

Vedanta demerger: NCLT approves Talwandi Sabo Power scheme

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The National Company Law Tribunal (NCLT), Mumbai Bench, has given the green light to the Scheme of Arrangement involving mining major Vedanta Limited and its subsidiary, Talwandi Sabo Power Limited (TSPL).

In an order delivered on January 9, 2026, the tribunal gave its nod to the scheme that includes Talwandi Sabo Power Limited (TSPL), Vedanta Aluminium Metal Limited, Malco Energy Limited, and Vedanta Iron and Steel Limited.

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According to the rationale filed with the tribunal, the company stated that the nature of risk and competition in the power business is distinct from Vedanta's other natural resource verticals, warranting a separate entity to enable focused and sharper capital market access.

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The NCLT also addressed operational continuity, directing that all employees engaged in the Merchant Power Undertaking will become employees of TSPL without any break or interruption in service and on terms not less favourable than their current employment.

The restructuring is set to significantly alter the financial profile of the resulting entity. Citing the Independent Auditor's Certificate, the order notes that the net worth of Talwandi Sabo Power is projected to surge from Rs 3,606 crore (pre-demerger) to Rs 8,207 crore post-demerger. Conversely, Vedanta Limited's net worth is estimated to adjust to Rs 43,230 crore from Rs 46,533 crore following the transfer of assets.

The order confirms that the share entitlement ratio of 1:1 remains unchanged for the demerger of the Merchant Power Undertaking. The share capital of TSPL will be altered to mirror the shareholding of the Demerged Company, ensuring that existing Vedanta shareholders retain their proportionate interest in the new entity.

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