

National Stock Exchange Of India Limited

Ref: NSE/LIST/29117_II

April 07, 2022

The Company Secretary
Vedanta Limited
1st Floor, C wing, Unit 103,
Corporate Avenue, Atul Projects,
Chakala, Andheri (East),
Mumbai- 400093

Kind Attn.: Ms. Prerna Halwasiya

Dear Madam,

Sub: Observation Letter for draft scheme of Arrangement between Vedanta Limited and its Shareholders.

We are in receipt of draft scheme of **Arrangement between Vedanta Limited and its Shareholders.** vide application dated November 23, 2021.

Based on our letter reference no. NSE/LIST/27734_I submitted to SEBI and pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”), kindly find following comments on the draft scheme:

- a. *As per SEBI Circular dated Feb 01, 2022 read with Master Circular, the company is required to submit “No Objection Certificate” (NOC) from the lending scheduled commercial banks/ financial institutions debentures trustees, from not less than 75% of the secured creditors in value.*
- b. *Company is advised to separately and prominently disclose to the shareholders and NCLT (National Company Law Tribunal) via the Draft Scheme of arrangement documents following information/ facts:*
 - i) *The rationale for transferring Rs. 12,587 Crore standing to the credit of General Reserves to the Retained Earnings of the company for the previous financial years.*
 - ii) *explain the purpose behind the proposed transfer of funds from one of the free reserve account to another account through the scheme.*
- c. *Company shall ensure that all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the company, its promoters and directors, before Hon’ble NCLT and shareholders, while seeking approval of the scheme shall be disclosed.*

- d. *Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchanges, and from the date of receipt of this letter is displayed on the websites of the listed company and the Stock Exchanges.*
- e. *The Company shall ensure compliance with the aforesaid Master Circular.*
- f. *The Company should ensure that the information pertaining to all the unlisted companies involved in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018 in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*
- g. *The Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*
- h. *The Company shall ensure that the details of the proposed scheme under consideration shall be prominently disclosed in the notice sent to the shareholders.*
- i. *Company shall ensure no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI*
- j. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- k. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchange(s). Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from April 07, 2022 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>