause 45.3 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;
- (iii) Part IV of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 45.1 and Clause 45.4 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 45.1 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;
- (v) Part VI of the Scheme, the date or the last date of the dates on which all conditions precedent set forth in Clause 45.1 and Clause 45.5 are fulfilled, obtained or waived, as applicable in accordance with this Scheme;

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

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

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

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

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

- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, residential premises occupied by the employees engaged for the purpose of the Iron Ore Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Iron Ore Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (ii) All assets as are movable in nature pertaining to the Iron Ore Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants) actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., outstanding loans and advances, recoverable in cash or in kind or for value to be



received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits or set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Iron Ore Business;

- (iii) all mines (including the iron ore mines situated in Goa and Karnataka) and also including applications for mining leases and letters of intent issued in respect of the mines, with all necessary licenses, approvals, clearances, all mine infrastructures standing on the mining lease land and surface rights, composite licenses for the mines, whether already granted or for which an application is pending or in process as on the Effective Date;
- (iv) mining infrastructure such as tangible assets used for mining operations, being civil works, workshops, immovable ore winning equipment, foundations, embankments, pavements, electrical systems, communication systems, relief centers, site administrative offices, fixed installations, ore handling arrangements, crushing and conveying systems, railway sidings, pits, shafts, inclines, underground transport systems, hauling systems land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by mining operations under the relevant Law;
- (v) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Iron Ore Business (“**Iron Ore Undertaking Liabilities**”) and / or arising out of and / or relatable to the Iron Ore Business including:
 - (a) the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Iron Ore Business;
 - (b) specific loans and borrowings raised, incurred, and utilised solely for the activities or operations of the Iron Ore Business;
 - (c) existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Iron Ore Business;
 - (d) liabilities other than those referred to in subclauses (a) and (b) above and not directly relatable to the Remaining Business of the Demerged Company being the amounts of general and multipurpose borrowings of the Demerged Company that shall be allocated to the Iron Ore Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of the assets of Demerged Company immediately prior to giving effect to Part VI of the Scheme;
- (vi) contracts, agreements, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, undertakings, memoranda of agreement, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, hire purchase agreements, lease / license agreements, tenancy rights, agreements



for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with supplier / manufacturer or goods or service providers, schemes, other arrangements, undertakings, deeds, bonds, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Iron Ore Business;

- (vii) all Permits, quotas, incentives, right of way, powers, authorities, allotments, rights, benefits, advantages, credits, awards, sanctions, exemptions, concessions, liberties including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Iron Ore Business;
- (viii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames, trademarks, goodwill, trade secrets in relation to the Iron Ore Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, hardware, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Iron Ore Business;
- (ix) rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership or possession of or in control of or vested in or granted in favour of or enjoyed in respect of the Iron Ore Business;
- (x) all legal or other proceedings of whatsoever nature that pertain to the Iron Ore Business;
- (xi) entire experience, credentials, past record, and market share of the Demerged Company pertaining to the Iron Ore Business;
- (xii) all employees employed by / engaged in the Iron Ore Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise; and
- (xiii) Value added business (comprising of pig iron plant, metallurgical coke plant, two power plants, and beneficiation plant in Goa), and metallurgical coke plant in Vazare.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Iron Ore Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company 5.

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

- (i) INE205A07196;



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

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

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

- (i) All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, steel structures, cables, conductors, residential premises occupied by the employees engaged for the purpose of the Merchant Power Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Merchant Power Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (ii) All assets as are movable in nature pertaining to the Merchant Power Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants), actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., including investments in Resulting Company 2, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits or set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Merchant Power Business;
- (iii) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Merchant Power Business and / or arising out of and / or relatable to the Merchant Power Business (**“Merchant Power Undertaking Liabilities”**) including:
 - (a) the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Merchant Power Business;



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



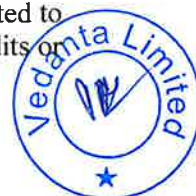
- (x) amounts claimed or to be claimed including the receivables by the Merchant Power Business from any third party including from distribution companies (with whom the Merchant Power Business has executed power purchase agreements);
- (xi) all employees employed by / engaged in the Merchant Power Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise; and
- (xii) (a) 1 (one) unit of the Demerged Company of total gross capacity of 600 MW situated in Jharsuguda, Odisha; (b) all the assets and liabilities of Athena Chhattisgarh Power Limited (“**Athena**”), which is in the process of being amalgamated with the Demerged Company pursuant to the Insolvency and Bankruptcy Code, 2016, including the two units of total capacity of 1,200 MW situated in Chhattisgarh (owned and operated by Athena);

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

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

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

- (i) All immovable properties i.e. land together with the buildings and structures standing thereon and resources underneath (whether freehold, leasehold, licensed, right of way, tenancies or otherwise) including roads, drains and culverts, bunk house, civil works, residential premises provided by the Demerged Company and occupied by the employees engaged for the purpose of the Oil and Gas Business, security cabins, foundations for civil works etc. which immovable properties are currently being used for the purpose of the Oil and Gas Business and all documents of title, rights and easement in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties held by the Demerged Company;
- (ii) All assets as are movable in nature pertaining to the Oil and Gas Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, modules, inverters, electrical fittings, submersible pumps, sprinkler system, module cleaning machine, electrical erections, earthing and lighting systems, diesel generators, cables, transformers, capital work in progress, furniture, fixtures, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventory, tools and plants), actionable claims, earnest monies and sundry debtors, financial assets, investments in shares, securities etc., outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, benefit of bank guarantees, performance guarantees and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added / sales tax, entry tax credits on



set-offs, income tax holiday/ benefit/ losses / minimum alternate tax and other benefits or exemptions or privileges enjoyed, granted by any Appropriate Authority or by any other person, or availed of by the Demerged Company, tax credits including, but not limited to, credits in respect of income tax (including brought forward tax losses comprising of unabsorbed depreciation), minimum alternate tax, advance tax, tax deducted at source, tax refunds, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Oil and Gas Business;

- (iii) infrastructure such as tangible assets used for exploration operations, being civil works, equipment, rigs, foundations, embankments, pavements, electrical systems, communication systems, relief centers, site administrative offices, fixed installations, handling arrangements, pipelines and conveying systems, underground transport systems, hauling systems, land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by exploration operations under the relevant Law;
- (iv) all debts, liabilities including contingent liabilities, duties, taxes, and obligations whether present or future, whether secured or unsecured pertaining to the Oil and Gas Business ("**Oil and Gas Undertaking Liabilities**") and / or arising out of and / or relatable to the Oil and Gas Business including:
 - (a) the debts, liabilities, duties, and obligations of the Demerged Company which arise out of the activities or operations of the Oil and Gas Business;
 - (b) specific loans and borrowings raised, incurred, and utilised solely for the activities or operations of the Oil and Gas Business;
 - (c) existing securities, mortgages, charges, and other encumbrances subsisting over and in respect of the property and assets of the Oil and Gas Business;
 - (d) liabilities other than those referred to in subclauses (a) and (b) above and not directly relatable to the Remaining Business of the Demerged Company being the amounts of general and multipurpose borrowings of the Demerged Company that shall be allocated to the Oil and Gas Undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of the assets of Demerged Company immediately prior to giving effect to Part IV of the Scheme;
- (v) contracts (including production sharing contracts and revenue sharing contracts for hydrocarbon blocks), operatorship and participating interests, agreements, purchase orders, service orders, operation and maintenance contracts, memoranda of understanding, undertakings, memoranda of agreement, minutes of meetings, bids, tenders, tariff policies, expression of interest, letters of intent, hire purchase agreements, lease / license agreements, tenancy rights, agreements for right of way, equipment purchase agreements, agreements with customers, purchase and other agreements with supplier / manufacturer or goods or service providers, schemes, other arrangements, undertakings, deeds, bonds, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Oil and Gas Business;
- (vi) all Permits, quotas, incentives, right of way, powers, authorities, allotments, rights, benefits, advantages, credits, awards, sanctions, exemptions, concessions, liberties including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto pertaining to the Oil and Gas Business;



- (vii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames, trademarks, goodwill, trade secrets in relation to the Oil and Gas Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, hardware, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, databases, catalogues, quotations, sales and advertising materials, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Oil and Gas Business;
- (viii) rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership or possession of or in control of or vested in or granted in favour of or enjoyed in respect of the Oil and Gas Business;
- (ix) all legal or other proceedings of whatsoever nature that pertain to the Oil and Gas Business;
- (x) entire experience, credentials, past record, and market share of the Demerged Company pertaining to the Oil and Gas Business;
- (xi) all employees employed by / engaged in the Oil and Gas Business as on the Effective Date including liabilities with regard to employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise; and
- (xii) Operatorship and participating interest for all hydrocarbon blocks including the hydrocarbon blocks set out in **Annexure I** of this Scheme, whether pursuant to production sharing contracts, revenue sharing contracts or otherwise.

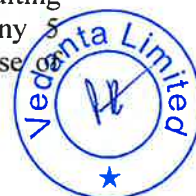
Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Oil and Gas Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company 3.

“Parties” shall collectively mean VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4, and Resulting Company 5; and **“Party”** means each of them, individually;

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

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

“Record Date” means the date to be fixed by the Boards of Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively in consultation with the Board of the Demerged Company for the purpose of



determining the shareholders of the Demerged Company for issue of the Resulting Company 1 New Equity Shares, Resulting Company 2 New Equity Shares, Resulting Company 3 New Equity Shares, Resulting Company 4 New Equity Shares and Resulting Company 5 New Equity Shares respectively and the Record Date for each of the Parts II to VI of the Scheme may be different dates;

“Remaining Business” means all the business, units, divisions, undertakings, and assets and liabilities of VEDL other than the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, Base Metals Undertaking, and Iron Ore Undertaking, including VEDL’s investment in Hindustan Zinc Limited, VEDL’s interest in semiconductors and glass displays, stainless steel(ferrochrome and nickel) and port business;

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

“Scheme” or **“this Scheme”** means this scheme of arrangement as modified from time to time;

“SEBI” means the Securities and Exchange Board of India;

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

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

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

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

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

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

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

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

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) headings, subheadings, titles, subtitles to clauses and sub-clauses are for convenience only and shall be ignored in construing the Scheme;



- (iii) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications, or supplement(s) to, or replacement, re-enactment, restatement, or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder; and
- (iv) all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, or any other Applicable Laws, rules, regulations, or bye laws, as the case may be.

2. SHARE CAPITAL

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

Particulars	INR
Authorised Share Capital	
44,02,01,00,000 equity shares of INR 1 each	44,02,01,00,000
3,01,00,00,000 preference shares of INR 10 each	30,10,00,00,000
Total	74,12,01,00,000
Issued and Subscribed Share Capital	
3,71,75,04,871 equity shares of INR 1 each	3,71,75,04,871
Total	3,71,75,04,871
Paid-up Share Capital	
3,71,75,04,871 equity shares of INR 1 each	3,71,75,04,871
Total	3,71,75,04,871
Listed Capital	
3,71,72,06,239* equity shares of INR 1 each	3,71,72,06,239
Total	

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

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

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



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

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

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

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

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

2.5. The share capital of the Resulting Company 4 as on October 10, 2023, is as follows:

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

2.6. The share capital of the Resulting Company 5 as on October 11, 2023, is as follows:

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



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

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

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



PART II

DEMERGER AND VESTING OF THE ALUMINIUM UNDERTAKING

4. DEMERGER AND VESTING OF THE ALUMINIUM UNDERTAKING

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

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

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

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

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



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

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



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

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



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

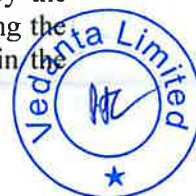
4.2.14. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company 1 may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing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

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

5. EMPLOYEES

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

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



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

6. LEGAL PROCEEDINGS

- 6.1. Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Aluminium Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company 1 in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company 1 shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Aluminium Undertaking.
- 6.2. The Resulting Company 1 undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company 1 to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company 1 shall make relevant applications and take all steps as may be required in this regard.
- 6.3. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Aluminium Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Aluminium Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company 1. However, if the Demerged Company is unable to get the Resulting Company 1 replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company 1 and at the cost of the Resulting Company 1 and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

7. TAXES/ DUTIES/ CESS

- 7.1. The Resulting Company 1 shall be entitled to, *inter alia*, file/ or revise its income tax returns, tax audit reports, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value-added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Demerged Company) including receipt of refund, credit, etc., if any, pertaining to the Aluminium Undertaking as may be required consequent to implementation of this Scheme. The Resulting Company 1 shall be entitled to file modified tax returns in accordance with the provisions of IT Act.
- 7.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, brought forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Demerged Company relating to the Aluminium Undertaking as on the Appointed Date, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of the Resulting Company 1 in



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

- 7.3. Upon the Scheme becoming effective and from the Appointed Date, all un-availed credits, exemptions, deductions (including Chapter VIA deductions), tax holidays and other statutory benefits, including in respect of income Tax, CENVAT, customs, VAT, sales Tax, service tax, entry Tax and goods and service Tax entitled to/enjoyed/availed by Demerged Company relating to the Aluminium Undertaking shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company 1 and shall be allowed to be enjoyed/availed/utilized by the Resulting Company 1 on and from the Appointed Date in the same manner as would have been entitled to/enjoyed/availed/utilized by the Demerged Company before implementation of this Scheme in accordance with the provisions of IT Act.
- 7.4. The Parties shall be allowed a deduction in accordance with Section 35DD of the IT Act over a period of 5 (five) years beginning with the financial year in which Demerger takes place in accordance with the provisions of IT Act.
- 7.5. If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal / investment incentive schemes and policies or concessions relating to the Aluminium Undertaking under any Tax Law or Applicable Law, the Resulting Company 1 shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company 1 in accordance with Applicable Law.
- 7.6. Upon the Scheme becoming effective, the Demerged Company shall have the right to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.
- 7.7. It is further clarified that the Resulting Company 1 shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Aluminium Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.

8. CONSIDERATION AND DISCHARGE OF CONSIDERATION

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



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



The Resulting Company 1 New Equity Shares to be issued by the Resulting Company 1 in respect of the shares of the Demerged Company held in the Investor Education and Protection

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

- 8.11. In the event the Demerged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio set out in Clause 8.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.
- 8.12. Upon the Scheme becoming effective but prior to the issue of the Resulting Company 1 New Equity Shares, the authorised share capital of the Resulting Company 1 shall stand altered, reclassified, and increased, without any further act, instrument, or deed on the part of the Resulting Company 1 as under:

Authorised Share Capital	INR
3,75,75,04,871 equity shares of INR 1 each	3,75,75,04,871
Total	3,75,75,04,871

- 8.13. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 1 shall without any act, instrument or deed be and stand altered, modified, and amended and be replaced by the following clause:

“The Authorised Share Capital of the Company is 3,75,75,04,871/- (Indian Rupees Three Hundred Seventy Five Crores Seventy Five Lakhs Four Thousand Eight Hundred Seventy One Only) consisting of 3,75,75,04,871 (Three Hundred Seventy Five Crores Seventy Five Lakhs Four Thousand Eight Hundred Seventy One Only) equity shares of INR 1/- (Indian Rupee One only) each; with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.”

- 8.14. It is clarified that the approval of the members of the Resulting Company 1 to this Scheme, shall be deemed to be their consent/approval for the alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company 1 shall pay the requisite stamp duty and RoC fees and shall file the required returns/information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.
- 8.15. The Resulting Company 1 shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Resulting Company 1 New Equity Shares allotted by the Resulting Company 1 in terms of Clause 8.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company 1 between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 8.16. The Resulting Company 1 shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.



9. ACCOUNTING TREATMENT

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

9.1. In the books of the Demerged Company

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

- 9.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any, as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;
- 9.1.2. The Demerged Company shall de-recognize the carrying values of all the assets and liabilities pertaining to Aluminium Undertaking of the Demerged Company, as on the Effective Date, that are held in and /or transferred to Resulting Company 1 pursuant to this Scheme in accordance with the applicable de-recognition related stipulations contained in the relevant accounting standards;
- 9.1.3. The difference, if any, between the book value of assets of the Aluminium Undertaking of the Demerged Company transferred to Resulting Company 1 and the book value of the liabilities of the Aluminium Undertaking of the Demerged Company transferred to the Resulting Company 1, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any; thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and
- 9.1.4. The Demerged Company's investment in Resulting Company 1 as on the Effective Date, if any, shall be cancelled pursuant to Clause 10 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity' in the order specified in Clause 9.1.3 above.

9.2. In the books of Resulting Company 1

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

- 9.2.1. Resulting Company 1 shall record all assets and liabilities of the Aluminium Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;
- 9.2.2. Resulting Company 1 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;



- 9.2.3. The difference between (A) the book value of assets minus liabilities so recorded in the books of the Resulting Company 1, and (B) the value of the Resulting Company 1 New Equity Shares issued and allotted to the shareholders of the Demerged Company (i.e., number of Resulting Company 1 New Equity Shares issued multiplied by issue price of Resulting Company 1 New Equity Shares) as consideration, if any, shall be credited to the 'Other Equity (Capital Reserve)' of the Resulting Company 1;
- 9.2.4. The Resulting Company 1's share capital as on the Effective Date shall be cancelled pursuant to Clause 10 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity (Capital Reserve)';
- 9.2.5. If the accounting policies adopted by the Resulting Company 1 are different from those adopted by the Demerged Company, the assets and liabilities of the Aluminium Undertaking shall be accounted in the books of the Resulting Company 1 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- 9.2.6. Any change effected in the book value of the assets and liabilities of the Aluminium Undertaking, as at the beginning of the comparative period, pursuant to Clause 9.2.5 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 1 with appropriate disclosures as required under Indian Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and
- 9.2.7. The Resulting Company 1 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 1, whichever is later.
- 9.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 9.1.3 and 9.1.4 above, being consequential in nature, is proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.

10. REDUCTION AND CANCELLATION OF ENTIRE SHARE CAPITAL OF THE RESULTING COMPANY 1

- 10.1. Immediately prior to the allotment of the Resulting Company 1 New Equity Shares, the entire paid-up share capital of the Resulting Company 1 as on Effective Date ("**Resulting Company 1 Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company 1, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Resulting Company 1 shall not be required to separately comply with the applicable provisions of the Act including Section 66 of the Act.
- 10.2. It is clarified that the approval of the members of the Resulting Company 1 to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company 1 under applicable provisions of the Act.
- 10.3. Notwithstanding the reduction in the share capital of the Resulting Company 1, the Resulting Company 1 shall not be required to add "And Reduced" as suffix to its name.



PART III

DEMERGER AND VESTING OF THE MERCHANT POWER UNDERTAKING

11. DEMERGER AND VESTING OF THE MERCHANT POWER UNDERTAKING

- 11.1. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Merchant Power Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 2 on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 2 by virtue of operation of law, and in the manner provided in this Scheme.
- 11.2. Without prejudice to the generality of the provisions of Clause 11.1 above, the manner of transfer of the Merchant Power Undertaking under this Scheme, is as follows:
- 11.2.1. In respect of such of the assets and properties forming part of the Merchant Power Undertaking which are movable in nature (including but not limited to all intangible assets, intellectual property and intellectual property rights (whether or not recorded), including any applications for the same, of any nature whatsoever including but not limited to brands, registered or unregistered trademarks and goodwill forming part of the Merchant Power Undertaking, and all rights of a commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company 2 upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company 2 without requiring any deed or instrument of conveyance for transfer of the same. The Resulting Company 2 shall also be entitled to use the “Vedanta” brand and all associated trademarks on the same terms and conditions as the Demerged Company. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;
- 11.2.2. With respect to the moveable assets of the Merchant Power Undertaking other than those referred to in Clause 11.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company 2, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company 2. With regard to the licenses of the properties, the Resulting Company 2 will enter into novation agreements, if it is so required;
- 11.2.3. In respect of such of the assets and properties forming part of the Merchant Power Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto,



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

- 11.2.4. For the avoidance of doubt and without prejudice to the generality of Clause 11.2.3 above and Clause 11.2.6 below, it is clarified that, with respect to the immovable properties comprised in the Merchant Power Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company 2 may register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 11.2.4 or Clause 11.2.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Merchant Power Undertaking takes place and the Merchant Power Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 11.2.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, Permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 2.;
- 11.2.6. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Merchant Power Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company 2, if the Resulting Company 2 so decides, the Demerged Company and the Resulting Company 2, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company 2 in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 11.2.7. Upon the effectiveness of the Scheme, all Merchant Power Undertaking Liabilities as on the Appointed Date shall, without any further act or deed, become the liabilities of the Resulting Company 2 to the extent that they are outstanding as on the Appointed Date, including such number of the Listed Debt Securities as the Boards of the Demerged Company and Resulting Company 2 may mutually agree. The holders of such number of Listed Debt Securities whose names are recorded in the relevant registers of the Demerged Company on the Record Date, shall continue holding the same number of Listed Debt Securities in the Resulting Company 2 on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and shall become and stand vested in and shall be exercised by or against the Resulting Company 2 as if it was the issuer of such Listed Debt Securities. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, such Listed Debt Securities vested in the Resulting Company 2, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the Listed Debt Securities are currently listed, subject to applicable regulations and prior approval requirements, if any.



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

- 11.2.8. Post the Effective Date, the Demerged Company may, at the request of the Resulting Company 2, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Merchant Power Undertaking stands transferred to the Resulting Company 2 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 11.2.9. In so far as encumbrances, if any, in respect of the Merchant Power Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to, and shall operate only over the assets comprised in the Merchant Power Undertaking which have been encumbered in respect of the Merchant Power Undertaking Liabilities as transferred to the Resulting Company 2 pursuant to this Scheme. Further, in so far as the assets comprised in the Merchant Power Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company 2 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company may provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above;
- 11.2.10. Subject to this Clause 11 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Merchant Power Undertaking, the Demerged Company shall, if so required by the Resulting Company 2, issue notices in such form as the Resulting Company 2 may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company 2, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company 2 and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 11.2.11. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Merchant Power Undertaking, shall be accepted by the bankers of the Resulting Company 2 and credited to the account of the Resulting Company 2, if presented by the Resulting Company 2;
- 11.2.12. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Merchant Power Undertaking, shall be transferred to the Resulting Company 2 from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company 2 as if the same were originally given by, issued to or executed in favour of the Resulting Company 2 and the Resulting Company 2 shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 2 to carry on the operations of the Merchant Power Undertaking without any hindrance, whatsoever; and



- 11.2.13. Contracts in relation to the Merchant Power Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company 2 pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company 2 shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.
- 11.2.14. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 11 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company 2 may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Merchant Power Undertaking transferred to and registered in, the name of the Resulting Company 2, as per Applicable Law.
- 11.2.15. Upon the Scheme being effective, for the purpose of satisfying any eligibility criteria including technical and/ or financial parameters for participating and qualifying in invitations for expression of interest(s) and/ or bid(s) and/ or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or a combination thereof, related to the Merchant Power Business, in addition to its own technical experience and/ or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company 2 shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill, and all other rights, claims and powers of whatsoever nature belonging to the Demerged Company in connection with or pertaining or relatable to the Merchant Power Undertaking for all intents and purposes and specifically including but not limited to financial credentials including the turnover, profitability, net-worth, technical expertise, market share, project management experience, incorporation history, track record of having undertaken, performed and/or executed the business and / or orders by the Demerged Company, etc.

12. EMPLOYEES

- 12.1. With effect from the Appointed Date, all employees of the Demerged Company engaged in or in relation to the Merchant Power Undertaking shall become the employees of the Resulting Company 2 on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service, and with the period of service to the Demerged Company being taken into consideration for retirement benefits. The decision on whether or not an employee is part of the Merchant Power Undertaking shall be taken by the Demerged Company, and such decision shall be final and binding on all concerned Parties.
- 12.2. The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company 2 set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company 2. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the



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

13. LEGAL PROCEEDINGS

- 13.1. Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Merchant Power Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company 2 in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company 2 shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Merchant Power Undertaking.
- 13.2. The Resulting Company 2 undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 13.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company 2 to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company 2 shall make relevant applications and take all steps as may be required in this regard.
- 13.3. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Merchant Power Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Merchant Power Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company 2. However, if the Demerged Company is unable to get the Resulting Company 2 replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company 2 and at the cost of the Resulting Company 2 and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

14. TAXES/ DUTIES/ CESS

- 14.1. The Resulting Company 2 shall be entitled to, *inter alia*, file/ or revise its income tax returns, tax audit reports, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value-added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Demerged Company) including receipt of refund, credit, etc., if any, pertaining to the Merchant Power Undertaking as may be required consequent to implementation of this Scheme. The Resulting Company 2 shall be entitled to file modified tax returns in accordance with the provisions of IT Act.
- 14.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, brought forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Demerged Company relating to the Merchant Power Undertaking as on the Appointed Date, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of the Resulting Company 2 in accordance with the provisions of IT Act. It is further clarified that any book losses and/ or



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

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

15. CONSIDERATION AND DISCHARGE OF CONSIDERATION

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



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



- 15.11. Upon the Scheme becoming effective but prior to the issue of the Resulting Company 2 New Equity Shares, the authorised share capital of the Resulting Company 2 shall stand altered and reclassified, without any further act, instrument, or deed on the part of the Resulting Company 2 as under:

Authorised Share Capital	INR
4,00,00,00,000 equity shares equity shares of INR 10 each	40,00,00,00,000
Total	40,00,00,00,000

- 15.12. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 2 shall without any act, instrument or deed be and stand altered, modified, and amended and be replaced by the following clause:

“The Authorised Share Capital of the Company is 40,00,00,00,000/- (Indian Rupees Four Thousand Crore) consisting of 4,00,00,00,000 (Four Hundred Crore) equity shares of INR 10/- (Indian Rupees Ten Only) each; with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.”

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

16. ACCOUNTING TREATMENT

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



16.1. In the books of the Demerged Company

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

- 16.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any, as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;
- 16.1.2. The Demerged Company shall de-recognize the carrying values of all assets and liabilities pertaining to Merchant Power Undertaking of the Demerged Company, as on the Effective Date, that are held in and /or transferred to Resulting Company 2 pursuant to this Scheme in accordance with de-recognition related stipulations contained in the relevant accounting standards; and
- 16.1.3. The difference, if any, between the book value of assets of the Merchant Power Undertaking of the Demerged Company transferred to Resulting Company 2 and the book value of the liabilities of the Merchant Power Undertaking of the Demerged Company transferred to the Resulting Company 2, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any; thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and

16.2. In the books of Resulting Company 2

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

- 16.2.1. Resulting Company 2 shall record all assets and liabilities of the Merchant Power Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;
- 16.2.2. Resulting Company 2 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;
- 16.2.3. The difference between (A) the book value of assets minus liabilities recorded in the books of the Resulting Company 2, and (B) the face value of the Resulting Company 2 New Equity Shares issued and allotted to the shareholders of the Demerged Company (number of Resulting Company 2 New Equity Shares issued multiplied by face value of Resulting Company 2 New Equity Shares) as consideration, if any, shall be credited to 'Other Equity (Capital Reserve)' of the Resulting Company 2;
- 16.2.4. Any debit balance lying in surplus of 'Statement of Profit and Loss' of Resulting Company 2 prior to the effectiveness of the Scheme, to be adjusted against Other Equity (Capital Reserve) of the Resulting Company 2;
- 16.2.5. The Resulting Company 2's share capital as on the Effective Date stands cancelled pursuant to Clause 17 of this Scheme and the resultant impact, if any, will be adjusted in Other Equity (Capital Reserve);



- 16.2.6. If the accounting policies adopted by the Resulting Company 2 are different from those adopted by the Demerged Company, the assets and liabilities of the Merchant Power Undertaking shall be accounted in the books of the Resulting Company 2 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- 16.2.7. Any change effected in the book value of the assets and liabilities of the Merchant Power Undertaking, as at the beginning of the Comparative period, pursuant to Clause 16.2.6 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 2 with appropriate disclosures as required under Indian Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and
- 16.2.8. The Resulting Company 2 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 2, whichever is later.
- 16.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 16.1.3 above, being consequential in nature, is proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.
- 17. REDUCTION AND CANCELLATION OF ENTIRE SHARE CAPITAL OF THE RESULTING COMPANY 2**
- 17.1. Immediately prior to the allotment of the Resulting Company 2 New Equity Shares, the entire paid-up share capital of the Resulting Company 2 as on Effective Date ("**Resulting Company 2 Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company 2, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Resulting Company 2 shall not be required to separately comply with the applicable provisions of the Act including Section 66 of the Act.
- 17.2. It is clarified that the approval of the members of the Resulting Company 2 to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company 2 under applicable provisions of the Act.
- 17.3. Notwithstanding the reduction in the share capital of the Resulting Company 2, the Resulting Company 2 shall not be required to add "And Reduced" as suffix to its name.
- 17A. CHANGE OF NAME OF RESULTING COMPANY 2**
- 17A.1. Upon this Scheme becoming effective, the name of the Resulting Company 2 shall stand changed to 'Vedanta Power Company Limited' or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate consent, approval, act, procedure, instrument, or deed shall be required to be obtained or followed under the Act.
- 17A.2. Consequently, subject to Clause 17A.1 above, Clause I of the memorandum of association of the Resulting Company 2 shall without any act, procedure, instrument or deed be and stand



altered, modified and amended, to reflect the revised name of the Resulting Company 2, pursuant to Sections 13, 232 and other applicable provisions of the Act.

- 17A.3. It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 17A.1 and 17A.2, the consent of the shareholders of the Resulting Company 2 to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.

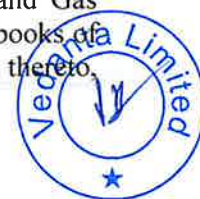


PART IV

DEMERGER AND VESTING OF THE OIL AND GAS UNDERTAKING

18. DEMERGER AND VESTING OF THE OIL AND GAS UNDERTAKING

- 18.1. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Oil and Gas Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 3 on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company 3 by virtue of operation of law, and in the manner provided in this Scheme.
- 18.2. Without prejudice to the generality of the provisions of Clause 18.1 above, the manner of transfer of the Oil and Gas Undertaking under this Scheme, is as follows:
- 18.2.1. In respect of such of the assets and properties forming part of the Oil and Gas Undertaking which are movable in nature (including but not limited to all intangible assets, intellectual property and intellectual property rights (whether or not recorded), including any applications for the same, of any nature whatsoever including but not limited to brands, registered or unregistered trademarks and goodwill forming part of the Oil and Gas Undertaking, and all rights of a commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company 3 upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company 3 without requiring any deed or instrument of conveyance for transfer of the same. The Resulting Company 3 shall also be entitled to use the “Vedanta” brand and all associated trademarks on the same terms and conditions as the Demerged Company. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;
- 18.2.2. With respect to the moveable assets of the Oil and Gas Undertaking other than those referred to in Clause 18.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company 3, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company 3. With regard to the licenses of the properties, the Resulting Company 3 will enter into novation agreements, if it is so required;
- 18.2.3. In respect of such of the assets and properties forming part of the Oil and Gas Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto,



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

- 18.2.4. For the avoidance of doubt and without prejudice to the generality of Clause 18.2.3 above and Clause 18.2.6 below, it is clarified that, with respect to the immovable properties comprised in the Oil and Gas Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company 3 may register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 18.2.4 or Clause 18.2.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Oil and Gas Undertaking takes place and the Oil and Gas Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 18.2.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, Permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 3.;
- 18.2.6. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Oil and Gas Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company 3, if the Resulting Company 3 so decides, the Demerged Company and the Resulting Company 3, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company 3 in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 18.2.7. Upon the effectiveness of the Scheme, all Oil and Gas Undertaking Liabilities as on the Appointed Date shall, without any further act or deed, become the liabilities of the Resulting Company 3 to the extent that they are outstanding as on the Appointed Date, including such number of the Listed Debt Securities as the Boards of the Demerged Company and Resulting Company 3 may mutually agree. The holders of such number of Listed Debt Securities whose names are recorded in the relevant registers of the Demerged Company on the Record Date, shall continue holding the same number of Listed Debt Securities in the Resulting Company 3 on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and shall become and stand vested in and shall be exercised by or against the Resulting Company 3 as if it was the issuer of such Listed Debt Securities. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, such Listed Debt Securities vested in the Resulting Company 3, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the Listed Debt Securities are currently listed, subject to applicable regulations and prior approval requirements, if any. The Board of



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

- 18.2.8. Post the Effective Date, the Demerged Company may, at the request of the Resulting Company 3, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Oil and Gas Undertaking stands transferred to the Resulting Company 3 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 18.2.9. In so far as encumbrances, if any, in respect of the Oil and Gas Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Oil and Gas Undertaking which have been encumbered in respect of the Oil and Gas Undertaking Liabilities as transferred to the Resulting Company 3 pursuant to this Scheme. Further, in so far as the assets comprised in the Oil and Gas Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company 3 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company may provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above;
- 18.2.10. Subject to Clause 18 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Oil and Gas Undertaking, the Demerged Company shall, if so required by the Resulting Company 3, issue notices in such form as the Resulting Company 3 may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company 3, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company 3 and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 18.2.11. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Oil and Gas Undertaking, shall be accepted by the bankers of the Resulting Company 3 and credited to the account of the Resulting Company 3, if presented by the Resulting Company 3;
- 18.2.12. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Oil and Gas Undertaking, shall be transferred to the Resulting Company 3 from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company 3 as if the same were originally given by, issued to or executed in favour of the Resulting Company 3 and the Resulting Company 3 shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 3 to carry on the operations of the Oil and Gas Undertaking without any hindrance, whatsoever; and
- 18.2.13. Contracts in relation to the Oil and Gas Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company 3 pursuant to the Scheme



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

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

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

19. EMPLOYEES

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

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



20. LEGAL PROCEEDINGS

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

21. TAXES/ DUTIES/ CESS

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



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

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

22. CONSIDERATION AND DISCHARGE OF CONSIDERATION

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

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



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

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



reclassified, and increased, without any further act, instrument, or deed on the part of the Resulting Company 3 as under:

Authorised Share Capital	INR
3,75,75,04,871 equity shares of INR 1 each	3,75,75,04,871
1,250,000 preference shares of INR 1,000 each	1,25,00,00,000
Total	5,00,75,04,871

- 22.12. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 3 shall without any act, instrument or deed be and stand altered, modified, and amended and be replaced by the following clause:

"The Authorised Share Capital of the Company is 5,00,75,04,871/- (Indian Rupees Five Hundred Crores Seventy Five Lakhs Four Thousand Eight Hundred Seventy One Only) consisting of 3,75,75,04,871 (Three Hundred Seventy Five Crores Seventy Five Lakhs Four Thousand Eight Hundred Seventy One Only) equity shares of INR 1/- (Indian Rupee One Only) each and 12,50,000 (Twelve Lakh Fifty Thousand Only) preference shares of INR 1000/- (Indian Rupees One Thousand Only) each; with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company."

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

23. ACCOUNTING TREATMENT

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



23.1. In the books of the Demerged Company

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

- 23.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any, as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;
- 23.1.2. The Demerged Company shall de-recognize the carrying values of all the assets and liabilities pertaining to Oil and Gas Undertaking of the Demerged Company, as on the Effective Date, that are held in and /or transferred to Resulting Company 3 pursuant to this Scheme in accordance with the applicable de-recognition related stipulations contained in the relevant accounting standards;
- 23.1.3. The difference, if any, between the book value of assets of the Oil and Gas Undertaking of the Demerged Company transferred to Resulting Company 3 and the book value of the liabilities of the Oil and Gas Undertaking of the Demerged Company transferred to the Resulting Company 3, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any; thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and
- 23.1.4. The Demerged Company's investment in Resulting Company 3 as on the Effective Date, if any, shall be cancelled pursuant to Clause 24 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity' in the order specified in Clause 23.1.3 above.

23.2. In the books of Resulting Company 3

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

- 23.2.1. Resulting Company 3 shall record all assets and liabilities of the Oil and Gas Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;
- 23.2.2. Resulting Company 3 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;
- 23.2.3. The difference between (A) the book value of assets minus liabilities, recorded in the books of the Resulting Company 3, and (B) the face value of the Resulting Company 3 New Equity Shares issued and allotted to the shareholders of the Demerged Company (number of Resulting Company 3 New Equity Shares issued multiplied by face value per Resulting Company 3 New Equity Shares) as consideration, if any, shall be credited to the 'Other Equity (Capital Reserve)' of the Resulting Company 3;



- 23.2.4. Any debit balance lying in surplus of 'Statement of Profit and Loss' of Resulting Company 3 prior to the effectiveness of the Scheme to be adjusted against Other Equity (Capital Reserve) of the Resulting Company 3;
- 23.2.5. The Resulting Company 3's share capital as on the Effective Date shall be cancelled pursuant to Clause 24 of this Scheme and the resultant impact, if any, will be adjusted in Other Equity (Capital Reserve);
- 23.2.6. If the accounting policies adopted by the Resulting Company 3 are different from those adopted by the Demerged Company, the assets and liabilities of the Oil and Gas Undertaking shall be accounted in the books of the Resulting Company 3 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015 (as amended);
- 23.2.7. Any change effected in the book value of the assets and liabilities of the Oil and Gas Undertaking, as at the beginning of the comparative period, pursuant to Clause 23.2.6 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 3 with appropriate disclosures as required under Indian Accounting Standard – 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and
- 23.2.8. The Resulting Company 3 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 3, whichever is later.
- 23.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 23.1.3 and 23.1.4 above, being consequential in nature, is proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.

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

- 24.1. Immediately prior to the allotment of the Resulting Company 3 New Equity Shares, the entire paid-up share capital of the Resulting Company 3 as on Effective Date ("**Resulting Company 3 Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company 3, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Resulting Company 3 shall not be required to separately comply with the applicable provisions of the Act including Section 66 of the Act.
- 24.2. It is clarified that the approval of the members and creditors of the Resulting Company 3 to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company 3 under applicable provisions of the Act.
- 24.4. Notwithstanding the reduction in the share capital of the Resulting Company 3, the Resulting Company 3 shall not be required to add "And Reduced" as suffix to its name.

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



- 25.1. Upon this Scheme becoming effective, the name of the Resulting Company 3 shall stand changed to 'Vedanta Oil and Gas Limited' or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate consent, approval, act, procedure, instrument, or deed shall be required to be obtained or followed under the Act.
- 25.2. Consequently, subject to Clause 25.1 above, Clause I of the memorandum of association of the Resulting Company 3 shall without any act, procedure, instrument or deed be and stand altered, modified and amended, to reflect the revised name of the Resulting Company 3, pursuant to Sections 13, 232 and other applicable provisions of the Act.
- 25.3. The existing objects clause of the Memorandum of Association of the Resulting Company 3 shall without any act, instrument or deed be and stand altered, modified, and amended by the addition of the following clause as Paragraph 2A:
- “To carry on all or any of the businesses of exploring, drilling, development, extracting, producing, treating (including refining), producing, storing, transporting, exporting, selling and generally dealing in, or with, hydrocarbon and other crude oils, asphalt, bitumen, natural gas, chemicals and any such substances as aforesaid inside or outside India.”*
- 25.4. It is hereby clarified that, for the purposes of acts and events as mentioned in this Clause 25, the consent of the shareholders of the Resulting Company 3 to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.



PART V

DEMERGER AND VESTING OF THE BASE METALS UNDERTAKING

26. DEMERGER AND VESTING OF THE BASE METALS UNDERTAKING

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

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

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

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

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



the same shall stand transferred to the Resulting Company 4 with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company 4;

- 26.2.4. For the avoidance of doubt and without prejudice to the generality of Clause 26.2.3 above and Clause 26.2.6 below, it is clarified that, with respect to the immovable properties comprised in the Base Metals Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company 4 may register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 26.2.4 or Clause 26.2.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Base Metals Undertaking takes place and the Base Metals Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 26.2.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, Permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 4.;
- 26.2.6. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Base Metals Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company 4, if the Resulting Company 4 so decides, the Demerged Company and the Resulting Company 4, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company 4 in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 26.2.7. Upon the effectiveness of the Scheme, all Base Metals Undertaking Liabilities as on the Appointed Date shall, without any further act or deed, become the liabilities of the Resulting Company 4 to the extent that they are outstanding as on the Appointed Date, including such number of the Listed Debt Securities as the Boards of the Demerged Company and Resulting Company 4 may mutually agree. The holders of such number of Listed Debt Securities whose names are recorded in the relevant registers of the Demerged Company on the Record Date, shall continue holding the same number of Listed Debt Securities in the Resulting Company 4 on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and shall become and stand vested in and shall be exercised by or against the Resulting Company 4 as if it was the issuer of such Listed Debt Securities. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, such Listed Debt Securities vested in the Resulting Company 4, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the Listed Debt Securities are currently listed, subject to applicable regulations and prior approval requirements, if any. The Board of



Directors of the Resulting Company 4 and Demerged Company shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing;

- 26.2.8. Post the Effective Date, the Demerged Company may, at the request of the Resulting Company 4, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Base Metals Undertaking stands transferred to the Resulting Company 4 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 26.2.9. In so far as encumbrances, if any, in respect of the Base Metals Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to, and shall operate only over the assets comprised in the Base Metals Undertaking which have been encumbered in respect of the Base Metals Undertaking Liabilities as transferred to the Resulting Company 4 pursuant to this Scheme. Further, in so far as the assets comprised in the Base Metals Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company 4 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company may provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above;
- 26.2.10. Subject to Clause 26 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Base Metals Undertaking, the Demerged Company shall, if so required by the Resulting Company 4, issue notices in such form as the Resulting Company 4 may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company 4, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company 4 and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 26.2.11. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Base Metals Undertaking, shall be accepted by the bankers of the Resulting Company 4 and credited to the account of the Resulting Company 4, if presented by the Resulting Company 4;
- 26.2.12. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Base Metals Undertaking, shall be transferred to the Resulting Company 4 from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company 4 as if the same were originally given by, issued to or executed in favour of the Resulting Company 4 and the Resulting Company 4 shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 4 to carry on the operations of the Base Metals Undertaking without any hindrance, whatsoever; and
- 26.2.13. Contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, letters of authority, licenses and leases (including the



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

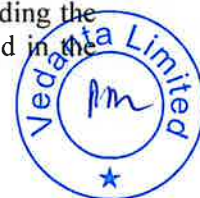
26.2.14. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 26 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company 4 may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing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

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

27. EMPLOYEES

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

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



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

28. LEGAL PROCEEDINGS

- 28.1. Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Base Metals Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company 4 in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company 4 shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Base Metals Undertaking.
- 28.2. The Resulting Company 4 undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 28.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company 4 to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company 4 shall make relevant applications and take all steps as may be required in this regard.
- 28.3. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Base Metals Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Base Metals Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company 4. However, if the Demerged Company is unable to get the Resulting Company 4 replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company 4 and at the cost of the Resulting Company 4 and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

29. TAXES/ DUTIES/ CESS

- 29.1. The Resulting Company 4 shall be entitled to, *inter alia*, file/ or revise its income tax returns, tax audit reports, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value-added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Demerged Company) including receipt of refund, credit, etc., if any, pertaining to the Base Metals Undertaking as may be required consequent to implementation of this Scheme. The Resulting Company 4 shall be entitled to file modified tax returns in accordance with the provisions of IT Act.
- 29.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, brought forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Demerged Company relating to the Base Metals Undertaking as on the Appointed Date, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of the Resulting Company 4 in accordance with the provisions of IT Act. It is further clarified that any book losses and/ or



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

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

30. CONSIDERATION AND DISCHARGE OF CONSIDERATION

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



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



- 30.11. In the event the Demerged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio set out in Clause 30.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.
- 30.12. Upon the Scheme becoming effective but prior to the issue of the Resulting Company 4 New Equity Shares, the authorised share capital of the Resulting Company 4 shall stand altered, reclassified, and increased, without any further act, instrument, or deed on the part of the Resulting Company 4 as under:

Authorised Share Capital	INR
3,75,75,04,871 equity shares of INR 1 each	3,75,75,04,871
Total	3,75,75,04,871

- 30.13. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 4 shall without any act, instrument or deed be and stand altered, modified, and amended and be replaced by the following clause:

“The Authorised Share Capital of the Company is 3,75,75,04,871/- (Indian Rupees Three Hundred Seventy Five Crores Seventy Five Lakhs Four Thousand Eight Hundred Seventy One Only) consisting of 3,75,75,04,871 (Three Hundred Seventy Five Crores Seventy Five Lakhs Four Thousand Eight Hundred Seventy One Only) equity shares of INR 1/- (Indian Rupee One only) each; with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.”

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

31. ACCOUNTING TREATMENT



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

31.1. In the books of the Demerged Company

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

- 31.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any, as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;
- 31.1.2. The Demerged Company shall de-recognize the carrying values of all assets and liabilities pertaining to Base Metals Undertaking of the Demerged Company as on the Effective Date, that are held in and /or transferred to Resulting Company 4 pursuant to this Scheme in accordance with de-recognition related stipulations contained in the relevant accounting standards;
- 31.1.3. The difference, if any, between the book value of assets of the Base Metals Undertaking of the Demerged Company transferred to Resulting Company 4 and the book value of the liabilities of the Base Metals Undertaking of the Demerged Company transferred to the Resulting Company 4, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any; thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and
- 31.1.4. The Demerged Company's investment in Resulting Company 4 as on the Effective Date, if any, shall be cancelled pursuant to Clause 32 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity' in the order specified in Clause 31.1.3 above.

31.2. In the books of Resulting Company 4

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

- 31.2.1. Resulting Company 4 shall record all assets and liabilities of the Base Metals Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;
- 31.2.2. Resulting Company 4 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;
- 31.2.3. The difference between (A) the book value of assets minus liabilities if any, recorded in the books of the Resulting Company 4, and (B) the value of the Resulting Company 4 New Equity Shares issued and allotted to the shareholders of the Demerged Company (i.e. number of Resulting Company 4 New Equity Shares issued multiplied by issue



price of Resulting Company 4 New Equity Shares) as consideration, if any, shall be credited to the 'Other Equity (Capital Reserve)' of the Resulting Company 4;

- 31.2.4. The Resulting Company 4's share capital as on the Effective Date shall be cancelled pursuant to Clause 32 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity (Capital Reserve)';
- 31.2.5. If the accounting policies adopted by the Resulting Company 4 are different from those adopted by the Demerged Company, the assets and liabilities of the Base Metals Undertaking shall be accounted in the books of the Resulting Company 4 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015;
- 31.2.6. Any change effected in the book value of the assets and liabilities of the Base Metals Undertaking, as at the beginning of the comparative period, pursuant to Clause 31.2.5 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 4 with appropriate disclosures as required under Indian Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and
- 31.2.7. The Resulting Company 4 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 4, whichever is later.
- 31.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 31.1.3 and 31.1.4 above, being consequential in nature, is proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.

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

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

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



PART VI

DEMERGER AND VESTING OF THE IRON ORE UNDERTAKING

33. DEMERGER AND VESTING OF THE IRON ORE UNDERTAKING

- 33.1. Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Iron Ore Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 5 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 5 by virtue of operation of law, and in the manner provided in this Scheme.
- 33.2. Without prejudice to the generality of the provisions of Clause 33.1 above, the manner of transfer of the Iron Ore Undertaking under this Scheme, is as follows:
- 33.2.1. In respect of such of the assets and properties forming part of the Iron Ore Undertaking which are movable in nature (including but not limited to all intangible assets, intellectual property and intellectual property rights (whether or not recorded), including any applications for the same, of any nature whatsoever including but not limited to brands, registered or unregistered trademarks and goodwill forming part of the Iron Ore Undertaking, and all rights of a commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company 5 upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company 5 without requiring any deed or instrument of conveyance for transfer of the same. The Resulting Company 5 shall also be entitled to use the “Vedanta” brand and all associated trademarks on the same terms and conditions as the Demerged Company. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;
- 33.2.2. With respect to the moveable assets of the Iron Ore Undertaking other than those referred to in Clause 33.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company 5, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company 5. With regard to the licenses of the properties, the Resulting Company 5 will enter into novation agreements, if it is so required;
- 33.2.3. In respect of such of the assets and properties forming part of the Iron Ore Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall



stand transferred to the Resulting Company 5 with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company 5;

- 33.2.4. For the avoidance of doubt and without prejudice to the generality of Clause 33.2.3 above and Clause 33.2.6 below, it is clarified that, with respect to the immovable properties comprised in the Iron Ore Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company 5 may register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 33.2.4 or Clause 33.2.6 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Iron Ore Undertaking takes place and the Iron Ore Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 33.2.5. Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases and the licenses including prospecting licenses, letters of intent, Permits etc., (including in each case, any applications made therefor), shall, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company 5;
- 33.2.6. Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Iron Ore Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company 5, if the Resulting Company 5 so decides, the Demerged Company and the Resulting Company 5, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company 5 in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 33.2.7. Upon the effectiveness of the Scheme, all Iron Ore Undertaking Liabilities as on the Appointed Date shall, without any further act or deed, become the liabilities of the Resulting Company 5 to the extent that they are outstanding as on the Appointed Date, including such number of the Listed Debt Securities as the Boards of the Demerged Company and Resulting Company 5 may mutually agree. The holders of such number of Listed Debt Securities whose names are recorded in the relevant registers of the Demerged Company on the Record Date, shall continue holding the same number of Listed Debt Securities in the Resulting Company 5 on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and shall become and stand vested in and shall be exercised by or against the Resulting Company 5 as if it was the issuer of such Listed Debt Securities. Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, such Listed Debt Securities vested in the Resulting Company 5, shall continue to be listed and/or admitted to trading on the relevant Stock Exchanges, where the Listed Debt Securities are currently listed, subject to applicable regulations and prior approval requirements, if any. The Board of



Directors of the Resulting Company 5 and Demerged Company shall be authorized to take such steps and do all acts, deeds and things in relation to the foregoing;

- 33.2.8. Post the Effective Date, the Demerged Company may, at the request of the Resulting Company 5, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Iron Ore Undertaking stands transferred to the Resulting Company 5 and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes;
- 33.2.9. In so far as encumbrances, if any, in respect of the Iron Ore Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to, and shall operate only over the assets comprised in the Iron Ore Undertaking which have been encumbered in respect of the Iron Ore Undertaking Liabilities as transferred to the Resulting Company 5 pursuant to this Scheme. Further, in so far as the assets comprised in the Iron Ore Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company 5 pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company may provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee, or third party shall not affect the operation of the above;
- 33.2.10. Subject to Clause 33 and any other provisions of this Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Iron Ore Undertaking, the Demerged Company shall, if so required by the Resulting Company 5, issue notices in such form as the Resulting Company 5 may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company 5, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company 5 and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 33.2.11. On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Iron Ore Undertaking, shall be accepted by the bankers of the Resulting Company 5 and credited to the account of the Resulting Company 5, if presented by the Resulting Company 5;
- 33.2.12. Permits, including the benefits attached thereto of the Demerged Company, in relation to the Iron Ore Undertaking, shall be transferred to the Resulting Company 5 from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company 5 as if the same were originally given by, issued to or executed in favour of the Resulting Company 5 and the Resulting Company 5 shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company 5 to carry on the operations of the Iron Ore Undertaking without any hindrance, whatsoever; and
- 33.2.13. Contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, letters of authority, licenses and leases (including the



mining leases, prospecting licenses and letters of authority for mines and any applications made for such mining leases, prospective licenses or letters of authority) in relation to the Iron Ore Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company 5 pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company 5 shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

33.2.14. Without prejudice to the provisions of the foregoing sub-clauses of this Clause 33 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company 5 may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Iron Ore Undertaking transferred to and registered in, the name of the Resulting Company 5, as per Applicable Law.

33.2.15. Upon the Scheme being effective, for the purpose of satisfying any eligibility criteria including technical and/ or financial parameters for participating and qualifying in invitations for expression of interest(s) and/ or bid(s) and/ or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or a combination thereof, related to the Iron Ore Business, in addition to its own technical experience and/ or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company 5 shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill, and all other rights, claims and powers of whatsoever nature belonging to the Demerged Company in connection with or pertaining or relatable to the Iron Ore Undertaking for all intents and purposes and specifically including but not limited to financial credentials including the turnover, profitability, net-worth, technical expertise, market share, project management experience, incorporation history, track record of having undertaken, performed and/or executed the business and / or orders by the Demerged Company, etc.

34. EMPLOYEES

34.1. With effect from the Appointed Date, all employees of the Demerged Company engaged in or in relation to the Iron Ore Undertaking shall become the employees of the Resulting Company 5 on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service, and with the period of service to the Demerged Company being taken into consideration for retirement benefits. The decision on whether or not an employee is part of the Iron Ore Undertaking shall be taken by the Demerged Company, and such decision shall be final and binding on all concerned Parties.

34.2. The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company 5 set-up in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities or to the funds nominated by the Resulting Company 5. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.



35. LEGAL PROCEEDINGS

- 35.1. Upon the coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Iron Ore Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company 5 in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company 5 shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible for or liable in relation to any such legal or other proceedings in relation to the Iron Ore Undertaking.
- 35.2. The Resulting Company 5 undertakes to have all legal and other proceedings initiated by or against the Demerged Company referred to in Clause 35.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company 5 to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company 5 shall make relevant applications and take all steps as may be required in this regard.
- 35.3. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Iron Ore Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Iron Ore Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company 5. However, if the Demerged Company is unable to get the Resulting Company 5 replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company 5 and at the cost of the Resulting Company 5 and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

36. TAXES/ DUTIES/ CESS

- 36.1. The Resulting Company 5 shall be entitled to, *inter alia*, file/ or revise its income tax returns, tax audit reports, TDS returns, wealth tax returns, service tax returns, goods and service tax returns and other statutory returns, if required, credit for / in respect of all Taxes paid (including but not limited to value-added tax, income-tax, service tax and goods and service tax, whether or not recorded in the books of accounts of Demerged Company) including receipt of refund, credit, etc., if any, pertaining to the Iron Ore Undertaking as may be required consequent to implementation of this Scheme. The Resulting Company 5 shall be entitled to file modified tax returns in accordance with the provisions of IT Act.
- 36.2. Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, brought forward tax losses, unabsorbed tax depreciation, minimum alternate tax credit, if any, of Demerged Company relating to the Iron Ore Undertaking as on the Appointed Date, shall, for all purposes, be treated as tax losses, unabsorbed tax depreciation, minimum alternate tax credit of the Resulting Company 5 in accordance with the provisions of IT Act. It is further clarified that any book losses and/ or unabsorbed depreciation of Demerged Company relating to the Iron Ore Undertaking as specified in their respective books of accounts shall be included as book losses and/or

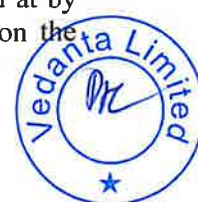


unabsorbed depreciation of the Resulting Company 5 for the purposes of computation of minimum alternate tax, if applicable.

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

37. CONSIDERATION AND DISCHARGE OF CONSIDERATION

- 37.1. The consideration for the demerger of the Iron Ore Undertaking shall be the issue by the Resulting Company 5 of 1 (One) fully paid-up equity share of the Resulting Company 5 having face value of INR 1 (Indian Rupee One) each for every 1 (one) fully paid-up equity share of INR 1 (Indian Rupee One) each of the Demerged Company ("**Resulting Company 5 New Equity Shares**").
- 37.2. Upon the coming into effect of the Scheme and subject to the provisions of this Scheme, the Resulting Company 5 shall, without any further application, act, deed, consent or instrument, issue and allot, the Resulting Company 5 New Equity Share(s) to the shareholders of the Demerged Company who hold fully paid-up equity shares of the Demerged Company and whose names are recorded in the register of members and/ or records of the depository on the Record Date, in the ratio of 1 (One) equity share of the Resulting Company 5 having face value of INR 1 (Indian Rupee One) each, credited as fully paid up, for every 1 (one) fully paid up equity share of INR 1 (Indian Rupee One) each held in the Demerged Company.
- 37.3. The issue price of Resulting Company 5 New Equity Shares shall be the price arrived at by dividing the book value of assets minus liabilities of the Iron Ore Undertaking as on the



Effective Date by the total number of equity shares issued and allotted by the Resulting Company 5 pursuant to this Clause 37. The difference between the issue price and the face value of the equity shares to be issued and allotted by the Resulting Company 5 will be recorded as 'Securities Premium' under the head 'Other Equity'.

- 37.4. The Resulting Company 5 New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company 5, including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the Resulting Company 5 New Equity Shares.
- 37.5. The Resulting Company 5 New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company 5 to enable it to issue the Resulting Company 5 New Equity Share(s) in dematerialised form.
- 37.6. For the purpose of allotment of the Resulting Company 5 New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company 5 shall deal with the relevant shares in such manner as they may deem fit and in the best interest of such eligible shareholder, including by way of issuing the Resulting Company 5 New Equity Share(s) in dematerialised form to a trustee nominated by the Board of the Resulting Company 5 ("**Trustee of the Resulting Company 5**") who shall hold these equity shares in trust for the benefit of such shareholder. The Resulting Company 5 New Equity Share(s) held by the Trustee of the Resulting Company 5 for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Trustee of the Resulting Company 5, along with such other documents as may be required by the Trustee of the Resulting Company 5.
- 37.7. The issue and allotment of the Resulting Company 5 New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company 5 or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, were duly complied with. It is clarified that the approval of the members of the Resulting Company 5 to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of the Resulting Company 5 New Equity Shares under applicable provisions of the Act.
- 37.8. The equity shares to be issued pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company 5.
- 37.9. The Resulting Company 5 New Equity Shares to be issued by the Resulting Company 5 in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company 5.
- 37.10. The Resulting Company 5 New Equity Shares to be issued by the Resulting Company 5 in respect of the shares of the Demerged Company held in the Investor Education and Protection Fund shall be credited to the Investor Education and Protection Fund created for shareholders of the Resulting Company 5.



- 37.11. In the event the Demerged Company restructures its share capital by way of share split or consolidation or any other corporate action before the Record Date, the share entitlement ratio set out in Clause 37.1 shall be suitably adjusted considering the effect of such corporate action without requirement of any further approval from shareholders or Appropriate Authority.
- 37.12. Upon the Scheme becoming effective but prior to the issue of the Resulting Company 5 New Equity Shares, the authorised share capital of the Resulting Company 5 shall stand altered, reclassified, and increased, without any further act, instrument, or deed on the part of the Resulting Company 5 as under:

Authorised Share Capital	INR
3,75,75,04,871 equity shares of INR 1 each	3,75,75,04,871
Total	3,75,75,04,871

- 37.13. Consequently, the existing capital clause of the Memorandum of Association of the Resulting Company 5 shall without any act, instrument or deed be and stand altered, modified, and amended and be replaced by the following clause:

"The Authorised Share Capital of the Company is 3,75,75,04,871/- (Indian Rupees Three Hundred Seventy Five Crores Seventy Five Lakhs Four Thousand Eight Hundred Seventy One Only) consisting of 3,75,75,04,871 (Three Hundred Seventy Five Crores Seventy Five Lakhs Four Thousand Eight Hundred Seventy One Only) equity shares of INR 1/- (Indian Rupee One only) each; with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company."

- 37.14. It is clarified that the approval of the members of the Resulting Company 5 to this Scheme, shall be deemed to be their consent/approval for the alteration of the Memorandum of Association under Sections 13, 61, 64 and other applicable provisions of the Act. The Resulting Company 5 shall pay the requisite stamp duty and RoC fees and shall file the required returns/information/ amended copy of the Memorandum of Association with the RoC to give effect to the alteration in the authorised share capital.
- 37.15. The Resulting Company 5 shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Resulting Company 5 New Equity Shares allotted by the Resulting Company 5 in terms of Clause 37.2 above, pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company 5 between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.
- 37.16. The Resulting Company 5 shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

38. ACCOUNTING TREATMENT

The Demerged Company and Resulting Company 5 shall account for the demerger for Iron Ore Undertaking of the Demerged Company in compliance with generally accepted accounting



practices in India, provisions of the Act and accounting standards as notified by Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, in relation to the underlying transactions in the Scheme including but not limited to the following:

38.1. In the books of the Demerged Company

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

- 38.1.1. The Demerged Company shall eliminate all inter-unit balances or transactions, if any, as on the Effective Date, between its various undertakings appearing within the Demerged Company. Such amounts shall stand cancelled without any further act or deed;
- 38.1.2. The Demerged Company shall de-recognize the carrying values of all assets and liabilities pertaining to Iron Ore Undertaking of the Demerged Company as on the Effective Date, that are held in and /or transferred to Resulting Company 5 pursuant to this Scheme in accordance with de-recognition related stipulations contained in the relevant accounting standards;
- 38.1.3. The difference, if any, between the book value of assets of the Iron Ore Undertaking of the Demerged Company transferred to Resulting Company 5 and the book value of the liabilities of the Iron Ore Undertaking of the Demerged Company transferred to the Resulting Company 5, shall be recognized in 'Other Equity', and will be adjusted firstly against the total amount lying to the credit of the 'Capital Reserve', if any; thereafter with the total amount lying to the credit of the 'Securities Premium', if any; thereafter with the total amount lying to the credit of the 'General Reserve', if any; and the remaining balance, if any, against the amount lying to the credit of the 'Retained Earnings' of the Demerged Company; and
- 38.1.4. The Demerged Company's investment in Resulting Company 5 as on the Effective Date, if any, shall be cancelled pursuant to Clause 39 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity' in the order specified in Clause 38.1.3 above.

38.2. In the books of Resulting Company 5

With effect from the Effective Date and upon Part VI of the Scheme coming into effect, Resulting Company 5 shall account for the demerger in its books of account in the following manner:

- 38.2.1. Resulting Company 5 shall record all assets and liabilities, if any of the Iron Ore Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of the Demerged Company;
- 38.2.2. Resulting Company 5 shall credit to its equity share capital, the aggregate of the face value of equity shares issued and allotted by it pursuant to this Scheme;
- 38.2.3. The difference between (A) the book value of assets minus liabilities if any, recorded in the books of the Resulting Company 5, and (B) the value of the Resulting Company 5 New Equity Shares issued and allotted to the shareholders of the Demerged Company (number of Resulting Company 5 New Equity Shares issued multiplied by issue price



per Resulting Company 5 New Equity Shares) as consideration, if any, shall be credited to 'Other Equity (Capital Reserve)' of the Resulting Company 5;

- 38.2.4. The Resulting Company 5's share capital as on the Effective Date shall be cancelled pursuant to Clause 39 of this Scheme and the resultant impact, if any, will be adjusted in 'Other Equity (Capital Reserve)';
- 38.2.5. If the accounting policies adopted by the Resulting Company 5 are different from those adopted by the Demerged Company, the assets and liabilities of the Iron Ore Undertaking shall be accounted in the books of the Resulting Company 5 adopting uniform accounting policies consistent with the Companies (Indian Accounting Standards) Rules, 2015;
- 38.2.6. Any change effected in the book value of the assets and liabilities of the Iron Ore Undertaking, as at the beginning of the comparative period, pursuant to Clause 38.2.5 above, shall be debited/ credited to the capital reserve account in the books of the Resulting Company 5 with appropriate disclosures as required under Indian Accounting Standard - 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and
- 38.2.7. The Resulting Company 5 shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company 5, whichever is later.
- 38.3. The utilization of the 'Capital Reserve', 'Securities Premium' and 'General Reserve' of the Demerged Company pursuant to Clause 38.1.3 and 38.1.4 above, being consequential in nature, is proposed to be affected as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Demerged Company shall not be required to separately comply with the applicable provisions of the Act including Section 52 read with Section 66 of the Act, with respect to utilization of these reserves.
- 39. REDUCTION AND CANCELLATION OF ENTIRE SHARE CAPITAL OF THE RESULTING COMPANY 5**
- 39.1. Immediately prior to the allotment of the Resulting Company 5 New Equity Shares, the entire paid-up share capital of the Resulting Company 5 as on Effective Date ("**Resulting Company 5 Cancelled Shares**") shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company 5, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme. The order of the Tribunal sanctioning the Scheme shall be sufficient and no separate process or approval under the Act is required. Accordingly, the Resulting Company 5 shall not be required to separately comply with the applicable provisions of the Act including Section 66 of the Act.
- 39.2. It is clarified that the approval of the members of the Resulting Company 5 to this Scheme, shall be deemed to be their consent/approval for the reduction of the share capital of the Resulting Company 5 under applicable provisions of the Act.
- 39.3. Notwithstanding the reduction in the share capital of the Resulting Company 5, the Resulting Company 5 shall not be required to add "And Reduced" as suffix to its name.



PART VII

GENERAL TERMS AND CONDITIONS

40. BUSINESS UNTIL THE EFFECTIVE DATE

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

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

40.1.2. VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4, and Resulting Company 5 respectively shall be entitled, pending the sanction of this Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals, and sanctions which they may require to carry on the relevant business that is being transferred and vested in terms of this Scheme.

40.2 Notwithstanding anything to the contrary contained in this Clause 40 or the Scheme, prior to the coming into effect of the relevant Part of the Scheme, the Board of VEDL may transfer, sell or dispose of such of the assets, liabilities or properties pertaining to the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, Base Metals Undertaking and Iron Ore Undertaking, on such terms and to such party as it may deem appropriate, in accordance with Applicable Law.

41. PROPERTY IN TRUST AND DIVIDENDS

41.1. Notwithstanding anything contained in this Scheme, on or after the Effective Date, as the case may be, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom (including rights to any mines or mining leases) pertaining to the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, Base Metals Undertaking and Iron Ore Undertaking is transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively, subject to Applicable Law, each of Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively are deemed to be authorised to enjoy the property, asset or the rights and benefits arising from the relevant license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement and may, subject to Applicable Law, occupy and operate such property or asset. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the Parties, VEDL will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom (including rights to any mine or mining leases), in trust for and on behalf of the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively and the same will be deemed to be effective from the Appointed Date

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



respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Parties to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Parties as the case may be, and subject to approval, if required, of the shareholders of the Parties as the case may be.

41A. ANCILLARY PROVISION

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

42. FACILITATION PROVISIONS

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

42.2 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, each of the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, Base Metals Undertaking and Iron Ore Undertaking respectively in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4, and Resulting Company 5 shall always be deemed to have been authorised to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively shall be entitled to exercise all rights and privileges and be liable to pay all Taxes and charges and fulfil all obligations in relation to or applicable to all immovable properties including mutation and/or substitution of the ownership or the title to or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authorities in favour of the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively pursuant to the sanction of this Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by Resulting Company 1, Resulting Company 2., Resulting Company 3, Resulting Company 4 and Resulting Company 5. It is clarified that the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4, and Resulting Company 5 respectively shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

43. APPLICATIONS / PETITIONS



- 43.1. The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.
- 43.2. The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 or Resulting Company 5 may require to own the assets and / or liabilities of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, Base Metals Undertaking and Iron Ore Undertaking respectively and to carry on the business of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, Base Metals Undertaking and Iron Ore Undertaking, as applicable.

44. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 44.1. The respective Boards of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable, or appropriate. The Scheme may also be modified in accordance with the procedure laid down by the Board. The respective Boards of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 44.2. For the purposes of giving effect to this Scheme or to any modification hereof, the Board of VEDL on the one hand and the Board of each of Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 or Resulting Company 5 on the other hand, as may be relevant, give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively as if the same were specifically incorporated in this Scheme.

45. CONDITIONS PRECEDENT

- 45.1. This Scheme is conditional upon and subject to the following general conditions precedent:
- 45.1.1. Receipt of no-objection/ observation letter from the Stock Exchanges in relation to this Scheme under Regulations 11 and 37 of the SEBI LODR Regulations read with the SEBI Circular.
- 45.1.2. Approval of this Scheme by the requisite majority in number and value of each class of shareholders and creditors of the Parties as applicable or as may be required under the Act and Applicable Law and as may be directed by the Tribunal.
- 45.1.3. VEDL complying with the provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting.
- 45.1.4. Sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act;
- 45.1.5. Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the RoC; and
- 45.1.6. The Boards of the Demerged Company and the respective Resulting Company having passed a resolution confirming the effectiveness of the Scheme or any Parts thereof, with respect to such Resulting Company.

In addition to the satisfaction of the conditions precedent set out in Clause 45.1 above, Part II of the Scheme is also conditional upon and subject to receipt of necessary approvals or deemed



approvals from the (a) Central and State Governments for the transfer of the coal mines and (b) State Government for the transfer of the bauxite mine(s).

- 45.3. In addition to the satisfaction of the conditions precedent set out in Clause 45.1 above, Part III of the Scheme is also conditional upon and subject to the receipt of necessary approvals or deemed approvals from the counterparties to applicable power purchase agreements.
- 45.4. In addition to the satisfaction of the conditions precedent set out in Clause 45.1 above Part IV of the Scheme is also conditional upon and subject to the receipt of necessary approvals or deemed approvals from the Central Government and counterparties under the production sharing contracts, revenue sharing contracts and joint operating agreements for the transfer of operatorship and participating interests, as applicable.
- 45.5. In addition to the satisfaction of the conditions precedent set out in Clause 45.1 above, Part VI of the Scheme is also conditional upon and subject to receipt of necessary approvals or deemed approvals from the State Governments for the transfer of the iron ore mines.
- 45.6. The respective parts of the Scheme shall be made effective in the following manner:
- 45.6.1. Part II of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 45.1 and Clause 45.2;
- 45.6.2. Part III of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 45.1 and Clause 45.3;
- 45.6.3. Part IV of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 45.1 and Clause 45.4;
- 45.6.4. Part V of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 45.1;
- 45.6.5. Part VI of the Scheme shall be made effective subject to satisfaction or waiver of conditions mentioned in Clause 45.1 and Clause 45.5.
- 45.7. In the event any of the conditions set out in Clause 45 above are not obtained or complied with by March 31, 2025 or such later date as the Boards of the respective Parties may agree, or if for any other reason, this Scheme or any Part thereof cannot be implemented, then the Boards of VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 may, as relevant, waive the conditions set out in Clause 45 above to the extent permitted under Applicable Law. In the event any condition set out in Clause 45 is not satisfied or waived in accordance with this Clause 45.7, the relevant Part of the Scheme concerned shall become null and void, and in that event, no rights and liabilities shall accrue or be incurred between VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 or Resulting Company 5 as applicable, or their shareholders or creditors or employees or any other Person, provided that any one or more Parts of the Scheme becoming null and void in accordance with this Clause shall not affect the validity of the other Parts of the Scheme which shall continue in full force and effect.

46. WITHDRAWAL OF THIS SCHEME

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



47. COSTS AND EXPENSES

All costs, charges and expenses payable in relation to or in connection with this Scheme and incidental to the completion of the transfer and vesting of the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, Base Metals Undertaking and Iron Ore Undertaking in the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively, in pursuance of this Scheme including stamp duty, if any, to the extent applicable and payable shall be borne and paid by the Parties in such proportion as may be agreed by their respective Boards.

48. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by VEDL in relation to the Aluminium Undertaking, Merchant Power Undertaking, Oil and Gas Undertaking, Base Metals Undertaking and Iron Ore Undertaking until the Effective Date, to the end and intent that the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively shall accept and adopt all acts, deeds and things done and executed by VEDL in respect thereto as done and executed on their behalf.

49. REMAINING BUSINESS OF VEDL

- 49.1. The Remaining Business of VEDL shall continue to belong to and be owned and managed by VEDL. VEDL shall continue to be liable to perform and discharge all its liabilities and obligations in relation to the Remaining Business and the Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4, and Resulting Company 5 shall not have any liability or obligation in relation to the Remaining Business.
- 49.2. If any of Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 respectively are in receipt of any demand, claim, notice and/or are impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of VEDL, then each of Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 or Resulting Company 5 as applicable shall take all such steps in the proceedings before the Appropriate Authority to substitute itself with VEDL. However, if any of Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4, and Resulting Company 5 as applicable is unable to have itself replaced with VEDL in such proceedings, it shall defend the same or deal with such demand at the cost of VEDL and the latter shall reimburse it, against all liabilities and obligations incurred by or against it, in respect thereof.

50. DEEMED APPROVAL

- 50.1. On the approval of this Scheme by the shareholders of VEDL, Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5 and such other classes of Persons of the said Parties, if any, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise under Applicable Law (including under Sections 13, 14, 52, 61, 64, 66, 180, 185, 186 and 188 of the Act and Regulation 23 and other applicable provisions of the SEBI LODR Regulations) to the same extent applicable in relation to the Scheme and related matters and no further resolutions would be required to be separately passed.

51. SEVERABILITY



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



ANNEXURE I

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



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

