

REPORT OF THE AUDIT & RISK MANAGEMENT COMMITTEE OF VEDANTA LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN VEDANTA LIMITED ("DEMERGED COMPANY" OR "VEDL") AND VEDANTA PROPERTY PLATFORMS LIMITED ("RESULTING COMPANY" OR "VPPL") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON JULY 30, 2026 AT 09:30 AM (IST) AT CHENNAI

The following members of the Audit & Risk Management Committee ("**Committee**") were present through video conferencing during the Meeting:

1. Mr. Rajarangamani Gopalan - Chairperson
2. Mr. Prasun Kumar Mukherjee - Member
3. Dr. Meena Hemchandra - Member
4. Mr. S.V. Murali Dhar Rao - Member

The following were present through video conferencing during discussion on the proposed Scheme:

By Invitation:

1. Mr. Arun Misra – Executive Director
2. Mr. Ajay Goel – Group CFO
3. Mr. Rahul Arora – Head Reporting & Controlling
4. Mr. Vinit Bansal – Head FP&A
5. Mr. Gaurav Vijayvergiya – AVP Finance, Business Restructuring
6. Ms. Mansi Bhutani – Deputy Manager, Corporate Secretarial

In Attendance:

1. Ms. Perna Halwasiya - Company Secretary & Compliance Officer

1. Background

1.1 A meeting of the Audit & Risk Management Committee of Vedanta Limited was held on July 30, 2026, to consider and, if thought fit, recommend to the Board of Directors ("**Board**") of Vedanta Limited, the proposed scheme of arrangement ("**Scheme**") between Vedanta Limited ("**Demerged Company**" or "**VEDL**") and Vedanta Property Platforms Limited ("**Resulting Company**" or "**VPPL**"), and their respective shareholders and creditors pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**"), and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("**SEBI LODR Regulations**").

1.2 The Demerged Company and the Resulting Company are collectively referred to as the "**Parties**".

1.3 The Demerged Company is a listed public limited company within the meaning of the Act. The equity shares of the Demerged Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"), (BSE and NSE are collectively referred to as the "**Stock Exchanges**"). The redeemable, non-convertible debentures of VEDL are listed on the BSE.

1.4 The Resulting Company is a company incorporated under the Act and is presently a wholly owned



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subsidiary of VEDL. However, upon the issuance of equity shares by the Resulting Company pursuant to the Potential Transactions (*as defined hereinafter*) and / or the Concurrent Scheme (*as defined hereinafter*), the share capital of the Resulting Company would vary, as a result of which, the Resulting Company would cease to be a wholly owned subsidiary of VEDL. The equity shares of the Resulting Company are presently not listed on the Stock Exchanges.

1.5 In terms of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Circular**") and to the extent applicable, the SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025 ("**SEBI Debt Circular**"), a report from the Committee recommending the draft Scheme is required, taking into consideration *inter alia* the SER Report (*as defined hereinafter*), and commenting on the need for the Scheme, rationale of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on the shareholders and cost benefit analysis of the Scheme. This report of the Committee has been made in compliance with the requirements of the SEBI Circular and SEBI Debt Circular.

1.6 The following documents were placed before the Committee for its consideration:

- (a) A draft of the Scheme;
- (b) Draft of the share entitlement ratio report, from M/s. GAA Advisory LLP, registered valuer ("**SER Report**") for the issuance of shares by the Resulting Company to the shareholders of the Demerged Company, pursuant to the Scheme, recommending the proposed fair share entitlement ratio;
- (c) Draft of the fairness opinion, from M/s. Fortress Capital Management Services Private Limited, an independent SEBI registered category I merchant banker, on the SER Report ("**Fairness Opinion**") confirming that the recommended share entitlement ratio in the draft SER Report as being fair to the shareholders;
- (d) The Statutory Auditor's Certificates from M/s. M S K A & Associates LLP, Chartered Accountants, dated July 30, 2026, certifying that the accounting treatment contained in the draft as it relates to the Demerged Company, is in compliance with applicable accounting standards specified by the Central Government under Section 133 of the Act and the rules made thereunder and specified in Paragraph (A)(5) of Part I of the SEBI Circular;
- (e) The Statutory Auditor's Certificate from M/s. M S K A & Associates LLP, Chartered Accountants, dated July 30, 2026, obtained pursuant to Paragraph (A)(6) of Part I under Annex - XII-A of Chapter XII of the SEBI Debt Circular;
- (f) Detailed note on the proposal of the Scheme along with the drafts of the investor presentation and the press release; and
- (g) Various other document(s)/ certificate(s)/ declaration(s)/ report(s)/ undertaking(s)/ submission(s)/ confirmation(s) which are incidental to the draft Scheme or any other incidental matter thereto.



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2. Salient Features of the proposed Scheme

The Committee discussed and noted the salient features of the proposed Scheme, the rationale and the need for the arrangement, synergies of the entities involved, impact of the proposed Scheme on the shareholders and cost benefit analysis of the Scheme, as set out below:

2.1 The Scheme provides for, *inter alia*:

- (a) the demerger of the Demerged Undertaking (*as defined in the Scheme*) of Demerged Company to the Resulting Company, and corresponding issuance of equity shares of Resulting Company to the shareholders of Demerged Company, and reduction and cancellation of the paid-up share capital of Resulting Company held by Demerged Company (and its nominee shareholders), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act.
- (b) various other matters consequential or otherwise integrally connected therewith, including changes to the share capital and securities premium account of the Resulting Company.

2.2 Upon the Scheme becoming effective, the Resulting Company will issue shares to the shareholders of the Demerged Company in the ratio of 1 (One) fully paid-up equity share of the Resulting Company having face value of INR 1 (Indian Rupee One) each for every 20 (Twenty) fully paid-up equity shares of INR 1 (Indian Rupee One) each of the Demerged Company, held as on the Record Date (*as defined in the Scheme*).

2.3 The consummation of Potential Transactions and / or Concurrent Scheme, and the issuance of equity shares by the Resulting Company pursuant to such Potential Transactions and / or Concurrent Scheme shall not result in any changes / adjustments to the aforesaid share entitlement ratio.

2.4 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of the Resulting Company New Equity Share (*as defined in the Scheme*), the Resulting Company shall not issue any fractional Resulting Company New Equity Share ("**Fractional Shares**") to such shareholder but shall consolidate such Fractional Shares and round up the aggregate of such Fractional Shares to the next whole number ("**Consolidated Fractional Shares**"), and issue and allot the Consolidated Fractional Shares directly to a trustee nominated by the Board of Resulting Company in that behalf, who shall sell such Consolidated Fractional Shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company in proportion to their respective Fractional Shares sold by the trustee.

2.5 Post the issuance of the shares of the Resulting Company pursuant to the Scheme, the Resulting Company shall take necessary steps to list all shares of the Resulting Company on the Stock Exchanges in terms of, and in compliance with, the SEBI Circular and other relevant provisions as may be applicable.

2.6 The Appointed Date in respect of the Scheme, shall mean the Effective Date.

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2.7 The Effective Date, in respect of the Scheme shall mean the date or the last date of the dates on which all conditions precedent set forth in Clause 18.1 of the Scheme are fulfilled, obtained or waived, as applicable in accordance with the Scheme.

2.8 The Scheme is and shall be subject to certain conditions precedent therein, including:

- (a) receipt of no-objection / observation letter from the Stock Exchanges in relation to the Scheme under Regulations 11, 37, and 94 of the SEBI LODR Regulations read with the SEBI Circular, and to the extent applicable, Regulations 59A and 94A of the SEBI LODR Regulations read with the SEBI Debt Circular;
- (b) approval of the 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, the SEBI Circular, the Applicable Law (*as defined in the Scheme*), or as may be directed by the Tribunal (*as defined in the Scheme*);
- (c) the Demerged Company complying with the provisions of the SEBI Circular, including seeking approval of its shareholders through e-voting;
- (d) sanction of the Scheme by the Tribunal under Sections 230 to 232 of the Act;
- (e) certified copy of the orders of the Tribunal sanctioning the Scheme being filed with the RoC; and
- (f) the Boards of the Demerged Company and the Resulting Company having passed a resolution confirming the effectiveness of the Scheme.

2.9 **Need and Rationale of the proposed Scheme**

The Committee noted the rationale and the benefits of the Scheme which, *inter-alia*, are as stated below:

- (a) The Demerged Company has interests in multiple businesses including metals, mining, and exploration of natural resources.
- (b) Over the years, through various acquisitions the Demerged Company has accumulated a substantial real estate portfolio comprising of non-core, and strategically located lands, built-up assets and investments in other real estate owning entities across multiple geographies, including investments in a web / GIS based focused information technology platform for tracking its real estate portfolio. The Demerged Company is dealing with these properties based on the available opportunities (like leasing, development, etc). The real estate business is currently embedded within the operating business and the real estate portfolio has been historically subject to limited focused utilisation, resulting in sub-optimal visibility of the real estate business segment and value realization. To enable focused management, improved transparency, and a more productive deployment of such real estate, the Demerged Company has initiated steps to contribute and consolidate its real estate undertaking as part of this



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Scheme. Besides the Demerged Company, certain other Vedanta group companies hold real estate assets, and the need for separate and focused approach to real estate portfolio management is equally applicable to such Vedanta group companies. The contribution and consolidation of real estate business from across the Vedanta group companies would significantly enhance the ability of the Resulting Company to carry on the Real Estate Business (*as defined in the Scheme*) in a more effective and efficient manner. In furtherance of its objective to evolve into Vedanta group's flagship company engaged in the Real Estate Business and holding a diverse portfolio of real estate assets, the Resulting Company may:

- (i) concurrently with the Scheme, explore and, if considered appropriate, implement additional schemes of arrangement with other Vedanta Group companies to acquire their real estate undertaking ("**Concurrent Scheme**"). The shares to be issued by the Resulting Company as consideration in any such Concurrent Scheme shall be determined based on the fair value of the real estate undertaking contributed thereunder relative to the fair value of the Demerged Undertaking transferred to the Resulting Company pursuant to this Scheme, and such issuances shall not result in any changes / adjustments to the aforesaid share entitlement ratio; and
- (ii) subject to commercial discussions and receipt of requisite approvals, also evaluate the potential acquisition of ownership rights, leasehold rights, development rights, usage rights, possessory rights, management rights, monetization rights, or any other similar right or entitlement in relation to the Identified Assets (*as defined in the Scheme*) of Meenakshi Energy Limited and Incab Industries Limited, both Vedanta group companies. Such acquisition shall be undertaken at fair value and in proximity to the demerger of the Demerged Undertaking pursuant to the Scheme, and in accordance with Clause 15(c) of the Scheme. The consideration for such acquisition will be settled by way of issuance of equity shares of the Resulting Company and such issuances shall not result in any changes / adjustments to the aforesaid share entitlement ratio ("**Potential Transactions**").

It is, however, clarified that the references to the Concurrent Scheme and the Potential Transactions contained herein are merely indicative of the intent and strategic objectives of the Resulting Company to hold a diversified portfolio of real estate assets, and would in no manner be construed as constituting any definitive arrangement or agreement between the Resulting Company and any other person, or as conferring any present or future right upon any person to subscribe for, acquire or be allotted any equity shares of the Resulting Company. It is further clarified that the Scheme is not dependent upon potential acquisition of real estate assets and /or businesses belonging to other Vedanta group companies as mentioned above.

- (c) To unlock the inherent value of the Real Estate Business, enable focused development, exploit the growth potential of the Real Estate Business and attract a distinct set of investors and strategic partners aligned with real estate and infrastructure development, it is proposed to consolidate the Real Estate Business of the Demerged Company under an independent, dedicated entity. Accordingly, the management of the Demerged Company is considering a carve out of the Real Estate Business of the Demerged Company into a separate focussed entity, thereby creating a pure-play real estate platform and unlocking value.



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- (d) The following benefits may accrue on demerger of the Demerged Undertaking:
- (i) creation of an independent global scale company focusing on Real Estate Business and exploring new opportunities and taking advantage of the growth potential specific to the real estate sector.
 - (ii) establishment of a centralized and integrated real estate platform that will function as a unified hub for all real estate development and infrastructure-related activities. This platform will facilitate leasing operations, township development, industrial development, and comprehensive infrastructure support services (including but not limited to education, sports, and animal welfare infrastructure), and enhance coordination, efficiency, and scalability across various intra-group projects. It will also be responsible for the optimal identification, pooling, and deployment of unutilised real estate related resources, ensuring that the real estate requirements of all Vedanta group entities are met in a timely and seamless manner through a structured internal allocation mechanism. In parallel, the Resulting Company may undertake the development and operation of special economic zones, industrial estates, and a wide spectrum of infrastructure facilities including transport systems, utilities, logistics, commercial and residential complexes, sports and social infrastructure, thereby enabling integrated industrial and urban ecosystem development to support both domestic and international trade and long-term group expansion.
 - (iii) consolidation of the Real Estate Business will enable it and the remaining businesses to operate independently, develop specialised capabilities aligned to their respective sectors, and benefit from greater management focus. This separation will facilitate a more focused operational strategy and allow each business to efficiently explore new growth opportunities including channelising resources and attracting right talent and providing enhanced growth opportunities to the existing talent in line with a strategic focus on business segments under separate entities.
 - (iv) the carve out and consolidation will enable the Resulting Company to establish a dedicated management and governance structure, leading to improved operational efficiency, capital structure, funding strategy, stronger accountability, and more effective decision-making aligned with the objectives of Real Estate Business, along with enhanced transparency through separate financial and operational disclosures, enabling clearer valuation and informed stakeholder decision-making.
 - (v) the Resulting Company can attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the Resulting Company, best suited to their investment strategies and risk profiles specific to the Real Estate Business.
 - (vi) enabling focused and sharper capital market access and thereby unlocking the value of the Demerged Undertaking and creating enhanced value for shareholders.



The Scheme is in the interest of all stakeholders of the Demerged Company and the Resulting Company. It is therefore proposed to segregate the Real Estate Business from the remaining business undertaken by the Demerged Company through the proposed Scheme.

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2.10 Synergies of business of the entities involved in the proposed Scheme

The demerger will create an independent global scale listed company focusing on Real Estate Business, enabling focused development, exploiting the growth potential of the real estate business, attracting a distinct set of investors and strategic partners aligned with real estate and infrastructure development, and also unlocking the potential value of the non-core land assets for the Company's shareholders.

The Committee noted that the Scheme does not involve merger of different businesses into the Company, but provides for demerger of the Real Estate Business entailing the benefits set out in paragraph 2.9 above.

2.11 Impact of the proposed Scheme on the shareholders

- (a) The Scheme by way of segregating the Real Estate Business is expected to be advantageous to the shareholders of the Demerged Company as it would augment revenue growth and profitability.
- (b) Further, the shareholders of the Demerged Company will have the option and flexibility to remain invested in a focused listed entity. The shareholders of the Demerged Company will also *inter alia* benefit from the strategic support to the Resulting Company provided by the Company, long term stability of the Resulting Company under the proposed demerger and continued access to synergies for the Demerged Company and the Resulting Company.
- (c) Thus, the Scheme is expected to be beneficial to the shareholders of the Demerged Company and not adversely affect the rights or interest of the shareholders.

2.12 Impact of the proposed Scheme on Directors and Key Managerial Personnel (KMP)

- (a) The Scheme is not expected to have any effect on the Directors and KMPs of the Demerged Company. The Resulting Company may, employ the concerned KMPs of the Demerged Company engaged solely with the business to be carried out by the Resulting Company without any interruption in their service and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company.
- (b) Further, ESOPs, if any, held by the Directors and KMPs of the Demerged Company shall be dealt with in the manner set out in the Scheme.

2.13 Impact of the proposed Scheme on the Holders of Listed Debt Securities of the Demerged Company



- (a) The holders of the Listed Debt Securities in the Demerged Company shall continue to hold the Listed Debt Securities in the Demerged Company even post the Scheme becoming effective on the same terms and conditions at which they were issued. The liability of the Demerged Company towards the Listed Debt Securities holders of the Demerged Company, is neither being reduced nor being extinguished under the Scheme. Thus, the rights of the holders of the Listed Debt Securities are in no manner affected by the Scheme.

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- (b) **Safeguards for the protection of holders of Listed Debt Securities:** The holders of the Listed Debt Securities will continue to hold the Listed Debt Securities, without any interruption, on same terms, including the coupon rate, tenure, redemption price, quantum, and nature of security, etc. The rights of the holders of the Listed Debt Securities are in no manner affected by the Scheme.
- (c) **Exit offer to the dissenting holders of Listed Debt Securities:** Since the holders of the Listed Debt Securities shall continue to hold their respective Listed Debt Securities even post the Scheme becoming effective, on the same terms and conditions at which they were issued, the holders of the Listed Debt Securities are not affected by the Scheme. Further, the liability of the Demerged Company towards the holders of the Listed Debt Securities, is neither being reduced nor being extinguished under the Scheme. Therefore, the Scheme does not envisage any exit offer to the dissenting holders of the Listed Debt Securities.

2.14 Cost benefit analysis of the proposed Scheme

The Committee is of the view that although the Scheme involves certain costs including transaction costs, taxes, fees and duties etc., the Scheme would also entail the benefits set out in paragraph 2.9 above and these benefits significantly outweigh the costs.

3. Recommendation of the Audit & Risk Management Committee

- 3.1 The Committee has reviewed and taken into consideration the draft SER Report and noted the recommendations that the proposed share entitlement ratio is fair and reasonable. Further, the draft Fairness Opinion has confirmed the recommended share entitlement ratio in the draft SER Report as being fair to the shareholders.
- 3.2 After due deliberations and due consideration of the draft Scheme, draft SER Report, draft Fairness Opinion, rationale of the Scheme, need for the arrangement, synergies of business of the entities involved in the Scheme, impact of the Scheme on the shareholders, cost benefit analysis of the Scheme, the Committee approves and recommends the draft Scheme for favourable consideration and approval of the Board of Directors of the Demerged Company, Stock Exchanges, SEBI and other appropriate authorities.

By the Order of Audit & Risk Management Committee


Rajarangamani Gopalan
Chairman
DIN: 01624555



Date: July 30, 2026

Place: Chennai

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