

FAQS ON THE PROPOSED DELISTING OF VEDANTA LIMITED

KEY TERMS

- **Public Shareholders:** Holders of Equity Shares, other than the following:
 - promoters, promoter group and persons acting in concert with them; and
 - holders of depository receipts issued overseas against Equity Shares held with a custodian (i.e., the American Depository Shares issued by the Company (“**ADS**”)) and such custodian holding the Equity Shares.
- **Delisting Offer / Proposal:** The proposed voluntary delisting of the Equity Shares from the Stock Exchanges in accordance with the Delisting Regulations.
- **Delisting Regulations:** SEBI (Delisting of Equity Shares) Regulations, 2009, as amended.
- **Equity Shares:** Fully paid-up equity shares of the Company.
- **Promoter / Acquirer:** Vedanta Resources Limited (“**VRL**”) and / or its subsidiaries.
- **SEBI:** The Securities and Exchange Board of India.
- **Stock Exchanges:** The recognised stock exchanges where the Equity Shares are presently listed namely, BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”).
- **Target / Company:** Vedanta Limited (“**VEDL**”).

SUMMARY OF THE PROCESS:

- **Intention to delist:** On May 12, 2020, the Promoter expressed its intention to voluntarily delist the Equity Shares in accordance with Delisting Regulations and highlighted an Indicative Offer Price of INR 87.5 per Equity Share.
- **Floor price communication:** On May 18, 2020, the Promoter communicated the floor price of INR 87.25 per Equity Share (determined in accordance with the Delisting Regulations) to the Company.
- **Board approval:** On May 18, 2020, the board of directors of Company approved the Proposal and authorised the Company, amongst other things, to seek shareholders’ approval with respect to the Proposal.

NEXT STEPS:

- **Shareholders’ approval:** The Company has sent postal ballot notice on May 25, 2020 to seek shareholders’ approval for the Delisting Offer by way of special resolution through postal ballot and e-voting. **Further actions can be taken only if it is approved with a 2:1 majority of Public**



Shareholders. This is an approval to proceed with the Delisting Offer and is not a decision on the final exit offer price.

- **In-principle approval:** Post shareholders' approval, the Company would be required to apply to Stock Exchanges seeking their in-principle approval.
- **Public announcement and dispatch of letter of offer:** Following the in-principle approval, Promoter will make a public announcement ("PA") and dispatch letter of offer (containing material information in relation to the Delisting Offer) ("LOF") along with bid form to the Public Shareholders.
- **Bidding period:** The bidding period (open for 5 working days) to be commenced within seven working days of the PA during which the Public Shareholders may tender their bids. The final exit offer price will be determined as the price at which Equity Shares accepted through eligible bids, that takes the shareholding of the Promoter (along with the persons acting in concert) to at least 90% of the paid up equity share capital of the Company, excluding the Equity Shares which are then held by a custodian and against which ADS have been issued.
- **Option to accept / reject final exit offer:** Upon the discovery of the final exit offer price, the Promoter will have the option either to accept or reject the final exit offer price. In case, the final exit offer price is not acceptable to the Promoter, it will have an option to make a counter offer within two working days from the discovery of final exit offer price.
- **Post offer announcement:** Within five working days from the closure of bid period, the Promoter will be required to make a post offer PA regarding: (a) the success of the Delisting Offer along with the final exit offer price; or (b) failure of the Delisting Offer.
- **Payment of consideration:** If the Delisting Offer is successful, the Promoter will be required to pay the consideration to Public Shareholders within 10 working days of the closure of the bidding period.
- **Final application:** After payment of consideration, the Company would make the final application to the Stock Exchanges. Upon receipt of their approval, Equity Shares will be delisted.
- **Right of remaining Public Shareholders:** The remaining Public Shareholders may tender their Equity Shares to the Promoter up to a period of one year from the date of delisting and, in such case, the Promoter will accept the Equity Shares at the final exit offer price.

PRICING AND IMPACT

1. How will the final offer price be determined for the Delisting?

The floor price for the delisting is calculated in accordance with the Delisting Regulations and the Public Shareholders are required to bid at a price either at or above the floor price during the reverse book building process. Therefore, floor price is a minimum price which is required to be offered to the Public Shareholders. The floor price for the Delisting Offer, determined in accordance



with the Delisting Regulations, is INR 87.25. The same has been certified by Price Waterhouse & Co LLP pursuant to its certificate dated May 18, 2020.

Promoter has communicated an Indicative Offer Price (“IOP”) in its letter dated May 12, 2020, wherein it expressed its willingness to accept Equity Shares tendered by the Public Shareholders at the IOP of INR 87.50.

Neither the IOP nor the floor price is the final exit offer price for the Delisting Offer. The final exit offer price is determined pursuant to the reverse book building process prescribed in the Delisting Regulations. It would be decided on the basis of bidding by the Public Shareholders during the bidding period. The final exit offer price shall be determined as the price at which Equity Shares accepted through eligible bids, that takes the shareholding of the Promoter (along with the persons acting in concert) to **at least 90%** of the paid up equity share capital of the Company, excluding the Equity Shares which are then held by a custodian and against which ADS have been issued.

The Promoter has the **discretion either to accept or reject** the final exit offer price discovered pursuant to the reverse book building process. If the final exit offer price is accepted, then, the Promoter shall accept all Equity Shares tendered where the corresponding bids placed are at the final exit offer price or at a price which is lesser than the final exit offer price.

In the event the final exit offer price is not accepted by the Promoter, it has an option to make a counter offer in accordance with the Delisting Regulations. Please also refer to FAQ no. 11 in relation to the option to make a counter offer.

2. What is the reference date for calculation of floor price?

The reference date for computing the floor price is May 12, 2020 as per the provisions of the Delisting Regulations.

3. What happens if my bid price is higher than the final exit offer price?

In cases where the bids have not been accepted, the Equity Shares tendered by the Public Shareholders during the reverse book building process shall be returned or released to them within ten working days from the closure of the bidding period.



The Public Shareholders holding such Equity Shares may tender their Equity Shares to the Promoter up to a period of one year from the date of delisting and, in such a case, the Promoter shall accept the shares tendered at the final exit offer price.

4. Does the delisting have any impact on the voting and dividend rights?

Once the Delisting Offer is successful, the Equity Shares will be delisted from the Stock Exchanges and the Company will become an unlisted public company. If a Public Shareholder has not tendered its Equity Shares during the Delisting Offer, it will continue to remain the shareholder of the Company and will have all the rights and benefits a shareholder of an unlisted public company has such as right to vote and right to receive dividends (if declared by the Company).

Post delisting of the Company, the remaining Public Shareholders holding Equity Shares may tender their Equity Shares to the Promoter up to a period of one year from the date of delisting and, in such a case, the Promoter shall accept the shares tendered at the final exit offer price.

PROCESS & TIMELINE RELATED

5. The Company has initiated a shareholder approval process via postal ballot – what is this? Will the final exit offer price be decided via this process?

As per the Delisting Regulations, a company is required to obtain (a) the approval of its board of directors; and (b) the approval of its shareholders by way of special resolution through postal ballot

The board of directors of the Company, in its meeting held on May 18, 2020, amongst other things, approved the Promoter's proposal to voluntarily delist the Equity Shares from the Stock Exchanges and authorised the Company to seek shareholders' approval by way of special resolution through postal ballot process. Accordingly, the Company has dispatched the postal ballot notice to its shareholders on May 25, 2020. Remote e-voting commences at 9:00 A.M.(IST) on Tuesday, May 26, 2020 and ends at 5:00 P.M. (IST) on Wednesday, June 24, 2020. Once the vote on the resolution is cast by a member, such member will not be allowed to change it subsequently.

In terms of the Delisting Regulations, the special resolution can be acted upon only if the votes cast by Public Shareholders in favour of the proposal amount to at least two times the number of votes cast by Public Shareholders against it.



The postal ballot process is only to seek shareholders' approval in relation to the Delisting Offer. The final exit offer price will not be decided through this process. As mentioned above, the final exit offer price will be determined pursuant to the reverse book building process as specified under the Delisting Regulations.

6. When does the reverse book building process begin? How am I supposed to tender shares and indicate a price in this process?

Upon receiving all the necessary approvals including the shareholders' approval and in-principle approval from the Stock Exchanges, the Promoter will issue a PA and dispatch the LOF and the bid form to the Public Shareholders of the Company. The PA and LOF shall contain details of the next steps, including procedure and timelines for the reverse book building process.

7. Can I participate even if I don't receive the LOF and the bid form?

Yes, a Public Shareholder can participate in the Delisting Offer and make bids even if it did not receive the LOF and the bid form.

8. When is the Delisting Offer deemed to be successful? When are the shares delisted from the stock exchanges?

The Delisting Offer shall be considered successful if the Equity Shares accepted through the Delisting Offer takes the shareholding of the Promoter (along with persons acting in concert) to at least 90% of the paid-up equity share capital of the Company, excluding the shares which are then held by a custodian and against which ADS have been issued, and if the Promoter accepts the final exit offer price (which is determined in accordance with the reverse booking building process) in accordance with the Delisting Regulations.

After the success of the Delisting Offer and payment of consideration to the Public Shareholders who have tendered their Equity Shares, the Company will make the final application to the Stock Exchanges. Upon the receipt of the approval of the Stock Exchanges, the Equity Shares will be delisted.

9. Is the Promoter required to deposit any amount in an escrow account?

In terms of the Delisting Regulations, before making the PA, the Promoter will be required to deposit in the escrow account the total estimated amount of consideration calculated on the basis of the



floor price and number of Equity Shares outstanding with Public Shareholders. This can be done by way of a cash deposit or by a bank guarantee or a combination of both.

On determination of the final exit offer price and acceptance of the same by the Promoter, an additional sum to make up the entire sum due and payable as consideration in respect of Equity Shares outstanding with Public Shareholders will be required to be deposited in the escrow account.

10. When would I receive money for tendering of shares?

Upon success of the Delisting Offer, the Promoter would be required to make a post offer PA, amongst other things, informing its acceptance of the final exit offer price and the success of the Delisting Offer. All the Public Shareholders whose Equity Shares are verified to be genuine shall be paid the final exit offer price within ten working days from the closure of the bidding period.

11. What will happen if the Delisting Offer fails?

The Promoter is not bound to accept the Equity Shares at the final price discovered pursuant to the reverse book building process. If the final exit offer price is not acceptable to the Promoter, it may either reject the offer or has the option to make a counter offer to the Public Shareholders in accordance with the Delisting Regulations. In the event, a counter offer is made and is successful in accordance with the Delisting Regulations, the final exit offer price would be the counter offer price in accordance with the Delisting Regulations.

Where the Promoter decides to: (a) not accept the discovered final exit offer price; or (b) the counter offer is not successful, then the Delisting Offer will fail.

In case of failure of the Delisting Offer,

- (a) the Equity Shares tendered by the Public Shareholders during the reverse book building process shall be returned or released to him, within ten working days from the end of the bidding period;
- (b) no final application will be made to the Stock Exchange for delisting of the Equity Shares;



- (c) the escrow account opened by the Promoter for the purposes of the Delisting Offer shall be closed; and

- (d) the Company shall continue to be listed on the Stock Exchanges.

12. What is the process for American Depositary Shares (ADS) holders?

In accordance with the Delisting Regulations, the holders of ADS will not be entitled to participate in the Delisting Offer, unless they convert their ADS into Equity Shares.

If the Delisting Offer is successful and the Equity Shares are delisted from the Stock Exchanges, then the Promoter intends to delist the ADS issued by the Company from New York Stock Exchange (“**NYSE**”) and deregister the Company from the U.S. Securities and Exchange Commission (“**SEC**”), subject to the requirements of the NYSE and the SEC.

13. Am I mandatorily required to participate in the Delisting Offer? What will happen if the Delisting Offer is successful and I have not participated?

It is not mandatory to participate in the Delisting Offer. If the Delisting Offer is successful (discussed above), the Equity Shares will be delisted from the Stock Exchanges and the Company will become an unlisted public company. If a Public Shareholder has not tendered its Equity Shares or its Equity Shares have not been accepted because the price quoted by the Public Shareholder was higher than the final exit offer price (determined as per the reverse book building process) during the Delisting Offer, it may tender its Equity Shares to the Promoter up to a period of one year from the date of delisting and, in such a case, the Promoter shall accept the shares tendered at the final exit offer price.