

Vedanta demerger receives approval from shareholders and creditors

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SECTIONS

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Synopsis

The demerger seeks to establish five independent, globally scaled companies specializing in aluminium, iron ore, copper, oil and gas, and power generation. This restructuring aims to streamline operations, improve efficiency, and enable Vedanta's management to focus on individual business segments. By optimizing asset utilization and capital allocation, the move is expected to enhance overall business performance and growth.



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As part of the demerger scheme, each Vedanta shareholder will receive one additional share in all four newly demerged companies upon completion.

Vedanta's proposal to demerge into five independent, sector-focused companies has received overwhelming approval from its shareholders and creditors. According to the company's stock exchange filing, the demerger was approved by 99.9987% of shareholders, 99.5900% of secured creditors, and 99.9588% of unsecured creditors who voted in favour of the proposal.

Under the demerger scheme, every Vedanta shareholder will receive one additional share in each of the four newly demerged companies upon completion of the process.

The five companies are Vedanta Aluminium, one of the world's largest producers of aluminium; Vedanta Oil & Gas, India's largest private-sector crude oil producer, Vedanta Power, one of India's largest generators of power; Vedanta Iron and Steel, a company with a highly scalable ferrous portfolio, and Vedanta Limited, which will include the world's second-largest integrated zinc producer & third largest silver producer, in [Hindustan Zinc](#).

Vedanta Limited will also serve as an incubator for emerging businesses, including its technology verticals.

The demerger aims to create five independent, globally scaled companies specializing in mining, production, and the supply of aluminium, iron ore, copper, oil and gas, and power generation. By streamlining operations and enhancing efficiency, Vedanta's management will be able to focus more sharply on individual business segments, optimizing asset utilization and capital allocation.

Additionally, the demerger will allow each independent company to attract specialized investors, strategic partners, and lenders, fostering deeper collaborations and expansion without affecting the broader organization. Investors will also gain the flexibility to invest in businesses aligned with their risk appetite and market outlook. The restructuring is expected to provide sharper access to capital markets (both debt and equity), unlocking significant value across the newly formed entities.

Vedanta Limited currently operates a diversified portfolio spanning metals, mining, oil and gas, power generation, and emerging sectors. As a listed entity, the demerger remains subject to statutory, governmental, and regulatory approvals, including clearance from the National Company Law Tribunal (NCLT) and other sectoral authorities.

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