

DCS/AMAL/MJ/R37/2249/2021-22

“E-Letter”

April 19, 2022

The Company Secretary,

Vedanta Limited

1st Floor, 'C' Wing,
Unit 103, Corporate Avenue,
Atul Projects, Chakala,
Andheri (East), Mumbai-400093.

Dear Sir,

Sub: Observation letter regarding the Scheme of between Vedanta Limited and its Shareholders.

We are in receipt of the Draft Scheme of Arrangement of Vedanta Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated March 04, 2022, has inter alia given the following comment(s) on the draft scheme of Arrangement:

- **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.**
- **“Company shall ensure that additional information or undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”**
- **“Company shall duly comply with the various provisions of the Master Circular.”**
- **“Company is advised that the information pertaining to all the 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.”**
- **“Company shall ensure that the financials in the Scheme including financials considered for valuation report are not for period more than 6 months old.”**
- **“Company shall ensure to separately and prominently disclose to the shareholders and NCLT via the draft scheme of arrangement documents following information/facts:**
 1. **The rationale for transferring Rs. 12,587 Crore standing to the credit of the General Reserves to the Retained Earnings of the Company for the previous financial years.**
 2. **Explain the purpose behind the proposed transfer of funds from one of the free reserve account to another account through the scheme.**
- **“Company shall ensure that it discloses 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.”**
- **“Company shall ensure that the details of the proposed scheme under consideration as provided to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.”**

- “Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.”
- “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 obliged to bring the observations to the notice of NCLT.”
- “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 SEBI again for its comments/observations/representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

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 company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' 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 Agreement, Guidelines/Regulations issued by statutory authorities. Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the

company.

Yours faithfully,

Sd/-
Prasad Bhide
Manager