

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH, AT MUMBAI

No 530

COMP. APPL/230/MB/2025

IN

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

IN

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

In the matter of Companies Act, 2013

AND

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

AND

In the matter of Scheme of Arrangement
between Vedanta Limited (**Demerged
Company**) and Vedanta Aluminum Metal
Limited (**Resulting Company 1/VAL**) and
Talwandi Sabo Power Limited (**Resulting**

Company 2/TSPL) and Malco Energy Limited (**Resulting Company 3/MEL**) and Vedanta Base Metals Limited (**Resulting Company 4/VBML**) and Vedanta Iro and Steel Limited (**Resulting Company 5/VISL**) and their respective shareholders and creditors (“Scheme”)

IN THE MATTER OF

GOVERNMENT OF INDIA,

THROUGH THE MINISTRY OF PETROLEUM AND NATURAL

GAS

...Applicant

IN THE MATTER OF

VEDANTA LIMITED

A Company incorporated under the provisions of the

Companies Act, 1956, having its registered office at

1st floor, C Wing, Unit 103, Corporate Avenue Atul

Projects, Chakala Andheri (East) Mumbai – 400093

CIN: L13209MH1965PLC29394

...Demerged Company

VEDANTA ALUMINIUM METAL LIMITED

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

CIN: U24202MH2023PLC4116633

.... Resulting Company 1

TALWANDI SABO POWER LIMITED

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

CIN: U40101MH2007PLC433557

.... Resulting Company 2

MALCO ENERGY LIMITED

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

CIN: U31300MH2001PLC428719

.... Resulting Company 3

VEDANTA BASE METALS LIMITED

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

CIN: U43121MH2023PLC411696

.... Resulting Company 4

VEDANTA IRON AND STEEL LIMITED

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

CIN: U24109MH2023PLC411777

.... Resulting Company 5

To,
The Registrar
Adjudicating Authority
NCLT,

Mumbai.

Sir,

BE PLEASED to take on record on the Written Submissions on behalf of the Applicant in the captioned matter.

Dated this 1st day of October 2025



DSK Legal

Advocates for the Applicant/Intervenor

Encl.: As above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH -V
IN
COMP.APPL/230/MB/2025
IN
C.P. (CAA)/79/MB/2025
IN
C.A. (CAA)/171/MB/2024

In the matter of the Companies Act, 2013

AND

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

AND

IN THE MATTER OF:

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

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DSK Legal

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

MUMBAI BENCH -V

IN

COMP.APPL/230/MB/2025

IN

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

IN

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

IN THE MATTER OF:

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

**WRITTEN SUBMISSIONS ON BEHALF OF THE APPLICANT/INTERVENOR
GOVERNMENT OF INDIA THROUGH THE MINISTRY OF PETROLEUM AND
NATURAL GAS ("MoPNG")**

MOST RESPECTFULLY SHOWETH:

1. That the instant Written Submissions are being filed by the Applicant / Objector i.e. Government of India through Ministry of Petroleum and Natural Gas ("MoPNG") in compliance with the order dated 17.09.2025 passed by this Hon'ble Tribunal. By way of the subject Company Application [C.P. (CAA)/79/MB/2025], Vedanta Limited ("**Demerged Company**" or "**Vedanta**" or "**VEDL**"), seeks this Hon'ble Tribunal's sanction for the subject Scheme of Arrangement ("**Scheme**") under Sections 230-232 of the Companies Act, 2013 ("**the Act**").
2. It is clarified that the present representation/objections were preferred by the Applicant in the First Motion proceedings [C.A.(CAA)/171(MB)2024] filed by Vedanta. That by way of an order dated 21.11.2024, Vedanta was directed to serve notices alongwith copy of the scheme to the relevant authorities and sectoral regulators, including the Applicant herein.
3. The Applicant, in response to the notice received on 28.01.2025, dated 17.01.2025, preferred the subject company application [COMP.APPL/230/MB/2025] titled Preliminary Representations, thereby raising objections pertaining to the demerger of the Oil and Gas Undertaking of VEDL upon the Resulting Company No.3 i.e., Malco Energy Limited ('MEL') [*Clause 1.1, Part I of the Scheme at pg. 369, Annexure B in Vol.III of Second Motion*].
4. It is submitted that even though the objections were initiated during the First Motion proceedings, however the said objections continue in substance and hence, Applicant beseech this Hon'ble Tribunal to consider the objections raised by the Applicant dated 20.02.2025 [COMP.APPL/230/MB/2025] as part and parcel of the objections to the Second Motion Petition [C.P.(CAA)/79/MB/2025] preferred by Vedanta.



5. Before advertising to the specific objections, and only for the sake of clarity, the pleadings including and following the submissions dated 19.02.2025 [COMP.APPL/230/MB/2025], in a chronological order, preferred by the Applicant and Vedanta are as follows:
 - a) Preliminary Representation dated 20.02.2025. [COMP.APPL/230/MB/2025]
 - b) Affidavit in Reply dated 01.05.2025 on behalf of Vedanta to the Preliminary Representation by GoI through MoPNG.
 - c) Preliminary Rejoinder dated 29.05.2025 on behalf of GoI through MoPNG.
 - d) Affidavit in Reply dated 20.06.2025 on behalf of Vedanta to the Preliminary Rejoinder. [**“Sur-Rejoinder”**]
 - e) Detailed Rejoinder dated 28.06.2025 on behalf of GoI through MoPNG.
 - f) Affidavit in Reply dated 01.07.2025 on behalf of Vedanta to the Detailed Rejoinder. [**“Further Sur-Rejoinder”**]
 - g) Further Affidavit dated 14.08.2025 [Undertaking Affidavit] on behalf of Vedanta.
 - h) Reply dated 12.09.2025 to further Affidavit dated 14.08.2025 on behalf of GoI through MoPNG.
6. At the outset, it is submitted that the Applicant i.e. GoI through MoPNG is emphasising issues that concern the demerger of Resultant Company No. 3 from the Applicant Company. Moreover, the objections are primarily premised on the suppression of material disclosures that have deep and immense ramifications on the oil and gas business of the Applicant Company and therefore the regulatory concerns associated with the same.
7. It is the earnest submission of the GOI that Vedanta must make all material and clear disclosures mandated under Section 230 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (**“2016 Rules”**), and then carry out necessary amendments in the Scheme especially with respect to Oil and Gas Undertaking and thereafter, the Scheme (post disclosure of all material obligations and removal of infirmity) be placed before the shareholders, creditors and other stakeholders, as it was directed by this Hon’ble Tribunal earlier in First Motion Order dated 22.11.2024, in order to fully satisfy the process prescribed for demergers, and for any deviation and/or short skirting the same causes grave prejudice to all the stakeholders, including the GOI and the associated public interest in the Oil and Gas assets. Section 230(2)(a) read with 2016 Rules provides for mandatory disclosure of all material facts in a scheme to prevent prejudice to creditors and members. In this regard, reliance is placed on the decision in *Katalyst Software Services Ltd & Ors Vs. Rahul Dilip shah & Ors*¹. It is further added that this Hon’ble NCLT has the power to even reject such a scheme based on objections from a sectoral regulator, particularly on grounds of public interest. Reliance is placed on the Hon’ble NCLAT’s decision in *Ashish O. Lalpuria v Kumaka Industries Ltd. and others*².

OBJECTIONS OF GOI THROUGH MoPNG

RE: UNLAWFUL CREATION OF ENCUMBRANCES ON GOI’S ASSETS

8. VEDL’s audited financial statements reveal that it has secured External Commercial Borrowings (ECBs), Non-Convertible Debentures (NCDs), and Term Loans by creating charges over assets of

¹C.A. 399/2023 IN C.A.(CAA)/42/MB/2023

²2020 SCC OnLine NCLAT 676



its Oil & Gas division, including blocks under the PSC regime (e.g., RJ-ON-90/1, Ravva, Cambay)³.

9. This action is a direct and material breach of the PSCs/RSCs/underlying agreement that *inter alia* mandate seeking approval/permissions/review from Management Committees (MC) established under those agreements for any proposed mortgage, charge or encumbrance on Petroleum assets. VEDL has acknowledged the creation of these encumbrances by offering an undertaking by way of a Board Resolution suggesting a future action of releasing these charges created on the oil and gas assets, prior to implementation of the Scheme. At the outset, the creation of charge of petroleum assets in a breach in terms of the underlying PSC/RSC/Contractual agreement and secondly, a post-facto assurance (rather acknowledgement) cannot retrospectively cure the violation.
10. Any undertaking given by MEL is redundant and offers no real security, as the GoI's rights and remedies for the breach, including termination, remain intact. The undertaking is a mere "paper measure" to placate objections rather than a bona fide cure. It is imperative to note that any such release of the charges should come before the Scheme receives a stamp of approval of this Hon'ble Tribunal.

RE: SEVERE PREJUDICE TO GOI's FINANCIAL INTERESTS

11. Pre-demerger, VEDL's total assets of **INR 205,175 Crore as on 30.09.2024** provide a security cover of **12.30 times** the GoI's total demand (approx. INR 16,700 Crore). However, post-demerger, the resulting entity MEL will have assets of only **INR 29,154 Crore**, reducing the asset cover to a mere **1.75 times**. This drastically diminishes the security available to the GoI. Crucially, a major portion of MEL's assets are cost-recovered assets under PSCs, which are not freely transferable and have minimal realizable value in a liquidation scenario.
12. Moreover, the financial statements of MEL reveal a company in deep financial distress, making it an unsuitable entity to house the significant liabilities of the Oil And Gas Undertaking. Admittedly, MEL has a negative net worth of **INR 172Crore** [as of 30th September 2024] which was a negative net worth of INR 94.01 Crore [as of 31st March 2024] [Refer to Statement of Net Worth as of 30th September 2024⁴. Further, MEL has suffered continuous cash losses, amounting to **INR 85.64 Crore in FY 23-24** and **INR 244.06 Crore in FY 22-23**. It has a significant working capital deficit, with current liabilities (INR 892.82 Crore) far exceeding current assets (INR 412.49 Crore)⁵.
13. The non-recognition of Deferred Tax Assets on carried forward losses (INR 335.38 Crore) and unabsorbed depreciation (INR 1,744.59 Crore) indicates that both the management and auditors believe future profitability is not probable. This raises serious concerns about MEL's ability to operate as a going concern without perpetual support from VEDL, and its capacity to satisfy GoI's substantial claims⁶.

³Refer to consolidated audited financial statement of VEDL for the FY ended March 31, 2024 at page no. 921 to 925 filed with Second Motion pleadings (Vol. VI) and Motion and Annexure 3 at page no. 29 of Detailed Rejoinder dated 27.06.2025

⁴At Page No. 2465 and 2488 (Vol. XV) of the Second Motion pleadings]

⁵Refer to MEL's financial statements annexed at page no. 1222 of Vol. VIII of the Second Motion pleadings / Annexure 6 to 9 of the Further detailed rejoinder dated 28.06.2025

⁶Page No. 1236 (Vol. VIII) of the Second Motion



RE: MATERIAL NON-DISCLOSURE AND MISREPRESENTATION OF LITIGATION LIABILITIES.

14. VEDL has failed to make specific and complete disclosures regarding its substantial monetary liabilities arising from ongoing litigation with the GoI concerning the RJ-ON-90/1 Production Sharing Contract (PSC), namely *Vedanta Ltd. & Cairn Energy Hydrocarbon Ltd. v Union of India* (PCA Case No. 2020-39), OMP (Comm.) No. 125 of 2024 and ARB A. (Comm) No. 31 of 2024, and demands raised by the GOI for short-paid Profit Petroleum and royalty⁷.
15. The disclosures made in Annexure U of the Notice to Shareholders are presented in a summary fashion, obfuscating the true financial impact it may have either on the Demerger Company or the Resulting Company No.3. VEDL in its replies has sought to justify its non-disclosure by labelling the GoI's claims as "uncrystallized" or "disputed"⁸.
16. VEDL has not disclosed that while a Final Partial Award ("FPA") dated 22.08.2023 has been passed, certain critical issues were decided in favour of the GoI, and their financial quantification is pending. The FPA is a declaratory decree where the Arbitral Tribunal itself noted that there was no single successful party⁹.
17. Despite the above, VEDL has unilaterally recognized revenue of USD 578 million (INR 4761 crore) in FY 23-24 based on its interpretation of the FPA, while failing to disclose the GoI's counterclaims and the portions of the award in GoI's favour on the basis of their internal accounting policy, thereby exposing their shareholders to unaccounted risks. Even if the GoI's challenge to the FPA under Section 34 of the Arbitration Act fails, although we are confident of success, it would still be entitled to recover a minimum of **USD 222 million**, if not 1162 million. The said fact is completely omitted from the Scheme¹⁰.

Re: MISLEADING DISCLOSURES REGARDING OWNERSHIP OF NATURAL RESOURCES

18. It is a settled principle of law that natural resources, including hydrocarbons, belong to the state. This is enshrined in **Article 297 of the Constitution of India** and reaffirmed by the Hon'ble Supreme Court in the *Reliance Natural Resources Ltd vs Reliance Industries Ltd [Civil Appeal No. 4273 OF 2010]*. Under the PSC framework, a private entity like VEDL is only granted a limited contractual right to explore and produce petroleum resources; ownership never vests with the contractor.
19. Despite this clear legal position, VEDL has made incorrect and misleading disclosures in the Scheme documents, stating that its "oil and gas business segment has a diversified asset base with 62 blocks in India". This representation is fundamentally misleading and legally untenable, as

⁷Refer to Annexure 2 (page nos. 24-37), Annexure 3 (page nos. 38-54) and Annexure 4 (page no. 55-56) of the Preliminary Representation dated 19.02.2025 and Annexure 11 (page no. 165-202) of the Detailed Rejoinder dated 27.06.2025

⁸The law mandates an expansive disclosure of all pending liabilities. The Hon'ble Supreme Court in *Integrated Finance Company Ltd. v RBI and others (2015) 13 SCC 772* and the Hon'ble Delhi High Court in *Idea Cellular Limited v Union of India* have affirmed the necessity of disclosing even pending and disputed claims to ensure transparency. Furthermore, the Hon'ble NCLT, New Delhi in the matter of *Fortis Emergency Services Ltd. [(C.A. (CAA) No. 13/ND/2023)]* held that disclosing pending proceedings is mandatory under Section 230. The issuance of a formal demand or claim notice constitutes the commencement of a legal process and must be disclosed with specific details.

⁹Refer to page no. 160 of the further detailed rejoinder dated 28.06.2025

¹⁰Refer to Note 3 of consolidated audited financial statement of VEDL for the FY ended March 31, 2024 at page no. 222-223 of the Scheme



VEDL has not disclosed the present status of these blocks, most of which have either been de-allocated and are in the process of being taken back by the GoI, thus suppressing the true and correct picture qua their asset base.

20. At this stage, it is pertinent to bring to this Ld. Tribunal's attention a material development concerning the Cambay Basin Offshore Block (CB/OS-2) [PSC expired on 30.06.2023], which constitutes a major share of VEDL's asset base in respect of Oil & Gas Undertaking, has been decommissioned by GoI [(19th) September 2025]. It is submitted that the said fact (yet to be disclosed to the shareholders and creditors) is anticipated to have adverse financial implications for both the Demerged Company and Resulting Company No. 3. Full and transparent disclosure of this development is, therefore, imperative to ensure the shareholders and creditors are fully apprised of all material matters prior to considering the proposed Scheme of Arrangement. It is further submitted that GoI issued show cause notice dated 4.8.2025 to Vedanta for creating encumbrance over the PSC assets and in reply dated 13.08.2025 Vedanta admitted to the same. Copies of Notice dated 04.08.2025 and Vedanta's replies dated 13.08.2025 are attached herewith.

CONCLUSION

21. That the Applicant is conscious of the fact that function of this Ld. Tribunal while sanctioning the compromise or arrangement is limited to oversee that the compromise or arrangement arrived at is lawful, however, it also has a duty to act in public interest, to ensure that the affairs of the company are not conducted in a manner prejudicial to the interest of its members or to public interest that is to say, it should not be unfair or contrary to public policy or unconscionable. In terms of the above raised facts and objections, it is evident that the Scheme is unfair to not only GoI but to Demerged Company and Resulting Company's own shareholders and creditors.
22. It is reiterated that while this Ld. Tribunal has broad powers to sanction schemes of arrangement or compromise, these powers are subject to judicial principles and statutory compliances. The very purpose of taking permission from this Ld. Tribunal for convening a meeting is to ensure that the scheme is not prejudicial to the interests of any class of stakeholders involved and that all classes of stakeholders who will be affected by the Scheme have been made to participate in its approval. This Hon'ble Tribunal, in exercise of its powers under Sections 230-232 of the Act, is not merely a rubber stamp but must scrutinize the Scheme to ensure it is fair, just, reasonable, and compliant with the law. The Hon'ble NCLAT in *Ashish O. Lalpuria v. Kumaka Industries Ltd. & Ors. (2020 SCC OnLine NCLAT 676)* has unequivocally held that the Tribunal can reject a scheme based on objections from sectoral regulators on grounds of public interest and pending actions.
23. In light of the foregoing submissions, it is evident that the proposed Scheme of Arrangement is founded on material non-disclosures, misrepresentations, and statutory violations. It is designed to prejudice the interests of the Government of India, a significant stakeholder and sectoral regulator, and is contrary to public interest.
24. The Government of India, therefore, humbly prays that this Hon'ble Tribunal my consider the averments made by GoI in the submissions made herein above and the undertaking filed by VEDL related to demerger scheme qua oil and gas business related to release of encumbrances and providing corporate guarantee and pass appropriate order while considering the prayers made by GOI in its Preliminary Representation dated 20.02.2025, Preliminary Rejoinder dated 29.05.2025, Detailed Rejoinder dated 28.06.2025 and Reply dated 12.09.2025 to VEDL's further Affidavit dated 14.08.2025 and pass appropriate orders to secure its interest.

Filed by:


DSK Legal

Counsel for GOI



File No. Expl-15019(25)/112/2017-ONG-V (E-4641)

GOVERNMENT OF INDIA
Ministry of Petroleum & Natural Gas
Government of India

Kartavya Bhawan-3, New Delhi

Dated 19th Sep 2025

TO,

1. M/S VEDANTA LIMITED

Cairn Oil & Gas (Vedanta Ltd)

4th Floor, ASF Centre, Block A Plot No. 362-363, Udyog Vihar, Phase IV,
Gurugram 122016 (Haryana)

and,

Vedanta Limited, Cairn Oil & Gas,

ASF Center Tower A-362-363, Jwala Mill Road, Phase IV, Udyog Vihar,
Sector-18, Gurugram-122016, Haryana, India

2. M/S OIL & NATURAL GAS CORPORATION LTD

Deendayal Upadhyaya Urja Bhawan,

3rd Floor, Tower-A, Plot-5A & 5B, Nelson Mandela Marg
Vasant Kunj, New Delhi

3. M/S TATA PETRODYNE LIMITED

Tapasya Corporate Heights

3rd Floor, Tower-B, Sector-126, Plot No. 5
Noida, Uttar Pradesh 201303

SUBJECT: Regarding application for extension of Production Sharing Contract of Block CB-OS/2

Sir,

I am directed to refer to the application submitted on 28.06.2021 by the Contractor namely M/s Oil & Natural Gas Corporation Ltd. ("ONGC"), M/s Vedanta Limited ("Vedanta") and M/s Tata Petrodyne Limited, under the extension policy dated 07.04.2017 ("Extension policy"), seeking extension of the Production Sharing Contract dated 30.06.1998 ("PSC"), which expired on 29.06.2023, and convey that the findings of the Government on the matter are as under:

- (i) As per Article 2.1 of the PSC, the PSC is valid for duration of 25 years and the Government may at its discretion extend the duration of validity of the PSC. It is clear from Article 2.1 of the PSC that, extension of PSC is not a right or

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entitlement but a grant made by the Government upon due consideration of the request.

- (ii) As regards eligibility of the Contractor and compliance with conditions set out in Extension policy is concerned, it is noted that as per Para 3.2 (g) of the extension policy dated 07.04.2017, the Contractor was required to have cleared all the statutory dues and other dues to Government and not have defaulted on any account. Whereas, on the date of application, there were several outstanding dues which the Contractor had not paid on various grounds, resulting in short payment of both the royalty as well as the profit petroleum payable to the Government. While some of the issues were subsequently settled, the Contractor defaulted on payment of the following outstanding dues, even after expiry of the term of the Contract and the interim permissions granted thereafter to continue petroleum operations:
- Short payment of Profit Petroleum due to recovery of excess Drilling cost and Geostatistical inversion study amounting to **USD 14.54 Million;**
 - Deduction of SAED unilaterally from Government's Share of Profit Petroleum amounting to **USD 10.13 Million** for Q2 of FY 2022-23 to Q2 of FY 2024-25.
 - Dues related to settlement of past audit exceptions and approval of accounts by Management Committee to the tune of **USD 1.54 Million** (plus interest of ~ **USD 1 Million**) up to 2020-21.

After an inordinate delay, the Contractor on 12.09.2025 made part payment of USD 9.33 Million under protest. Moreover, this part payment was made only towards one of the dues namely SAED, while, the Contractor has continued to remain a defaulter in respect of payment of the other dues. Further, the interest payable on the abovementioned sums has also not been paid by the Contractor till date. Therefore, the Contractor is found to have failed to meet the condition stipulated at Para 3.2 (g) of the Extension Policy.

- (iii) As per Para 4.1 (b) of the Extension Policy the Contractor was required to comply with the provisions of the creation of Site Restoration Fund and Site Restoration Plan as per PSC. In this case, on the date of expiry of the PSC, the Contractor was required to maintain a sum of **USD 43.2 million** in the Site Restoration Fund. However, the Contractor deposited only a sum of **USD 38.28 million** in the said fund resulting in a shortfall to the tune of **USD 4.9 million**. As the Contractor had not deposited the said sum in the Site Restoration Fund, the Contractor is found to have failed to meet the condition stipulated at Para 4.1(b) of the Extension Policy.
- (iv) In addition to the above, the Government also finds that conduct of the Contractor has been dissatisfactory, *inter alia* on account of the following:
- Issues with management of mineral oil operations: The audited account of last 6 years exhibit a clear declining trajectory of production volumes, with intermittent recovery phases. The steepest decline occurred between 2018-19

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and 2021-22, representing a 49.3% reduction from 6.53 MMBOE to 3.31 MMBOE. It is also seen that the efforts to increase production brought only temporary recovery and the average annual production over the six-year period remained around 4.39 MMBOE, significantly below the initial baseline. While production has declined, the production costs have increased dramatically from USD 25.96 million in 2018-19 to USD 78.19 Million in 2023-24. As a result, revenues from the block have remained volatile and the production of every unit of petroleum has become significantly more costly due to failure of the Contractor to arrest the increasing production costs and decreasing production volumes. These high costs arising from operational inefficiencies are being recovered from the Government under the PSC and are impacting the revenues flowing to the Government.

- b. Continuation of Petroleum Operations without PSC, lease or interim permission: The PSC of the block expired on 28.06.2023 whereafter Contractor was granted interim permission to continue petroleum operations in public interest till 29.09.2024. The lease granted to the Contractor had also expired. However, the Contractor continued to carry out petroleum operations in the area and did not deliver up the leased area and the assets to the Government. In fact, the Contractor, after expiry of the contract, even attempted to carry out fresh drilling campaign. The Government vide email dated 14.12.2024 explicitly directed the Contractor to halt all drilling activities as there was no valid PSC or lease. Thereafter, the Government vide email dated 27.1.2.2024 again informed the Contractor that the petroleum operations have become illegal as there was no a PSC, lease or interim permission allowing such the petroleum operations. Despite repeated directions from the Government to halt operations, the Contractor continued to carry out illegal petroleum operations and unlawfully produced mineral oils without any lease, contract or interim permission, disregarding the express direction issued by the Government to the contrary. Such actions of the Contractor are in blatant violation of the provisions of Section 4A of the Oilfields (Regulation and Development) Act, 1948 and Rule 4 of the Petroleum and Natural Gas Rules, 1959.
- c. Creation of encumbrance on assets of the block: It was learnt that the operator had hypothecated various oil and gas assets across blocks including cost recovered assets under the PSC of this block. As the costs of such assets had been recouped from the Government, the operator did not have ownership of the assets or any title or legal right to create such a charge on these assets. Thus, these actions were taken by the operator in flagrant violation of the law and the provisions of the PSC. By doing so, the operator also failed to discharge their fiduciary duty, caused material breach of the trust of the Government and breached the sanctity of the letter and spirit of the provisions of the PSC.

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2. In view of the above, the Government has decided that the application for extension of the PSC filed by the Contractor shall not be accepted. Accordingly, the contractor is hereby directed to:

- a. cease and desist from carrying out any further petroleum operations;
- b. immediately handover over custody and possession of the block (including all government assets) to ONGC;
- c. ensure that all petroleum operations can be continued by ONGC without obstruction or hindrance and render all necessary assistance to ONGC to complete the takeover of assets and operations on as is where is basis; and
- d. vacate the premises immediately upon receipt of this communication.

3. Further, it is hereby directed to take the following actions immediately upon receipt of this letter:

- a. clear assets relating to the block of all unauthorized charges created.
- b. pay all pending contractual and statutory payments due to the Government together with the applicable interest.
- c. make outstanding payments to the Site Restoration Fund.

Yours faithfully,

Sachin Kumar.
19.09.2025

(Sachin Kumar)

Under Secretary to the Government of India

011-26109603

COPY TO:

- (a) Directorate General of Hydrocarbons, OIDB Bhawan, Sector-73, Noida- 201301: For information and necessary action please.
- (b) Office File

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Date: 13 August 2025

Ref: 2025-26/DGH/Out/07

To:
Directorate General of Hydrocarbons
Plot No. 2, Tower A,
OIDB Bhawan, Sector 73,
Noida, Uttar Pradesh 201301

Attention: Mr. Sachiv Kumar
ADG (Development)

Subject: Block – Ravva: Material Breach of the Production Sharing Contract (PSC) dated 28.10.1994

Reference: DGH Letter No. DGH/Ravva/1/External borrowing/2025/1 dated 04.08.2025

Dear Sir,

This is with reference to the captioned letter issued by DGH seeking details of the loans taken by the Operator and alleging "material breach" of the Production Sharing Contract (PSC) for the Ravva Block.

We would like to clarify that the PSC neither restricts the right of the Contractor Parties to avail such financial facilities nor mandates any approval for creation of a charge on fixed assets used in Petroleum Operations. Further, the charge has been created only to the extent of Vedanta's interest in the Block. In view of the above, it is submitted that there is no breach of the PSC.

Notwithstanding the foregoing, the term "material breach" has not been defined under the PSC. A "material" breach of contract has been held by judicial precedents to be a breach that strikes so deeply at the heart of the contract that it renders the agreement "irreparably broken" and defeats the purpose of making the contract in the first place. The essence is that the breach must go to the very root of the agreement between the parties. Clearly, there is no such 'material breach' in the instant case. The charge created by the Contractor does not pose any hindrance in the performance of the Contractor's obligations and the Contractor continues to fulfil its obligations under the PSC. Hence, Article 31 of the PSC cannot be invoked.

[Handwritten signature]

VEDANTA LIMITED

Cairn Oil & Gas: ASF Center Tower A, 362-363, Jawala Mill Road, Phase IV, Udyog Vihar, Sector 18, Gurugram -122016, Haryana, India
T +91 124 459 3000 | www.cairnindia.com

Registered Office: Vedanta Limited, 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai - 400093, Maharashtra, India | T +91 22 664 34500 | F +91 22 664 34530 | www.vedantalimited.com

CIN: L13209MH1965PLC291394



The charges were created over the entire fixed assets of Vedanta Limited which also include fixed assets of all Business Units (Aluminum, Iron Ore, Oil & Gas, etc.) as part of broader corporate financing arrangements and were not intended to, nor do they, impede the Contractor's ability to perform its obligations under the PSC. These charges were created in accordance with applicable laws and standard industry practices. The estimated amount of loan attributable to Oil and Gas assets shall be approximately Rs. 1800 crores at the time of Demerger.

Without prejudice to the foregoing, Vedanta has passed a Board Resolution dated 31 July 2025, approving initiation of the release of charges on the fixed assets used in Petroleum Operations in the block. We undertake to remove the charge on fixed assets used in Petroleum Operations within a period of six months from the date of Board Resolution or on Demerger becoming effective whichever is earlier.

This communication is issued without prejudice to our rights under the Contract and law.

Regards,



Rakesh Agiwal
Chief Policy & Regulatory Officer
MC Member, Vedanta Limited

CC : (i) Mr. Vinod Seshan, Joint Secretary (E)
(ii) Mr. Arun Kumar Singh, Chairman and CEO of ONGC
(iii) Mr. Kuldip Mukherji, ED- Chief, MC Member, ONGC





13th August 2025

RJ25/RA08/L023

To:

Directorate General of Hydrocarbons
OIDB Bhawan, Plot No -2, Sector-73,
Noida-201301

Attention: Mr. Sachiv Kumar
ADG (Development)

Subject: Block-RJ-ON-90/1: Material Breach of the Production Sharing Contract (PSC)
dated 15.05.1995

Reference: Letter No. DGH/RJ-ON-90/1/External borrowing/2025/1 dated 04.08.2025

Dear Sir,

This is with reference to the captioned letter issued by DGH seeking details of the loans taken by the Operator and alleging "material breach" of the Production Sharing Contract (PSC) for the Rajasthan Block.

We would like to clarify that the charge created by the Operator is over fixed assets, and not the Petroleum Assets/Reserves. The PSC does not define Petroleum Assets/Reserves. We understand that the term 'Petroleum Assets' mean assets which are in the nature of 'petroleum' or derivatives of petroleum and will not include the fixed assets purchased for use in Petroleum Operations. The charge has been created to the extent of the Operator's participating interest in the fixed assets used for Petroleum Operations in the block and not on Petroleum assets, Petroleum Reserves or Production of Petroleum as stipulated in Article 5.6 g of the PSC. In view of the above, it is submitted that there is no breach of the PSC.

Notwithstanding the foregoing, the term "material breach" has not been defined under the PSC. A "material" breach of contract has been held by judicial precedents to be a breach that strikes so deeply at the heart of the contract that it renders the agreement "irreparably broken" and defeats the purpose of making the contract in the first place. The essence is that the breach must go to the very root of the agreement between the parties. Clearly, there is no such 'material breach' in the instant case. The charge created by the Contractor does not pose any hindrance in the performance of the Contractor's obligations and the Contractor continues to fulfil its obligations under the PSC. It is submitted that Hon'ble Supreme Court of India has held in number cases that approval can be sought *ex post facto*, i.e., a post-decisional approval can be taken. Hence, Article 30 of the PSC cannot be invoked.

VEDANTA LIMITED

cairn Oil & Gas: ASF Center Tower A, 362-363, Jawala Mill Road, Phase IV, Udyog Vihar, Sector 18, Gurugram -122016, Haryana, India
T +91 124 459 3000 | F +91 124 414 5612 | www.cairnindia.com

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CIN: L13209MH1965PLC291394



The charges were created over the entire fixed assets of Vedanta Limited which also include fixed assets of all Business Units (Aluminum, Iron Ore, Oil & Gas, etc.) as part of broader Corporate financing arrangements and were not intended to, nor do they, impede the Contractor's ability to perform its obligations under the PSC. These charges were created in accordance with applicable laws and standard industry practices. The estimated amount of loan attributable to Oil and Gas assets shall be approximately Rs. 1800 crores at the time of Demerger.

Without prejudice to the foregoing, Vedanta has passed a Board Resolution dated 31 July 2025, approving initiation of the release of charges on the fixed assets used in Petroleum Operations in the block. We undertake to remove the charge on fixed assets used in Petroleum Operations within a period of six months from the date of Board Resolution or on Demerger becoming effective whichever is earlier.

This communication is issued without prejudice to our rights under the Contract and law.

Regards,



Rakesh Agiwal
Chief Policy and Regulatory Officer
MC Member – RJ-ON-90/1 Block

Cc: (i) Mr. Vinod Seshan, JS (E), MoPNG & DG-DGH
(ii) Mr. Arun Kumar Singh, Chairman & CEO, ONGC
(iii) Mr. Kuldeep Mukherjee, ED-Chief, MC Member





हाइड्रोकार्बन महानिदेशालय

पेट्रोलियम और प्राकृतिक गैस मंत्रालय
भारत सरकार

DIRECTORATE GENERAL OF HYDROCARBONS

Ministry of Petroleum & Natural Gas
Government of India

DGH/Ravva/1/Extenalborrwing/2025/1

dt: 04.08.2025

To,

Mr. Jasmin Sahurity

COO Cairn Oil & Gas (Vedanta Ltd.)
ASF Center , Tower A
Plot No. 362-363, Jwala Mill Road
Udyog Vihar, Phase IV, Sector-18
Gurugram-122016 (Haryana)

Subject: **Block-Ravva:** Material Breach of the Production Sharing Contract (PSC) dated 28.10.1994

Sir/Madam,

Whereas Production Sharing Contract (PSC) for the above block has been executed between Government of India and M/s Vedanta Limited (Operator), ONGC, Videocon Industries Ltd, Ravva Oil (Singapore)Pte Ltd. on 28th October 1994.

Whereas, it has come to the notice of the Government of India / Directorate General of Hydrocarbons (DGH) that, in connection with the scheme of demerger (C.P.(CAA)/79/MB/2025 in CA(CAA)/171/MB/2025) filed before the Hon'ble National Company Law Tribunal (NCLT), Mumbai, M/s Vedanta Limited has raised loans/debts and secured the same by creating charges/mortgages over the Oil & Gas assets pertaining to Ravva Block.

For further clarity, you are called upon to provide the details of the loans in following format within 15 days of receipt of this letter:

TRUE COPY

DSK LEGAL
ADVOCATES & SOLICITORS



We Care

OIDB BHAWAN, TOWER-A, PLOT NO. 2, SECTOR-73, NOIDA - 201 301

दूरभाष/Phone : +91-120-2472000 फेक्स/Fax : +91-120-2472049

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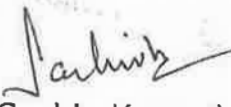
Loan no. with name of borrower	A/c	Bank Name	Type of Loan and loan sanction date	Details of Asset Mortgaged/pledged	Loan Amount Sanction and Balance loan amount as on 15.07.2025

The above action of M/s Vedanta Limited constitutes material breach of the PSC and accordingly *inter alia* attract Article 31 of the PSC.

In view of above, the Contractor is advised to explain within 15 days from the date of this notice as to why action should not be initiated for material and fundamental breach of the PSC.

This communication is without prejudice to the rights and remedies available to the Government of India under the PSC and applicable laws.

Yours sincerely,


(Sachiv Kumar)
ADG(Development)

Copy To

1. DG-DGH
2. Chairman & CEO, ONGC
3. JS(E), MoPNG
4. Kuldeep Mukherjee, MC Member





हाइड्रोकार्बन महानिदेशालय

पेट्रोलियम और प्राकृतिक गैस मंत्रालय
भारत सरकार

DIRECTORATE GENERAL OF HYDROCARBONS

Ministry of Petroleum & Natural Gas
Government of India

DGH/RJ-ON-90/1/External borrowing/2025/1

dt:04.08.2025

To,

Mr. Jasmin Sahurity

COO Cairn Oil & Gas (Vedanta Ltd.)

ASF Center , Tower A

Plot No. 362-363, Jwala Mill Road

Udyog Vihar, Phase IV, Sector-18

Gurugram-122016 (Haryana)

Subject: Material Breach of the Production Sharing Contract (PSC) dt. 15.05.1995 Block RJ-ON-90/1.

Sir

Whereas Production Sharing Contract (PSC) for the above block has been executed between Government of India and M/s Vedanta Limited (Operator), Cairn Energy Hydrocarbon Limited and ONGC.

Whereas Article 5.6 (g) of the PSC provides as under:

5.6 The following matters shall be submitted to the Management Committee for approval:

g) any proposed mortgage, charge or encumbrance on Petroleum assets, Petroleum reserves or Production of Petroleum;

And whereas Article 30.2 (g) of the PSC provides as under:

30.2 This Contract may, subject to the provisions herein below and Article 31, be terminated by the Government upon giving ninety (90) days written notice of its intention to do so in the following circumstances, namely, that the Company:

g) fails to comply with or contravenes the provisions of this Contract in a material particular; or



We Care

OIDB BHAWAN, TOWER-A, PLOT NO. 2, SECTOR-73, NOIDA - 201 301

दूरभाष/Phone : +91-120-2472000 फैक्स/Fax : +91-120-2472049

TRUE COPY

DSK LEGAL
ADVOCATES & SOLICITORS

Whereas, it has come to the notice of the Government of India / Directorate General of Hydrocarbons (DGH) that, in connection with the scheme of demerger (C.P.(CAA)/79/MB/2025 in CA(CAA)/171/MB/2025) filed before the Hon'ble National Company Law Tribunal (NCLT), Mumbai, M/s Vedanta Limited has raised loans/debts and secured the same by creating charges/mortgages over the Oil & Gas assets pertaining to Block RJ-ON-90/1 , without obtaining prior approval from the Management Committee as required under Article 5.6(g) of the PSC.

For further clarity, you are called upon to provide the details of the loans in following format within 15 days of receipt of this letter:

Loan no. with name of borrower	A/c with name of borrower	Bank Name	Type of Loan and loan sanction date	Details of Asset Mortgaged/pledged	Loan Amount Sanction and Balance loan amount as on 15.07.2025

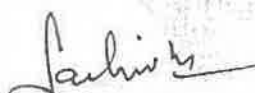
The above action of M/s Vedanta Limited constitutes material breach of the PSC and accordingly *inter alia* attract Article 30 of the PSC.

In view of above, the Contractor is advised to explain within 15 days from the date of this notice as to why action should not be initiated for material and fundamental breach of the PSC.

This communication is without prejudice to the rights and remedies available to the Government of India under the PSC and applicable laws.

This has the approval of DG-DGH.

Yours sincerely


(Sachiv Kumar)
ADG (Development)

Copy To

1. DG-DGH
2. Chairman & CEO, ONGC
3. JS(E), MoPNG
4. Kuldeep Mukherjee, MC Member



Prateek Kumar

From: Prateek Kumar
Sent: 30 September 2025 22:45
To: 'hemant sethi'
Cc: Rimali Batra; Jash Shah; Abhishek Lalwani
Subject: Written Submissions on behalf of Government of India, represented by Ministry of Petroleum and Natural Gas in CA 230 of 2025
Attachments: Written Submissions on behalf of MoPNG - CA 230 of 2025.pdf

Tracking:	Recipient	Delivery
	'hemant sethi'	
	Rimali Batra	Delivered: 30-09-2025 22:45
	Jash Shah	Delivered: 30-09-2025 22:45
	Abhishek Lalwani	Delivered: 30-09-2025 22:45

Dear Sir,

We are concerned for our Client, Government of India, represented by the Ministry of Petroleum and Natural Gas.

Please find attached herewith a copy of Written Submissions on behalf of our Client, as and by way of service upon you.

Kindly acknowledge the receipt of this email.

Thanks & Regards,

Prateek Kumar
Associate
+91 91228 82828

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