The CMSP also amends the MMDR Act and allows joint ventures between (i) a Government company or corporation and the central and state government or any other company and (ii) a company or a joint venture company between two or more companies, to mine coal blocks, either for its own consumption or for sale or for any other purpose in accordance with the reconnaissance permit, prospecting licence or mining lease.

The MLAA has also brought forth amendments in the CSMP, whereby the (i) end-use restriction for bidding in the auction of mining concessions have been removed; (ii) use of coal is permitted in the allottees subsidiary/holding company provided the specific end-use remains common; and (iii) enabling compensation for land and mine infrastructure for instances of termination of allocation of the coal mines.

Coal Mines (Special Provisions) Amendment Rules, 2020

In light of the amendments effected by the MLAA, the Ministry of Coal vide a gazette notification dated 29 May 2020 published the Coal Mines (Special Provisions) Amendment Rules, 2020 to further amend the Coal Mines (Special Provisions) Rule, 2014 hereby bringing the rules to be in parity with the changes made by the MLAA.

Other Mining laws

Working conditions of mine labourers are regulated by the Industrial Relations Code and it sets forth standards of work, including number of hours of work, leave requirements, medical examination, weekly days of rest, night shift requirements and other requirements to ensure the health and safety of mine workers.

Other mining laws and regulations that may be applicable to the company include the following: Mining Lease (Modification of Terms) Rules, 1956; The Mines Rules, 1955; and Metalliferous Mine Regulations, 1961. The Ministry of Coal has also issued various guidelines including Guidelines for Preparation of Mining Plan for the Coal and Lignite Blocks issued on 4 April 2011, further modified by Guidelines for Preparation of Mining Plan for coal blocks issued on 8 May 2018, further modified Guidelines for Preparation of Mine Closure Plan issued on 7 January 2013, and the Guideline for Preparation of Mining Plan for the Coal dated 15 July 2015, and further modified by Guidelines for Preparation of Mining Plan for the Coal and Lignite Blocks issued on 16 December 2019.

Oil and Gas Laws

Vedanta's oil and gas business is governed by various oil and gas laws and is regulated by the MoPNG. The MoPNG is the principal regulator of oil and natural gas exploration and production in India. The MoPNG established the Directorate General of Hydrocarbons in 1993 to promote the sound management of Indian petroleum and natural gas resources with due regard to the environmental, safety, technological and economic aspects of petroleum activities. The Directorate General of Hydrocarbons is responsible for, *inter alia*, ensuring correct reservoir management practises, reviewing and monitoring exploratory programmes, the development plans of oil companies, and monitoring the production and the optimal utilisation of gas fields.

The MoPNG oversees the Oil Industry Safety Directorate, which develops standards for safety, fire-fighting, training programmes and information dissemination, and conducts periodic safety audits of all petroleum-handling facilities. It also oversees the Oil Industry Development Board, which provides financial and other assistance for the conductive development of the oil industry. The safety standards prescribed by the Oil Industry Safety Directorate, and the safety regulations prescribed by the Directorate General of Mines Safety in respect of onshore petroleum mining installations, must be complied with.

Oil and natural gas exploration activities are governed by the Oilfields (Regulation and Development) Act, 1948, as amended ("ORDA Act"). This legislation provides for the regulations of oilfields and for the development of mineral oil resources, including natural gas and petroleum. The ORDA Act empowers the GOI to frame rules on the granting of mining leases and petroleum exploration or prospecting licences, the conservation and development of mineral oils, the production of oil, and the regulation of oilfields.

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The Petroleum and Natural Gas Rules, 1959, as amended ("PNG Rules") provides the framework for the granting of petroleum exploration licences and petroleum mining leases. The PNG Rules prohibits the prospecting or exploitation of any oil or gas unless a licence or lease has been granted under the PNG Rules. A petroleum mining lease entitles the lessee to an exclusive right to extract oil and gas from the relevant contract area. Petroleum exploration licences and petroleum mining leases are granted by the MoPNG for offshore areas and by the relevant state governments, with the prior approval of the GOI, for onshore areas. A notification dated 24 July 2018 amended the PNG Rules to redefine the term "petroleum" to mean any naturally occurring hydrocarbon in the in the form of natural gas or in a liquid, viscous or solid form, or a mixture thereof, in order to open exploration of hydrocarbons in existing fields, in line with the Hydrocarbon Exploration Licensing Policy, 2016.

The Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, as amended regulates the exploration and exploitation of resources of the continental shelf and exclusive economic zone.

The Essential Commodities Act, 1955, as amended makes provisions controlling the production, supply and distribution of certain essential commodities, which include petroleum and petroleum products.

The Petroleum Act, 1934, as amended ("Petroleum Act") provides that no person shall produce, refine, blend, store or transport petroleum except in accordance with the rules framed by the GOI under the Petroleum Act. The Petroleum Rules, 2002, as amended now regulate these activities.

The Petroleum and Natural Gas Regulatory Board Act, 2006, as amended provides for the establishment of the Petroleum and Natural Gas Regulatory Board. The board regulates the refining, processing, storage, transportation, distribution, marketing and sale of petroleum products and natural gas (excluding production of crude oil and natural gas).

The Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962, as amended provides the framework governing the acquisition of right of user in land for laying pipelines for the transportation of petroleum and minerals and other matters connected therewith. This law is limited to the acquisition procedure, restrictions on use of land and compensation payable to the persons interested in the land.

The MoPNG through its notification no. O-32011/4/2013-ONG-I dated 30 March 2016 introduced a new exploration and licencing policy named Hydrocarbon Exploration and Licensing Policy ("HELP"). This is a fundamental change in the Indian oil and gas sector, which introduces a new contractual and fiscal model for the award of hydrocarbon acreages. Four main facets of HELP are: single licence, open acreages, revenue sharing model and marketing and pricing freedom.

The MoPNG through its notification no. O-22013/27/2012-ONG-D-V(Vol-II) dated 21 March 2016 introduced the policy for marketing including pricing freedom for the gas to be produced from discoveries in deepwater, ultra-deepwater and high-pressure temperature areas. This policy is applicable to all discoveries in deep water/ultra-deep water/high temperature-high pressure areas which are yet to commence commercial production as of 1 January 2016 and to all future discoveries in such areas. As per the policy the producers will be allowed marketing freedom including pricing freedom subject to a ceiling price on the basis of landed price of alternative fuels. The MoPNG has by way of notification no. O-32011/4/2013-ONG-I dated 30 June 2017 has introduced the Open Acreage Licensing Policy (Modalities for operationalisation-Hydrocarbon Exploration and Licensing Policy) for the bidding process for exploration and development of oil and gas blocks in India under the HELP. Further, the MoPNG has by way of notification no. O-22013/6/2016-ONG-D-V(Part)(FTS-44334) dated 25 June 2018 has introduced the Policy framework for streamlining operations, relaxation of timelines and delegation of powers to DG, the DGH under PSCs for streamlining the operations under the production sharing contracts.



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Power Sector

Vedanta's power sector is regulated by laws relating to power and electricity generation. Under the Electricity Act, 2003, as amended from time to time (the "Electricity Act"), transmission and distribution of, and trading in, electricity require licences from the appropriate Central or State Electricity Regulatory Commissions (respectively, "CERCs" and "SERCs", and collectively, "ERCs"), unless exempted in accordance with the Electricity Act. CERC has jurisdiction over generating companies owned or controlled by the GOI or which have a composite scheme for generation and sale in more than one State. SERCs have jurisdiction over generating stations within State boundaries, except those under CERC's jurisdiction. The respective ERC determines the tariff for supply of electricity from a generating company to a licensee, transmission, wheeling, and retail sale of electricity. The Electricity Act was amended in 2007 to exempt captive power generation plants from licencing requirements.

The Electricity Act allows generating companies open access to transmission lines. The provision of open access is subject to the availability of adequate transmission capacity as determined by the Central or State Transmission Utility. Under the Electricity Act, ERCs determine tariff for supply of electricity by a generating company (as well as for transmission, wheeling and retail sale of electricity).

The Electricity (Amendment) Bill 2014 ("2014 Bill") seeks to segregate the distribution network business and the electricity supply business, and introduce multiple supply licensees in the market. The Bill introduces a supply licensee who will supply electricity to consumers. The distribution licensee will maintain the distribution network and enable the supply of electricity for the supply licensee. Further, the Electricity (Amendment) Bill 2016 ("2016 Bill") which was introduced on 11 July 2016, in addition to the amendments sought to be introduced by the 2014 Bill, seeks to enhance the use of non-conventional energy systems using renewable sources of energy in rural areas and formulate policies accordingly.

The draft Electricity (Amendment) Bill 2020 which was introduced on 17 April 2020, seeks to *inter alia* (i) delegate the Central Government with the power to prepare and notify a National Renewable Energy Policy for *inter alia* promotion of generation of electricity through renewable sources and prescribe rules and guidelines to facilitate cross border trade of electricity and (ii) creation and functioning of the Electricity Contract Enforcement Authority, who shall have the authority to adjudicate upon matters on performance of obligations under a contract regarding sale, purchase and transmission of electricity.

Additionally, the Electricity Rules, 2005 (the "Electricity Rules") prescribe a regulatory framework for developing captive generating plants. Pursuant to the Electricity Rules, a power plant shall qualify as a captive power plant only if not less than 26% of ownership is held by captive users and not less than 51% of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for captive use. In case of a generating station owned by a company formed as a special purpose vehicle, the electricity required to be consumed by captive users is to be determined with reference to such unit or units identified for captive use and not with reference to the generating station as a whole and equity shares to be held by the captive users must not be less than 26% of the proportionate equity interest of the company related to the generating unit or units identified as the captive generating plant.

Environmental Laws

Vedanta's business is subject to environmental laws and regulations. The applicability of these laws and regulations varies from operation to operation and depends on jurisdiction in which Vedanta operates. Vedanta's operations require environmental and other permits covering, amongst other things, water use and discharges, stream diversions, solid waste disposal and air and other emissions. Major environmental laws applicable to Vedanta's operations, as amended from time to time, include the Environment (Protection) Act, 1986 as amended, Forest (Conservation) Act, 1980 of India as amended, and the Forest Conservation Rules, 2003 as amended, Hazardous Wastes (Management and Transboundary Movement) Rules, 2016, Water Act, as amended, Air Act as amended, The Coal Mines (Nationalisation) Act, 1973 as amended, or Coal Nationalisation Act as amended, Coking Coal Mines (Nationalisation) Act, 1972 as amended, Coal Mines (Taking Over of Management) Act, 1973 as amended, Coking Coal Mines (Emergency Provision) Act, 1971 as amended, Coal Bearing Areas (Acquisition and Development) Act, 1957 as amended, Coal Mines (Conservation and Development) Act, 1974 as amended and the New Coal Distribution Policy, 2007 as amended.



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The Environmental Protection Act, 1986 as amended from time to time, the Water (Prevention and Control of Pollution) Act, 1974 as amended from time to time and the Air (Prevention and Control of Pollution) Act, 1981 as amended from time to time provide for the prevention, control and abatement of pollution. Pollution control boards have been set up in states in India to exercise the powers under these statutes to prevent and control pollution. Companies must obtain the clearance of state pollution control boards before emitting or discharging effluents into the environment.

In case the project value exceeds ₹1 billion for a new project or ₹500 million for the expansion of existing oil and gas exploration and production project, the project would also require the approval of the MoEF.

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("HWMTM Rules 2016"), as amended, encourages disposal of waste farther away from the source of generation. It promotes transboundary movement of hazardous wastes. Further, the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2019 has prohibited the import of solid plastic wastes and provides that industries that do not require consent under Water (Prevention and Control of Pollution) Act 1974 and Air (Prevention and Control of Pollution) Act 1981, will be exempted from requiring authorisation also under the HWMTM Rules 2016.

Employment and Labour Laws

Vedanta is subject to various labour, health and safety laws which govern the terms of employment of Vedanta's labourers at the mining and manufacturing facilities, their working conditions, the benefits available to them and the general relationship between the management and such labourers. These employment laws applicable to Vedanta, as amended from time to time, include, *inter alia,* the Industrial Relations Code, the Occupational Safety, Health and Working Conditions Act, 2020, as amended and the Code of Wages, 2019, as amended.

Corporate Laws

In addition to the above, Vedanta is required to comply with the provisions of the Companies Act, 2013, as amended, Companies Act, 1956, to the extent applicable, and rules framed thereunder, and other applicable statutes imposed by the central or the state government and authorities for the day-to-day business and operations. Vedanta is also subject to various central and state tax laws.

Moreover, there are various rules and regulations which are framed and amended from time to time by the SEBI in order to regulate the functioning of the securities market, which Vedanta is required to comply with.

The Insolvency and Bankruptcy Code, 2016 (Bankruptcy Code) as amended was notified on 5 August 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

Under the Bankruptcy Code, upon initiation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor (except related party of the corporate debtor) is given a voting share proportionate to its admitted claim against the company. Any decision of the committee of creditors must be taken by a vote of either 50% or 66% of the voting share of all financial creditors (other than for withdrawal of an application by which corporate insolvency resolution process was initiated, which requires 90% of the total voting share of the committee of creditors). Any resolution plan approved by committee of creditors is binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other

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stakeholders involved in the resolution plan. In case the corporate debtor is subjected to liquidation process, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. In this order of priority, the insolvency resolution and liquidation process costs rank higher than the admitted claims of secured creditors. Secured creditors may decide to opt out of the liquidation process, in which case they are permitted to realise their security interests separately should they choose to do so. As per the Reserve Bank of India's annual report for the Fiscal Year 2019, the Insolvency and Bankruptcy Code has aided and gradually improved the recovery process in relation to stressed assets.

However, in light of to the outbreak of the COVID-19 pandemic, by a notification dated 24 March 2020 issued by the Ministry of Corporate Affairs, the minimum amount of default to initiate insolvency proceedings has been increased from to ₹0.1 million to ₹10 million.

The Bankruptcy Code has further been amended by Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 ("Bankruptcy Code Amendment") whereby no application for initiation of corporate insolvency resolution process of a corporate debtor shall ever be filed for any default arising on or after 25 March 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified in this behalf.

Indian Takeover Code

The Indian Takeover Code governs acquisition of shares or voting rights of an Indian listed company. Depending upon the facts and circumstances, any person (including an existing shareholder) is required to/can make a tender offer to acquire shares from the public shareholders of the Indian listed company in accordance the provisions of the Indian Takeover Code. Certain general and specific exemptions from making a tender offer are also available to eligible persons under the Indian Takeover Code.

Disclosures of encumbrances under the Indian Takeover Code

As per the Indian Takeover Code inter alia, the promoter of an Indian listed company is required to disclose the details of encumbrance (as defined under the Indian Takeover Code) on shares created by it or persons acting in concert with it ("PAC") in the listed company. The promoter required to disclose the specified details within seven Working Days from the date of creation or invocation or release of such encumbrance, as the case may be, to: (a) the stock exchanges where the shares of the Indian listed company are listed; and (b) the Indian listed company at its registered office.

Further, the Indian Takeover Code requires that a disclosure be made: (a) when a person acquires shares or voting rights in Indian listed company, which taken together with the shares or voting rights, if any, held by it and by PAC if any, aggregating to 5% or more of the shares of a Indian listed company; and (b) a person, who together with PAC, if any, holds shares or voting rights entitling them to 5% or more of the shares or voting rights in a Indian listed company, is required to disclose a change in shareholding if such change exceeds 2% from the last disclosure made by such person (and PAC, if any). For such disclosure, shares taken by way of encumbrance are required to be treated as an acquisition and shares given upon release of encumbrance are required to be treated as a disposal. This disclosure is required to made within two Working Days from the date of acquisition of disposal of shares or voting rights of an Indian listed company, to (a) the stock exchanges where the shares of the Indian listed company are listed; and (b) the Indian listed company at its registered office.

Restrictions on financial assistance

Section 67 (2) of the Indian Companies Act, 2013 restricts public companies from providing any financial assistance by way of loans, guarantee, security or otherwise (directly or indirectly) for purchase of its shares or shares of its holding company.



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Capital infusion in public sector banks

The Government of India on 23 August 2019 announced capital infusion of up to ₹700 billion in public sector banks with the intention of boosting lending and improving liquidity in the Indian public sector banking circle. This infusion is expected to generate an additional lending and liquidity in the financial system to the tune of ₹5 trillion.

Regulatory measures on account of COVID-19

On 27 March 2020, the GOI announced a ₹1,700 billion relief package to boost economic activities during the COVID-19 pandemic. As of the date of this Offering Circular, additional relief packages amounting to ₹30,000 billion have also been announced. The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated 27 March 2020, 22 May 2020 and 6 August 2020, and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated 22 May 2020, 6 August 2020, and 9 October 2020, announcing certain regulatory measures with an aim to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic and revive growth on business and financial institutions in India. The RBI's Statement sets out various developmental and regulatory policies that directly address the stress in financial condition caused by the COVID-19 pandemic. They consist of: (i) expanding liquidity in the system to ensure that financial markets and institutions are able to function normally in the face of COVID-19 related dislocations; (ii) reinforcing monetary transmission so that bank credit flows on easier terms are sustained to those who have been affected by the pandemic; (iii) easing financial stress caused by the COVID-19 pandemic disruptions by relaxing repayment pressures and improving access to working capital; and (iv) improving the functioning of markets in view of the high volatility experienced with the onset and spread of the pandemic. The significant features of this package are *inter alia* as below:

(a) restriction from declaring any further dividend payouts from the profits pertaining to Fiscal Year 2020 until further instructions;

(b) permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft ("CC/OD"), falling due between 1 March 2020 and 31 August 2020, subject to the fulfilment of certain conditions;

(c) modifying the RBI (Prudential Framework for Resolution of Stressed Assets) Direction, 2019 (Prudential Framework) for accounts which were within the review period/resolution period as on 1 March 2020, such that the entire moratorium period from 1 March 2020 till 31 August 2020 would be excluded from the calculation of the 30 day review period and 180 day resolution period.

(d) permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/credit overdraft facilities by reducing the margins till the extended period, being 31 August 2020, and permitting lending institutions to restore the margins to the original levels by 31 March 2021;

(e) permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to 30 June 2021;

(f) deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from 1 March 2020 to 31 August 2020;

(g) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to 31 August 2020) into a funded interest term loan which shall be repayable not later than the end of the current Fiscal Year (being 31 March 2021);

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(h) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in (ii) above, from the number of days past-due for the purpose of asset classification under the asset reclassification norms, in respect of accounts classified as standard as on 29 February 2020, even if overdue; and

(i) providing refinance facilities of ₹650 billion to all India financial institutions (AIFIs) – the National Bank for Agriculture and Rural Development (NABARD); the Small Industries Development Bank of India (SIDBI); the National Housing Bank (NHB); and EXIM Bank for meeting the requisite funding requirements of various sectors.

Taxation Laws (Amendment) Act 2019

The general corporate tax rate in India is 25% (plus surcharge and cess) and 30% (plus surcharge and cess). However, to promote economic growth, the Taxation Laws Amendment Act, 2019 introduced a concessional tax regime for Indian companies pursuant to which (a) Indian companies incorporated on or after 1 October 2019 commencing manufacturing on or before 31 March 2023, can opt to offer the income to tax at an effective tax rate 17.16% and (b) other Indian companies can opt to offer the income to tax at the effective rate of 25.17%; subject to certain prescribed conditions and after foregoing certain benefits/exemptions. In both these cases, the provisions of MAT would not be applicable.

Under this new enactment the company can choose to opt for the new tax rates in the financial year 2019-20 (i.e. assessment year 2020-21) or in any other financial year in the future. Once the company exercises this option, the chosen provision will apply for all subsequent years.

Additionally, the Taxation Laws (Amendment) Act, 2019 reduced the MAT rate from 18.5% (plus surcharge and cess) to 15% (plus surcharge and cess) with effect from the financial year 2019-20 (not relevant for companies which opt to be taxed under the concessional tax regime as discussed above).

Regulation of Foreign Investment

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act, 1999, as amended ("FEMA") which relates to regulation primarily by the Reserve Bank of India (RBI) and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, GOI, which is regulated by the Foreign Investment Promotion Board. The FEMA regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or specific permission of the RBI. Vedanta is also required to comply with FEMA and the rules and regulations made thereunder as amended from time to time, which primarily governs foreign investment in India.

Dividends are freely repatriable without any restrictions (net after tax deduction at source or DDT, if any, as the case may be). The repatriation is governed by the provisions of the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time.

Further, RBI has placed certain restrictions and conditions for the use of debt funds in India which are raised in the overseas market by overseas holding/group companies of Indian companies where such Indian companies account for sole/major operations of the Group. Under the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2018 read together with the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations, FED Master Direction No. 5/2018-19 dated 26 March 2019, issued by the RBI, as amended, modified or replaced from time to time by any rules, regulations, notifications, circulars, press notes or orders issued by the RBI or other Indian governmental agency in relation to external commercial borrowings ("ECB Guidelines"). ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires prior RBI approval. Under the ECB Guidelines, foreign currency denominated ECB and Rupee denominated ECB can be availed. ECBs up to $750 million or equivalent can be raised under the automatic route in each financial year:



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a. The ECB should be in compliance with applicable minimum average maturity period, all-in-cost, end use restrictions and other applicable limits under the ECB Guidelines;

b. The loan agreement should have a security clause requiring the ECB borrower to create/cancel charge, in favour of overseas lender/security trustee, on immovable assets/movable assets/ financial securities/issuance of corporate and/or personal guarantee; and

c. No objection certificate from the existing lenders in India has to be obtained for creation of charge.

Once the aforesaid conditions are met, the AD Bank can allow creation of charge on immovable assets, movable assets, financial securities and issue of corporate and/or personal guarantee during the currency of the ECB in compliance with the conditions laid down in respect of kinds of security created under the revised ECB framework. Indian companies are also not allowed to use funds raised abroad unless it is in compliance with the general or specific permissions that are stipulated under ECB Guidelines.

National Infrastructure Pipeline

The GOI, in the Union Budget of Fiscal Year 2021, had announced the launch of the National Infrastructure Pipeline (NIP). Based on the final report dated 29 April 2020 on National Infrastructure Pipeline, as part of its 'Infrastructure Vision 2025' and to attract private investments, the GOI intends to invest up to $1.5 trillion (₹111 trillion) over the Fiscal Years 2020-2025 in greenfield and brownfield infrastructure projects that have a project cost greater than ₹1 billion.

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DESCRIPTION OF THE ISSUER

The Issuer is a company incorporated in England and Wales on 20 March 2019. The registered office of the Issuer is at 8th Floor 20 Farringdon Street, London, United Kingdom, EC4A 4AB and its business address is at 30 Berkeley Square, 4th Floor, London W1J 6EX, and the telephone number is +44 (20) 7499-5900. The Issuer is a wholly owned subsidiary of Vedanta Resources Holdings Limited, which is a wholly owned subsidiary of the Company.

Business Activity

The Issuer is a finance vehicle for Vedanta. Other than issuing the Bonds, the Guaranteed Bonds and activities incidental thereto, it has not engaged in any other material business activities.

The issuance of the Bonds was approved by the Board of Directors of the Issuer at a meeting of the Board of Directors held on 29 November 2020 and 9 December 2020.

Management

The directors of the Issuer are:

- Deepak Kumar; and
- Mansoor Siddiqi

Capitalisation

The Issuer has an issued and paid up share capital of GBP 50,000, comprising 50,000 shares of GBP 1 per share each.

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DESCRIPTION OF THE INITIAL SUBSIDIARY GUARANTORS

Twin Star Holdings Ltd.

Twin Star is a company incorporated in Mauritius on 12 January 1993. The registered office of Twin Star is at c/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis 11324, Mauritus, and the telephone number is +230 212 9800. Twin Star is a wholly owned subsidiary Vedanta Resources Holding Ltd, which is a wholly owned subsidiary of the Company.

Business Activity

Twin Star is a finance vehicle for Vedanta. Other than holding investments and activities incidental thereto, it has not engaged in any other material business activities.

The guarantee of the Bonds was approved by the board of directors of Twin Star at a meeting of the Board of Directors held on 27 November 2020 and by the resolution of its shareholders on 27 November 2020.

Management

The directors of Twin Star are:

- Bhavana Banymandhub; and
- Sevin Chendriah.

Capitalisation

Twin Star has an issued and paid up share capital of $236,802,800, comprising 236,802,800 shares of $1.00 per share each.

Welter Trading Limited

Welter is a company incorporated in Cyprus on 11 May 2006. The registered office of Welter is at 28th Oktovriou Street, 205 Louloupis Court, 1st Floor P.C. 3035, Limassol, Cyprus, and the telephone number is +357 25873000. Welter is a wholly owned subsidiary of Vedanta Resources Cyprus Limited, which is an indirect subsidiary of the Company.

Business Activity

Welter is a finance vehicle for Vedanta. Other than holding investments and activities incidental thereto, it has not engaged in any other material business activities.

The guarantee of the Bonds was approved by the board of directors of Welter at a meeting of the Board of Directors held on 29 November 2020 and by the resolution of its shareholders on 29 November 2020.

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Management

The directors of Welter are:

- Popi Savva; and
- Alexis Tsielepis.

Capitalisation

Welter has an issued and paid up share capital of EUR3,420, comprising 2,000 ordinary shares of EUR1.71 per share each.



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MANAGEMENT

The following table sets forth certain information regarding Company's Directors and executive officers and senior management as of 30 June 2020.

Name	Nationality	Age	Position
Board of Directors[1]			
Anil Agarwal	Indian	67	Executive Chairman
Navin Agarwal	Indian	59	Executive Vice Chairman
Geoffrey Green	British	70	Non-Executive Director
Deepak Parekh	Indian	75	Non-Executive Director
Ravi Rajagopal	British	65	Non-Executive Director
Edward Story	American	77	Non-Executive Director
Executive Committee			
Sunil Duggal	Indian	57	Chief Executive Officer, Vedanta Limited
Arun Kumar GR	Indian	47	Chief Financial Officer
Sharad Kumar Gargiya	Indian	47	Chief Commercial Officer, Group
Madhu Srivastava	Indian	46	Chief Human Resources Officer, Group
Dilip Golani	Indian	53	Director, Management Assurance
Arun Mishra	Indian	57	Deputy Chief Executive Officer, HZL
Laxman Shekhawat	Indian	52	Anchor, Zinc International Division and CMT
Pankaj Kumar	Indian	51	Chief Executive Officer, Vedanta Limited Copper
Andrew Lewin	Australian	60	Head, Group Health, Safety, Environment and Sustainability
James Cartwright	British	48	Head — Investor Relations
Sauvick Mazumdar	Indian	49	Chief Executive Officer, Iron Ore Business
Ajay Kapur	Indian	53	Chief Executive Officer, Aluminium and Power
Rahul Sharma	Indian	46	Chief Executive Officer, Alumina
Pankaj Malhan	Indian	46	Chief Executive Officer, ESL
Vikas Sharma	Indian	54	Chief Executive Officer, TSPL
Abhijit Pati	Indian	55	Chief Executive Officer, BALCO
Chhavi Nath Singh	Indian	58	Chief Executive Officer, Jharsuguda
Roma Balwani	Indian	61	Director, Communications & Brand
Dhiraj Nayyar	Indian	44	Director, Economics & Policy
Vineet Bose	Indian	43	SPOC, Group Legal
Leena Verenkar	Indian	49	Head — CSR

Note:

(1) On 31 March 2020, Ekaterina Zotova resigned from her position as the Non-Executive Director of the Company. On 5 April 2020, Mr Srinivasan Venkatakrishnan resigned from his position as the Chief Executive Officer and Director of the Company.

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Other than those interests and relationships disclosed in "*Principal Shareholders*" and "*Related Party Transactions*", no conflicts of interest exist between the private interests of the management team and the interests of the Company.

Directors

The Company's Board is chaired by Mr Anil Agarwal. The other members of the Board are Messrs. Navin Agarwal, Geoffrey Green, Deepak Parekh, Ravi Rajagopal and Edward Story. The business address of each of the Directors is 30 Berkeley Square, London WIJ 6EX.

Executive Directors

Mr Anil Agarwal was appointed to the Board in May 2003 and became the Executive Chairman in March 2005. He founded Vedanta in 1976 and under his stewardship, Vedanta has grown from an Indian domestic miner into a global natural resources group with a world-class portfolio of large, diversified and structurally low-cost assets. With over four decades of strategic experience, Mr Agarwal has led Vedanta which has grown its annual revenues from $1 million to over $11 billion. Vedanta has invested over $30 billion in India and South Africa on organic growth projects, and created a diversified portfolio of oil and gas, zinc, silver, copper, iron ore, aluminium and steel. His entrepreneurial style of identifying and turning around companies has led Vedanta's expansive and profitable growth. Mr Agarwal is committed to eradication of poverty through development initiatives within the communities in which Vedanta operates. He is passionate about safety and sustainable development and nurturing talent within the organisation. Mr Agarwal plays the role of chief mentor to a talent pool of over 100,000 direct and indirect employees.

Mr Agarwal created the philanthropic arm of Vedanta, The Vedanta Foundation, with a deep-seated belief that businesses must give back to the society and help them prosper. He has pledged 75% of his wealth for social good. He initiated the Nandghar project which aims to transform the lives of 20 million women and 85 million children by providing them holistic development opportunities. Mr Anil Agarwal is also the Chairman of Vedanta Limited, non-executive chairman of Sterlite Technologies Limited, chairman of Black Mountain Mining Limited and director of Conclave PTC Limited.

Mr Navin Agarwal joined the board in November 2004 and became Vice Chairman in June 2005. With more than 35 years of strategic executive experience, Mr Agarwal spearheads Vedanta's growth strategy through a mix of organic projects and acquisitions. He has led Vedanta's commitment to the highest standards of corporate governance and enhanced engagement with key stakeholders. Mr Agarwal is passionate about mentoring talent and has created a culture of excellence through use of advanced technologies and global best practices. He plays a pivotal role in providing direction for development of the top leadership talent at Vedanta. Mr Agarwal has been a votary of sustainable development and is committed to women empowerment and promotion of sports at all levels. Mr Agarwal was formerly the Chairman of Vedanta Limited and chairman of Cairn India Limited until its merger with Vedanta Limited.

Non-Executive Directors

Mr Geoffrey Green was appointed to the Board in August 2012. He is also the Chairman of the Company's Remuneration Committee and a member of the Audit Committee. Mr Green has a wealth of knowledge in respect of UK corporate governance, regulatory and strategic matters, with many years of legal and commercial experience advising major UK listed companies on corporate and governance issues, mergers and acquisitions and corporate finance. He was formerly a partner of the leading international law firm, Ashurst LLP from 1983 to 2013 and served as Ashurst's senior partner and chairman of its management board for 10 years until 2008. He was subsequently appointed as head of the firm's expanding Asian practice from 2009 to 2013, based in Hong Kong. Mr Green is currently also the non executive chairman of the Financial Reporting Review Panel, one of the main subsidiary bodies of the Financial Reporting Council and an independent non-executive director of Pharos Energy plc. He has a degree in law from Cambridge University and qualified as a solicitor at Ashurst LLP.



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Mr Deepak Parekh is the chairman of Housing Development Finance Corporation, India's leading financial services conglomerate with a presence in banking, asset management, life insurance, general insurance, real estate, venture funds and education loans. He was appointed to the Board in June 2013. He is also the non-executive chairman of Siemens Ltd, India and serves as a director on the Boards of National Investment and Infrastructure Fund (NIIF), Fairfax Holdings Corporation and DP World. In addition, he is on the Indian advisory boards of Coca Cola India and Accenture and international advisory boards of Nomura Holdings Inc and Warburg Pincus LLC. Mr Parekh was the first international recipient of the Institute of Chartered Accounts in England and Wales outstanding achievement award in 2010. He received the Padma Bhushan in 2006, Knight in the Order of the Legion of Honour in 2010 and the Bundesverdienstkreuz. Mr Parekh is the Company's Senior Independent Director and also a member of the Company's Audit, Remuneration and Nominations Committees.

Mr Ravi Rajagopal joined the Board in July 2016 and is currently a member of Vedanta's Audit Committee. He is currently also an independent director of Airtel Africa plc and chair of its Audit Committee; chairman of Fortis Healthcare Limited and its subsidiary, SRL Diagnostics Ltd, an independent director of Fortis Malar Ltd, a listed company, chairman, JM Financial Services, Singapore, which is a wholly owned subsidiary of JM Financial and a trustee of the Science Museum Foundation, UK.

Prior to joining Vedanta, Mr Rajagopal was a member of Diageo's India advisory board, which he formed in 2008 and led until 2015; CFO for Europe and Group Financial Controller at Diageo plc; Global Head of M&A at Diageo plc (1996-2015), had business responsibility for Diageo plc's spirits business across sub-Saharan Africa; and held progressively senior roles from 1979 across five different businesses for ITC India (a BAT plc associate in India). He was also formerly a nominee non-executive director of United Spirits, India 2013-2016. Mr Rajagopal has a degree in Commerce from Madras University and is a fellow of the Institute of Chartered Accountants of India and the Cost and Works Accountants of India. He has also completed the Advanced Management Program at Harvard Business School.

Mr Edward Story was appointed to the Board in June 2017. He serves as a member of the Company's Audit Committee. Mr Story is the president and chief executive officer of Pharos Energy plc, an international oil and gas exploration and production company listed on the London Stock Exchange with operations in Vietnam, Israel and Egypt. He brings to the Board over 50 years of global experience in the oil and gas industry, having previously held a number of senior executive positions at various international oil and gas companies such as Snyder Oil Corporation, Conquest Exploration Company, Superior Oil Company, Exxon Corporation and Esso Standard Oil. He was formerly also a non-executive director of Cairn Energy and more recently, a non-executive director of Cairn India until its merger with Vedanta Limited. Mr Story holds a Bachelor of Science degree from Trinity University, San Antonio, Texas, a Master's degree in Business Administration from the University of Texas and an honorary Doctorate degree by the Institute of Finance and Economics of Mongolia.

Executive Committee

Sunil Duggal: Mr. Sunil Duggal was appointed as the Chief Executive Officer & Whole-time Director of HZL in 2015. He had worked in HZL since 2010 as Executive Director and thereafter became the Chief Operating Officer in the year 2012 and Deputy Chief Executive Officer in 2014. On 6 April 2020, he was appointed as the Chief Executive Officer of Vedanta Limited. Mr. Duggal is a result oriented professional with over 36 years of experience of leading high-performance teams and more than 20 years in leadership positions. He is known for his ability to calmly navigate through tough and challenging times, nurture and grow a business, evaluate opportunities and risks and successfully drive efficiency and productivity whilst reducing costs and inefficiencies and deliver innovative solutions to challenges. His thrust on adopting best-in-class mining and smelting techniques, state of art environment friendly technologies and mechanization, automation and digitalization of operational activities has added great value. Mr. Duggal was born in Amritsar and holds a bachelor's degree in electrical engineering from Thapar Institute of Engineering and Technology, Patiala. He has participated in leadership development and management development programmes at the International Institute for Management Development, Lausanne, Switzerland and the Indian Institute of Management, Kolkata, India. He is also serving as Vice Chairman — International Zinc Association, President — Federation of Indian Mineral Industries, President — Indian Lead Zinc Development Association. Recently, he has also been appointed as the Chair of Confederation of Indian Industry National Committee on Mining.

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Arun Kumar GR: Mr Kumar was appointed as the Chief Financial Officer of the Company in September 2016. Arun joined the Company in 2013 as Chief Financial Officer for the Company's Aluminium and Power business. In 2014, he moved into the role of Executive Vice President Finance and Deputy Chief Financial Officer, as part of which he was responsible for enhancing the capability of the finance function in the areas of accounting, risk management, driving value creation, strategic planning, re-financing, board reporting and governance and direct taxation. As a Chartered Accountant, Arun has over 21 years of experience at global companies such as Hindustan Unilever and General Electric. Prior to joining the Company, Arun was the Chief Financial Officer for General Electric's Asia-Pacific Lighting and Appliances business based out of Shanghai.

Sharad Kumar Gargiya: Mr. Sharad Gargiya was appointed as Chief Commercial Officer of Vedanta on 5 April 2020. Previously, he was appointed as Chief Commercial Officer of HZL on February 2019. He has been working with Vedanta since October 1998 and has held key senior leadership roles in both finance and commercial functions across the Group. He has been an integral part of Group Ethics Committee since 2016 and is an active member of Group's insurance council for over five years. Mr. Sharad is a versatile leader and has over 21 years of experience in leading high-performance teams, developing and executing strategic initiatives, driving business excellence, and cultural transformation. He has contributed significantly in unlocking the business value through his leadership and strategic roles at Telecom Cable, Copper, Aluminium and Power business and Zinc. He is a result oriented professional and is extremely passionate about sustainability and resource productivity. His proven track record of adopting best-in-class technologies enables the Group to achieve an increased efficiencies and optimized cost with a focus on building automation and digitalisation of operational activities. He believes defining 'personal success' as his ability to make 'others successful'. Mr. Sharad is a qualified Chartered Accountant and Bachelor of Commerce. He was born in Rajasthan and came from a humble background. He also attended the General Management Program from Harvard Business School in 2011.

Laxman Shekhawat: Mr. Shekhawat was appointed as a member of the Management Committee of Vedanta Zinc International and CMT on 24 April 2020, where he will be anchoring the Management Committee of Vedanta's Zinc International Division and CMT to drive business growth. Previously, Mr. Shekhawat held the role of Director — Operations of HZL from February 2019. He holds a bachelor's degree in engineering in mining and has been working with HZL since 1990. With an experience of 28 years in mining and engineering, Mr Shekhawat has served in various leadership positions in mining and engineering companies for more than a decade. He is instrumental in developing and executing strategies to unlock the full potential of mines and bring the best practices in mining portfolio. In 2017, he was awarded with prestigious "National Geoscience Award" from the President of India.

Madhu Srivastava: Ms. Srivastava was appointed as the Chief Human Resource Officer of the Group in December 2018. She has been associated with the Group for more than seven years and previously, she was the Chief Human Resource Officer of the Cairn Oil and Gas business and was leading the Talent Acquisition and Diversity and Inclusion functions for the Group. Under her leadership, the Group has implemented robust human resource policies, progressive people practises and frameworks for talent acquisition and talent management across the Group. Ms. Srivastava has an overall experience of 20 years across human resource as well as sales, marketing and operations, spanning the Fast-Moving Consumer Goods (FMCG), telecom, Information Technology Enabled Service (ITES), Banking, financial services and insurance (BFSI) and natural resources industries. Ms. Srivastava had started her professional journey in 1999 with Godrej where she handled sales in Gujarat and Maharashtra and later moved to the corporate sales and marketing role. Post working with companies like GE Capital and Reliance in operations and marketing profiles, she started her Human Resources journey in 2006 by joining Genpact as Assistant Vice President, Talent Acquisition where she led the middle management hiring. She then went on to lead the recruitments for Citibank's India operations as Vice President, human resource before joining the Group in 2012. Madhu has completed her Post Graduate Diploma in Management (PGDM) in marketing and sales, from Indian Institute of Management, Ahmedabad.



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Dilip Golani: Mr. Golani currently heads the Group's Management Assurance Services function. He previously headed the sales and marketing division for HZL and the Group's performance management function. Prior to joining the Group in April 2000, Dilip Golani was member of the Unilever corporate audit team responsible for auditing the Unilever group companies in Central Asia, Middle East and Africa region. Prior to that, he was responsible for managing operations and marketing functions for one of the exports businesses of Unilever India. He has over 31 years of experience and has previously worked with organisations such as Union Carbide India Limited and Ranbaxy Laboratories Limited. Dilip Golani holds a bachelor's degree in mechanical engineering and has completed his post-graduate studies in industrial engineering and management from National Institute of Industrial Engineering, Mumbai, India.

James Cartwright: Mr. Cartwright joined Vedanta on 15 October 2019 and was appointed as Head of Investor Relations for the Group. He is working towards enhancing the quality, depth and diversity of our shareholder base & investors to ensure optimum valuation for the Company. Mr. Cartwright has 25 years of rich leadership experience in capital markets, specifically across natural resources including oil & gas, utilities & handling of the environmental, social and corporate governance community. Prior to joining Vedanta, James was Managing Director of the Institutional Equities Division of Morgan Stanley. He also has worked with UBS Investment Bank & Merrill Lynch Europe. He holds a bachelor's degree with Honours in Geology from Bristol University.

Andrew Lewin: Mr. Lewin joined us as Group Health, Safety, Environment & Sustainability Head since February 2020. He has over 32 years of experience within mining and oil & gas industries. He was previously the Managing Director at Spectrum Risk Consulting, Australia. He also previously held a number of senior roles at BHP Billiton, Newmont Mining Corporation and other companies across the United States, Australia and the United Kingdom with responsibility for health, safety, environment and sustainability assurance. He has a Doctor of Philosophy in Chemistry from University of Waterloo and Postgraduate Diploma in Health and Safety from Aston University. He also holds a Master of Science in Physics from The University of Manchester, and a Bachelor of Science (Hons) in Chemistry from University of Bristol.

Sauvick Mazumdar: Mr. Mazumdar was appointed as Chief Executive Officer (Interim) of Sesa Goa Iron Ore Business on 12 July 2019. Prior to this role he was the Deputy Chief Executive Officer of Iron Ore Business and Vice President since 1 October 2016. Mr. Sauvick is a well-seasoned executive with 24+ years of extensive experience, having built a solid reputation for achieving business growth through strategic direction, diverse perspectives and positive leadership. He is presently responsible for the overall operations and expansion projects of the Iron Ore Business within India — Goa & Karnataka along with Value Added Business (Pig Iron, Met coke, and Power), Jharkhand, Bellary and overseas projects — Liberia. Mr. Sauvick holds a B. Tech degree in Mining Engineering from National Institute of Technology, Surathkal Karnataka and a First Class Mines Manager's Certificate of Competency from Directorate General of Mines Safety, Ministry of Labour & Employment, Govt. of India, Dhanbad.

Pankaj Kumar: Mr. Kumar was appointed the Chief Executive Officer of Vedanta's copper operations in Tuticorin, Silvassa and Fujairah Gold FZC and director of MEL in March 2019. In his career of over 26 years, Pankaj has worked with large conglomerates like Tata Steel, Mittal Steel, Adani ports, Gujrat Guardian Limited and United Breweries Limited. Prior to joining us, at Sterlite Copper as Chief Executive Officer he was the Chief Operating Officer of HZL. Pankaj hold bachelor's degree in Technology (Hons.) from Indian Institute of Technology Kharagpur and Post Graduate diploma in Business Management specialised in Operations Management and Information Technology from XLRI-Xavier School of Management, Jamshedpur, India.

Arun Mishra: Mr. Mishra joined Vedanta on 20 November 2019 as Deputy Chief Executive Officer of HZL. Prior to Vedanta, Arun worked with Tata Steel as Vice President — raw materials. He has 31 years of rich and diverse experience in Tata Steel where he was instrumental in leading projects, plant and mining operations. He is Vice President of Indian Institute of Mineral Engineers. Mr. Mishra has done his bachelor's in electrical engineering from Indian Institute of Technology, Kharagpur, diploma in mining and beneficiation from University of New South Wales and diploma in general management from The European Centre for Executive Development (CEDEP), France.

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Pankaj Malhan: Mr. Malhan is the Chief Executive Officer (Acting) & Whole Time Director of ESL and joined ESL in October 2018. Pankaj Malhan holds a Bachelor's in Technology in Instrumentation & Control from National Institute of Technology, Jalandhar, India, and also has done Post-graduate Diploma in Business Management from XLRI-Xavier School of Management, Jamshedpur, India. Pankaj Malhan joined ESL from Tata Steel, where he was the Head — Engineering and Project. He was responsible for leading Tata Steel's capital expansion programme in the area of iron making. He has been associated with Tata Group since 2000 and has held various senior management positions at Tata Steel, Tata Blue Scope Steel Limited and Tata power Limited. Prior to joining Tata Group, he has worked with Indian Acrylics Limited and Fisher Rosemount Limited.

Ajay Kapur: Mr. Kapur was appointed as Chief Executive Officer, Aluminium and Power in March 2019. Ajay leads the Aluminium and Power business for Vedanta comprising of 2.3 mtpa installed smelter capacity, 8 GW of Power and 2 mtpa of Alumina Refinery. Prior to his appointment at Vedanta Limited, Ajay was Managing Director and Chief Executive Officer for Ambuja Cements. He started his career as an Executive Assistant to then founder and Managing Director. He went on to handle various strategic positions at Ambuja cements with his last position as Managing Director and Chief Executive Officer. Ajay Kapur holds a graduate degree in economics from St. Xavier's College, Mumbai, MBA from KJ Somaiya Institute, Mumbai and is an alumnus of Wharton's Advanced Management Program.

Abhijit Pati: Mr. Pati was appointed as Chief Executive Officer of BALCO in July 2019, prior to this he was CEO of Vedanta's Aluminium business, Jharsuguda from March 2015. Earlier he was the president and Chief Operating Officer of Vedanta's Aluminium and power business at Odisha since April 2012. He has over 31 years of experience in Aluminium industry. Prior to joining us, he was the vice president with Hindalco Industries Limited. He started his career as a budding engineer with Indian Aluminium Company in the year 1989. He was awarded with the 'Exceptional Contributor Award' from the Aditya Birla Group Chairman, Mr. Kumar Mangalam Birla for significant contribution to turn around Hirakud Aluminium Smelter in the year 2006 and won the prestigious British Sword of Honour for the Hirakud Smelter in the year 1999. He is a member of the Bureau of Energy Efficiency under Ministry of Power, GOI. He is also holding the position of Vice President in Aluminium Association of India and member of Governing body. He is two times gold medallist from prestigious institutes like Calcutta University and International Management Institute, New Delhi. Abhijit Pati has a first class honours bachelor's degree in chemical engineering from Calcutta University and a master's in business administration from International Management Institute, New Delhi.

Chhavi Nath Singh: Mr. Singh is Interim CEO of Vedanta's Aluminium Business — Jharsuguda since July 2019. Prior to this role, he was COO of TSPL. Mr CN Singh has a rich experience of 37 years in Power Industry and played a pivotal role in stabilisation of TSPL operations. He has also been in leadership roles at some of India's leading corporates in the power sector like HZL, Essar and JSW Energy, having handled diverse key responsibilities in the domestic Power sector, from the concept to commissioning. A mechanical engineer from MLN Regional Engineering College, Allahabad. Mr. CN Singh also holds a Diploma in Business Management from Management Development Institute, Gurgaon.

Vikas Sharma: Mr. Sharma was appointed the Chief Executive Officer of Vedanta's power business TSPL in July 2019 prior to which he was CEO of BALCO in March 2017. Vikas Sharma has experience of over 31 years in various national and multi-national companies. He has experience of serving HMT Watches Limited, Su-Raj Diamonds India Private Limited, AMP India Private Limited, Praxair India Private Limited, Jindal Praxair Oxygen Company Limited and JSW Steel Limited in various key positions. Vikas Sharma joined as location head of Chanderiya of HZL in 2012 and was gradually elevated to the Chief Operating Officer of smelters division of HZL in June 2014. During his tenure at HZL, he played integral role in the growth of the company and made significant contribution in smelter production. Vikas Sharma holds bachelor's degree with honours in mechanical engineering from Engineering College Kota, University of Rajasthan and a master's in business administration in marketing from Sikkim Manipal University, Gangtok, India.

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Rahul Sharma: Mr. Sharma joined the Group in 1998, and is currently Chief Executive Officer (Acting) of Alumina Business, effective April 2019, prior to which he was working as Director — Corporate Strategy (Aluminium and Power). Rahul Sharma has varied experience of over 25 years and has held leadership positions at Vedanta Limited and Sterlite Technologies Ltd. Prior to joining Vedanta he was Chief Marketing Officer (Domestic and International) and Business Head — Integrated Management System at Sterlite Technologies Ltd. He has played a significant role in driving various policies and creating a strategic framework for various government reforms for development of exploration, mining and non-ferrous metal sector in the country in the most sustainable manner. Rahul Sharma is an alumni of the Indian Institute of Management, Ahmedabad Executive General Management programme, has an MBA in Marketing and a B.E. in Electronics and Communication.

Roma Balwani: Ms. Balwani was appointed Director — Communications & Brand, since 11 October 2019. Previously, she was the Senior Advisor since April 2019 and was as President — Group Communications, Sustainability and Corporate Social Responsibility from April 2014 to August 2017. Prior to joining Vedanta, she was the Chief Communications Officer at Mahindra & Mahindra Limited. With over three decades of experience, she won several Indian and international awards and accolades and has spoken at several summits on sustainable development and communications in India and overseas. Ms. Balwani has the distinction of being included for three consecutive years in the Holmes Global Report, USA, a recognition in the Global Influence 100 listing of In-house Communicators. She is also a Director of Cockerill Maintenance & Ingénierie Flat Products Equipments (CMI FPE) and the Indian subsidiary of the Belgian company CMI. Roma also chairs the Corporate Social Responsibility Committee as a board member. She graduated from Mumbai University in Economics and has a Postgraduate Diploma in Marketing Management from Sasmiras Institute of Management Studies and Research. She also completed the Executive Management Program at Harvard Business School, the United States.

Dhiraj Nayyar: Mr. Nayyar was appointed as Director, Economics & Policy from 11 October 2019. Previously, he was the Chief Economist of Vedanta Limited since October 2018. Before joining Vedanta, he was the Officer on Special Duty and Head, Economics, Finance and Commerce at National Institution for Transforming India (NITI), Aayog, Government of India between October 2015 and October 2018. During this role, Mr. Nayyar was responsible for all policy matters related to the Departments of Economic Affairs, Revenue, Financial Services, Investment and Public Asset Management and Commerce. He was also the Secretary of the Inter-Ministerial Committee on Sick and Loss-Making Public-Sector Enterprises, Member-Secretary of NITI Aayog's Committee on Strategic Disinvestment and Member, Spices Board. Prior to joining the Government, Dhiraj spent several years in the media in senior positions. He was an India Columnist for Bloomberg View, the Managing Editor for The Quint, the Editor-at-large for Firstpost.com, the Deputy Editor for India Today and the Opinion Editor for Financial Express. Mr. Nayyar holds a Bachelor of Arts (Hons) in Economics from St. Stephen's College, Master of Arts in Philosophy, Politics and Economics from Merton College, Oxford and Master of Philosophy in Development Economics from Trinity College, Cambridge where he also pursued his doctoral research in economics and taught development economics.

Vineet Bose: Mr. Bose was appointed as the Corporate Counsel for legal matters across the Group, from 11 October 2019. In addition to this position, he also continues to hold charge as the Head — Legal of HZL. Mr. Bose joined Vedanta in February 2016 as Deputy Legal Head of HZL. He has nearly 20 years of experience in complex litigations, contract negotiations, regulatory issues, compliance assurance, advocacy and taxation matters. Prior to joining Vedanta, he worked with other organisations such as DuPont, Bharti Group, Vaish Associates (Law Firm), Bharat Sanchar Nigam Limited and Ministry of Corporate Affairs. Mr. Bose is a law graduate from Delhi University and holds a master's degree in business laws from National Law University, Bangalore. He is also a qualified company secretary and cost and management accountant.

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Leena Verenkar: Ms. Verenkar was appointed as Group Head — CSR, from 11 October 2019. In addition to this position, she also holds charge as the Chief Advocacy & PR and Head — CSR for Sesa Iron Ore Business since 2015. Previously, she was the Head — CSR of Iron Ore Goa since 2010. Ms. Verenkar started her career with Vedanta in 1996, joining the environment management & compliance team and led the environment team for 12 years. She has more than 25 years of experience in environment management, community relations, advocacy and public relationship. Ms. Verenkar holds master's degree in microbiology from Goa University and in ecology & environment from Bhopal University. She obtained the Fulbright Scholarship from a U.S. foundation in India and the LEAD fellowship by Lead India. Ms. Verenkar is also recognised as "Women Leader of the Year" by Economic Times and is included in the "100 most impactful CSR leaders" by World CSR in 2017.

Corporate Governance

The Company's shares were listed on the London Stock Exchange in 2003. Following the successful takeover by its controlling shareholder, Volcan Investments Limited ("Volcan"), Vedanta was delisted from the Official List of the London Stock Exchange on 1 October 2018. Most of Vedanta's assets and management are located in India. Two of Vedanta's subsidiaries, namely Vedanta Limited and HZL, are listed on stock exchanges in India. Vedanta Limited also has ADSs listed on the NYSE and is thus subject to NYSE listing requirements. In addition, BALCO, HZL and KCM have government appointees on their boards of directors to represent wider shareholder interests.

The Company's Executive Chairman, Mr. Anil Agarwal, is Vedanta's original promoter and founder having built Vedanta from its inception in 1976. Volcan, and its wholly owned subsidiary, Volcan Investments Cyprus Limited, is the Company's sole shareholder with 100% voting share interests.

The Board

Role and Responsibilities of the Board

The role of the Board is to provide leadership to maximise opportunities to develop the Company's portfolio of businesses profitably while assessing and managing the associated risks. The boards of directors of Vedanta's individual businesses are responsible for managing their businesses profitably while controlling risks. The Board assesses the strategic objectives of each business, monitors performance, ensures the availability of financial, management and other resources required to meet the objectives, sets Vedanta's standards of conduct and ensures that effective controls are in place to manage risk and that the interests of shareholders and other investors are observed. Vedanta's "Code of Conduct and Ethics" provides overarching standards for Vedanta's individual businesses.

The Board has adopted a schedule of matters reserved for its consideration to ensure that it is in a position to assess strategy, monitor performance and maintain effective controls while delegating operational management to the Executive Committee and Vedanta's businesses. Such matters reserved to the Board include, amongst other things, approving Vedanta's overall strategy and annual budgets, major capital expenditures, acquisitions, appointments, disposals and changes to capital structure and dividend policy.

As part of its decision-making processes the Board considers the long-term consequences of its decisions, the interests of various stakeholders including employees, the impact of Vedanta's operations on the environment and the need to maintain high standards of business. This is achieved through a prudent and robust risk management framework and internal controls and strong governance processes. Vedanta's corporate governance framework involves coordination and cooperation amongst shareholders, the Board, Board Committees and management committees.



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The Board meets on a regular basis throughout Fiscal Year 2020. The Executive Chairman also met with the Non-Executive Directors without the Executive Directors during this period. All of the Board Committees are authorised to obtain legal or other professional advice as necessary, to secure the attendance of external advisers at their meetings and to seek information from any employee of the Company in order to perform their duties.

There are four Board Committees: Nominations, Remuneration, Audit, and Sustainability. Each of the Board Committee reports directly to the Board.

Board Balance and Independence

The Board comprises the following members as of 30 June 2020:

Mr. Anil Agarwal	Executive Chairman
Mr. Navin Agarwal	Executive Vice Chairman
Mr. Geoffrey Green	Non-Executive Director
Mr. Deepak Parekh	Non-Executive Director
Mr. Ravi Rajagopal	Non-Executive Director
Mr. Edward Story	Non-Executive Director

All the Non-Executive Directors served throughout the Fiscal Year 2020 and up to the date of this Offering Circular.

The Company regards the above as an appropriate board structure. The Company considers all of its Non-Executive Directors as independent Non-Executive Directors within the meaning of "independent" and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

Executive Chairman and Group Management Committee

In an effort to continuously grow and expand with the best-in-class safety, benchmark technology and cost efficiency whilst ensuring having the right management in place to drive the business of the Group, Vedanta formed the Group Management Committee which is currently comprised of the Chief Executive Officer of Vedanta Limited and the Group's Chief Financial Officer, Chief Commercial Officer and Chief Human Resources Officer. The Group Management Committee will collectively be responsible for all key decisions taken for the growth of the Group and will handle the accountabilities which were earlier assigned to the Chief Executive Officer.

There is a clear division of the responsibilities between the running of the Board and executive responsibility for running the business, so that no one person should have undue power of decision. In 2005, the Board approved a policy to ensure a clear separation is maintained between the responsibilities of the Executive Chairman and the Chief Executive Officer (now the Group Management Committee), as detailed below:

Executive Chairman	**Group Management Committee**
• Leading the Board and ensuring that it has the resources required to function effectively; • Developing succession plans for Board appointments for Board approval;	• Ensuring effective implementation of Board decisions; • Developing operational business plans for Board approval;

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Executive Chairman	Group Management Committee
• Helping to identify strategic priorities to enhance shareholder value;	• Providing leadership to the senior management team for the delivery of the Group's operational business plans following Board approval;
• Formulating strategic plans for the Board's consideration and approval;	• Providing oversight and management of all of the Group's operations, business activities and performance including environmental, social, governance, health and safety, sustainability, investor relations and external communications;
• Identifying new business opportunities in line with the strategic plans approved by the Board;	• Managing the Group's risk profile in line with the risk appetite set by the Board;
• Engaging with the Company's shareholders and other stakeholders such as governments, communities and employees to ensure that an appropriate balance is maintained between the various interests;	• Ensuring that prudent and robust risk management and internal control systems are in place throughout the Group;
• Providing leadership to the senior management team;	• Recommending annual budgets to the Board for approval;
• Upholding the highest standards of integrity, probity and governance at Board level and throughout the Group;	• Making recommendations to the Remuneration Committee on remuneration policy and executive remuneration;
• Facilitating active engagement by all Directors and fostering an environment in which Non-Executive Directors can freely provide constructive challenge;	• Supporting the Executive Chairman in maintaining effective communications with various stakeholders;
• Evaluating the performance of the Board, Board committees and individual Directors and acting on the results of such evaluation;	• Maintaining a close working relationship with the Chairman; and
• Reviewing the training needs of the Directors for the fulfilment of their duties; and	• Leading the Executive Team.
• Ensuring that new Directors participate in a full, formal and tailored induction programme.	

Executive Committee

The Executive Committee, comprising of the senior management team within Vedanta who head the principal businesses and corporate functions, meets on a monthly basis to consider the operating performance of each of the principal subsidiaries. The Group Management Committee jointly chairs the Executive Committee and keeps the Board informed of the Executive Committee's activities. The Board's role is to set Vedanta's values and standards, determine its strategic objectives and monitor operational performance.

The Executive Committee supports the Board in fulfilling this role and is essentially responsible for operational performance including: implementing and delivering the strategic plans formulated by the Board, monitoring operational and financial performance, prioritising and allocating resources and developing and reviewing objectives and budgets with subsidiary company boards to ensure that these fall within agreed targets and parameters set by the Board. In addition, the Executive Committee approves capital expenditure (within pre-defined limits) and reviews Vedanta's Human Resources Policy and Treasury Policy.

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Nominations Committee

In conjunction with the consultation of Volcan, the Committee is responsible for leading the process for Board appointments and for keeping the balance of skills, experience, independence, knowledge and diversity, including gender on the Board under review to ensure the orderly evolution of the membership of the Board and its Committees. In identifying and nominating candidates for approval by the Board, the Committee continues to take account of the Board's aims in relation to diversity, whilst ensuring that the right people with the right range of skills and experience are on the Board and in senior management positions in the coming years.

Mr. Anil Agarwal is Chairman of the Nominations Committee. The other member is Mr. Deepak Parekh. The Group Company Secretary acts as the secretary to the Nominations Committee.

Remuneration Committee

The Remuneration Committee is responsible for setting the remuneration policy and remuneration packages for the Executive Directors and for maintaining an awareness of the overall remuneration of the key operational and financial heads within Vedanta. A significant proportion of the Executive Directors' remuneration is performance related through the annual bonus and long term incentive schemes. The fees of the Non-Executive Directors are independently reviewed and take into account the time commitments and responsibilities of the role. Mr. Geoffrey Green is Chairman of the Remuneration Committee. The other member is Mr Deepak Parekh.

Audit Committee

Strong corporate governance and risk management is a key part of Vedanta's business model and the Board and the Audit Committee continue to be focused on establishing and maintaining adequate standards of governance, risk management and internal controls over financing reporting across Vedanta. The Audit Committee oversees the financial reporting process in order to ensure that that the information provided to its shareholders is fair, balanced and understandable and allows assessment of the Company's position, performance, business model and strategy.

As disclosed in Vedanta Limited's Form 20-F filed with the SEC on 15 September 2020, the management noted a material weakness in relation to certain management review controls in Vedanta Limited's internal control over financial reporting which was identified and remediated during the year ended 31 March 2020, and which existed as of 31 March 2019. This deficiency was due to the lack of formal documentation required for the assessment of the completeness and accuracy of some key reports and maintaining sufficient evidence of their operation. Management of Vedanta Limited implemented several actions to remediate this matter, including providing necessary training to the employees executing the controls and requiring enhancement of documentation of evidence of the control operation. As an outcome of this exercise, no controls were required to be added or changed, however additional evidence is retained to support their execution. Management of Vedanta Limited successfully completed the documentation and testing of these corrective actions. As a result of these remedial measures and the testing of operating effectiveness of these controls, the management of Vedanta Limited concluded that the material weakness was successfully remediated as of 31 March 2020. On 15 September 2020, Vedanta Limited's independent registered public accounting firm, S.R. Batliboi & Co. LLP, issued an unqualified opinion that Vedanta Limited maintained effective internal control over financial reporting as of 31 March 2020, based on the COSO criteria.



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Certain of the Company's subsidiaries, by virtue of their listings on the Indian stock exchanges or the NYSE, have their own audit committees which are established in accordance with Indian or NYSE corporate governance requirements, as applicable. This provides a second level of financial oversight below Vedanta's Audit Committee which also monitors the discussions and findings of the audit committees of the Company's subsidiaries.

Mr Ravi Rajagopal is the Chairman of the Audit Committee. The other members are Mr. Deepak Parekh, Geoffrey Green and Edward Story. The Group Company Secretary acts as the secretary to the Audit Committee.

Directors' and Executive Officers' Compensation

The aggregate compensation the Company paid to its Executive Directors for Fiscal Year 2020 was $7.94 million, which includes $7.5 million paid towards short term benefits comprising salary, bonuses and allowances and $0.40 million paid towards post-employment benefits. The total compensation paid to the Company's most highly compensated executive during Fiscal Year 2020 was $3.4 million.

The aggregate compensation the Company paid its Non-Executive Directors in Fiscal Year 2020 was $0.74 million.

The following table sets forth the pre-tax remuneration for Fiscal Year 2020 for individual Directors who held office in the Company during this period. Payment is generally made in UK pounds sterling although payments in India under service contracts with Vedanta Limited are paid in Indian Rupee.

	Base Compensation	Taxable benefits	Pensions	Annual Performance Bonus	Long Term incentives	Total for Fiscal Year 2018	Total for Fiscal Year 2019	Total for Fiscal Year 2020[9][10]
				($ million)				
Executive Directors								
Anil Agarwal[1]	2.11	0.008	–	1.26	–	4.98	5.81	3.37
Navin Agarwal[2][3][7]	1.51	0.12	0.08	0.82	–	3.54	3.82	2.54
Srinivasan Venkatakrishnan[4][5][7][11]	1.27	0.15	0.32	0.29	–	–	1.35	2.03
Non-Executive Directors[6]								
Geoffrey Green	0.15	–	–	–	–	0.15	0.15	0.15
Deepak Parekh	0.17	–	–	–	–	0.16	0.17	0.17
Ekaterina Zotova	0.16	–	–	–	–	0.16	0.16	0.16
Ravi Rajagopal	0.15	–	–			0.15	0.15	0.15
Edward Story	0.12					0.10	0.12	0.12
Total	**5.63**	**0.28**	**0.40**	**2.37**	**0.00**	**9.24**	**11.73**	**8.68**

Notes:

(1) Mr Anil Agarwal's taxable benefits in kind include provision of medical benefits; car and fuel in the UK for business purposes.

(2) Mr. Navin Agarwal is based out of India and is drawing the majority of his remuneration in Indian Rupee. For Fiscal Year 2020, Mr Navin Agarwal received a Vedanta Limited salary of ₹170,617,952 ($2.41 million), Vedanta Resources Limited fees of £85,000 ($0.10 million), Hindustan Zinc Limited fees of ₹250,000 ($0.0035 million) and commission of ₹1,500,000 ($0.02 million). Additionally, Mr. Navin Agarwal has been paid gratuity amounting to ₹70,665,923 ($0.99 million) and leave encashment amounting to ₹12,520,955 ($0.18 million) during the year upon attaining the age of 58 as per company policy.

(3) Mr Navin Agarwal's taxable benefits in kind include housing and related benefits, and use of a car and driver.

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(4) Mr Srinivasan Venkatakrishnan's taxable benefits in kind include housing and related benefits, and medical benefits in the United Kingdom. Also, 80% of the remuneration mentioned above was charged in the form of reimbursements for the discharge of his responsibilities for Vedanta Limited.

(5) In addition to the above remuneration paid to Srinivasan Venkatakrishnan, the Company also paid ₹387,520 ($0.49 million) and ₹669,510 ($0.85 million) as part of buy-out awards under deferred cash bonus and long term incentive plan awards, respectively, which were forfeited by his previous employer at the time of leaving. This was part of the contract terms as approved by the committee at the time of joining.

(6) Non-Executive Directors are reimbursed for expenses incurred while on Company business. No other benefits are provided to Non-Executive Directors.

(7) All of the Group's pension schemes are based on cash contribution and do not confirm an entitlement to a defined benefit. Pension contributions are made into the Executive Vice Chairman and Chief Executive Officer's personal pension schemes (or local provident fund) and will become payable on the retirement, normally at age 58. The Executive Chairman do not receive pension benefits.

(8) The Annual Bonus relates to the payment for Fiscal Year 2020 computed as per the approved scheme and approved by the Remuneration Committee.

(9) NIC Contribution as per the statutory requirement is made for all Executive and Non-Executive Directors.

(10) The exchange rate applicable as at 31 March 2018 was ₹85.4732 to £1 & $1.3262 to £1, at 31 March 2019 was ₹91.7384 to £1 & $1.3126 to £1 and at 31 March 2020 was ₹90.1024 to £1 & $1.2715 to £1.

(11) With effect from the close of business hours of 5 April 2020, Mr. Venkatakrishnan resigned from his position as Chief Executive Officer and Director.

Limitations on Liability and Indemnification Matters

Section 201 of the Indian Companies Act provides that a company may indemnify any director, officer or auditor against any liability incurred by such director, officer or auditor in defending any civil or criminal proceedings, in which a judgement is given in favour of such director, officer or auditor or in which he or she is acquitted or discharged or in connection with application made by a director or an officer to the High Court of the relevant state for relief, because he or she has reason to apprehend that any proceeding will or might be brought against him in respect of any negligence, default, breach of duty, misfeasance or breach of trust, in which relief has been granted by the High Court of the relevant state.

Section 201 also provides that, except for such indemnity described above, any provision, whether contained in the articles of association of a company or in an agreement with the company or in any other instrument, for exempting any director, officer or auditor of the company from, or indemnifying him or her against, any liability which, by any rule of law, would otherwise attach to such director, officer or auditor in respect of any negligence, default, misfeasance, breach of duty or breach of trust of which he or she may be guilty in relation to the company, shall be void.

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PRINCIPAL SHAREHOLDERS

Volcan Investments Limited and Volcan Investments Cyprus Limited have beneficial ownership of 100% of Vedanta's Ordinary Shares as of 31 March 2020. The following table sets forth information regarding beneficial ownership of Vedanta's Ordinary Shares as of 31 March 2020.

Each Ordinary Share is entitled to one vote on all matters that require a vote of shareholders, and none of the Vedanta shareholders have any contractual or other special voting rights.

As used in this table, beneficial ownership means the sole or shared power to vote or direct the voting or to dispose of or direct the sale of any security. A person is deemed to be the beneficial owner of securities that can be acquired within 60 days upon the exercise of any option, warrant or right. Ordinary Shares subject to options, warrants or rights that are currently exercisable or exercisable within 60 days are deemed outstanding for computing the ownership percentage of the person holding the options, warrants or rights, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages as of 31 March 2020 are based upon 285,246,698 voting Ordinary Shares.

Shareholders	Number of Ordinary Shares	Percentage of Issued Voting Share Capital as at 31 March 2020
Volcan Investment Limited[1]	187,488,092	65.7%
Loyalist Plaza, Don Mackay Boulevard P O Box AB-20377 Marsh Harbour, Abaco Bahamas		
Volcan Investments Cyprus Limited[1] (wholly owned subsidiary of Volcan Investments Limited)		
221 Christodoulou Chatzipavlou, Helios Court, 3rd Floor, 3036 Limassol, Cyprus.	97,758,606	34.3%
Total	**285,246,698**	**100.0%**

(1) Volcan and its wholly owned subsidiary, Volcan Investments Cyprus Limited own 285,246,698 Ordinary Shares, or 100% of the issued voting share capital, of Vedanta as of 31 March 2020. Volcan is owned and controlled by the Anil Agarwal Discretionary Trust (the "Trust"). Conclave PTC Limited ("Conclave") is the trustee of the Trust and controls all voting and investment decisions of the Trust. As a result, shares beneficially owned by Volcan may be deemed to be beneficially owned by the Trust and, in turn, by Conclave. Mr. Anil Agarwal, the Executive Chairman of the Company, may be deemed to have beneficial ownership of shares that may be owned or deemed to be beneficially owned by Conclave.

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RELATED PARTY TRANSACTIONS

The information below sets out transactions and balances between Vedanta and various related parties in the normal course of business for Fiscal Year 2020.

Holding Company

- *Volcan Investments Limited*
- *Volcan Investments Cyprus Limited*

Fellow Subsidiary

- *Sterlite Technologies Limited (STL)*
- *Sterlite Power Transmission limited (SPTL)*
- *Sterlite Iron and Steel Company Limited ('SISCOL')*
- *Sterlite Power Grid Ventures Limited*

Associates/Joint Ventures

- *RoshSkor Township (Pty) Ltd.*
- *Gaurav Overseas Private Limited*
- *Madanpur SouthCoal Company Limited*

Others

- *India Grid Trust*[(1)]
- *Cairn Foundation*[(2)]
- *Fujairah Gold Ghana*
- *Vedanta Foundation*
- *Sesa Goa Community Foundation Limited*
- *Vedanta Medical Research Foundation*
- *Sesa Goa Employees Provident Fund*
- *Sesa Group Employees Gratuity Fund and Sesa Group*
- *Sesa Group Executives Superannuation scheme*
- *Sesa Resources Limited Employees Provident Fund Trust*
- *Sesa Resources Limited and Sesa Mining Corporation*
- *Sesa Resources Limited Employees Gratuity Fund*
- *Sesa Mining Corporation Limited Employees Provident Fund Trust*



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- *Sesa Mining Corporation Limited Employees Gratuity*
- *Sesa Resources Limited and Sesa Mining Corporation*
- *Hindustan Zinc Limited Employees Contributory Provident Fund Trust*
- *Hindustan Zinc Limited Employee group Gratuity Trust*
- *Hindustan Zinc Limited Superannuation Trust*
- *Balco Employees Provident Fund Trust*
- *Runaya Refinery LLP*

(1) *India Grid Trust ceased to be a related party with effect from 7 May 2019.*

(2) *Cairn Foundation, though not a related party as per the definition under IAS 24, has been included in the related party disclosure as a voluntary disclosure following the best corporate governance practices.*

Fiscal Year 2020

Details of transactions for Fiscal Year 2020 are as follows:

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Income:				
(i) Revenue from operations	121	–	0	121
(ii) Dividend Income	0	–	1	1
(iii) Net interest received	2	–	0	2
Expenditure:				
(i) Purchase of goods/services	–	–	1	1
(ii) Stock option (recovery)	–	–	(0)	(0)
(iii) Management and brand fees paid/(recovered)	2	–	1	3
(iv) (Reimbursement) of for other expenses (net of recovery)	0	–	(0)	0
(v) Donation	–	–	15	15
(vi) Interest paid	1	–	–	1
(vii) Dividend paid	536	–	–	536
(viii) Contribution to post retirement employee benefit trust/fund	–	–	16	16
Transactions during the year:				
(i) Investments redeemed during the year[(1)]	639	–	–	639
(ii) Loans given/(repayment thereof	0	(0)	–	(0)
(iii) Guarantees given during the period (net of relinquishment)	–	–	(4)	(4)

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(1) During the Fiscal Year 2019, as part of its cash management activities, Cairn India Holdings Limited (CIHL), a step-down subsidiary of the Company, entered into a tripartite agreement with Volcan and one of its subsidiaries. Under the agreement, CIHL purchased an economic interest in a structured investment for the equity shares of Anglo American Plc (AA Plc), a company listed on the London Stock Exchange, from Volcan for a total consideration of $541 million (of which $254 million $64 million was paid up to 31 March 2019 and during the year ended 31 March 2020, respectively) determined based on an independent third-party valuation. The ownership of the underlying shares, and the associated voting interests, remained with Volcan and the investment were to mature in two tranches in April 2020 and October 2020. In addition, CIHL also received a put option from Volcan. In July 2019, the transaction was unwound and the investments were redeemed for a total consideration of $639 million, representing the actual price Volcan realised from selling the shares of AA Plc to an unrelated third-party net of applicable costs out of which $12 million is outstanding.

Details of balances as at 31 March 2020 are as follows:

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Net amounts receivable at year end	14	–	–	14
Net amounts payable at year end	1	–	10	11
Investment in equity Share	5	0	–	5
Value of bonds	13	–	–	13
Interest payable	0	–	–	0
Dividend Payable	1	–	–	1
Net advance received at year end	0	–	–	0
Net advance given at year end	1	–	0	1
Financial guarantee[1]	15	–	3	18
Loans given	1[2]	1	–	2

(1) Bank guarantee has been provided by Vedanta on behalf of Volcan in favour of the Income Tax Department of India as collateral in respect of certain tax disputes of Volcan. The guarantee amount is $15 million (31 March 2019: $17 million).

(2) During the Fiscal Year 2019, Vedanta renewed a loan provided to Sterlite Iron and Steel Company Limited to finance a project in earlier years. The loan balance as at 31 March 2020 was $1 million (previously none as at 31 March 2019). The loan is unsecured and carries an interest rate of 8.50% per annum. The loan was due in March 2020. The loan was renewed for a further period of 12 months in March 2020 and is due in March 2021.

Fiscal Year 2019

Details of transactions for Fiscal Year 2019 are as follows:

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Income:				
(i) Revenue from operations	131	–	–	131
(ii) Dividend Income	0	–	2	2
(iii) Net Interest Received	1	–	–	1
(iv) Management fees income	0	–	–	0
Expenditure:				
(i) Purchase of goods/services	0	–	0	0
(ii) Management fees paid	2	–	–	2
(iii) Recovery	0	–	–	0
(iv) Donation	–	–	19	19
(v) Interest paid	1	–	–	1
(vi) Dividend Paid	73	–	–	73
(vii) Contribution to Post Retirement employee benefit trust/fund	–	–	18	18

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Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Transactions during the year:				
(i) Investments redeemed during the year	8	–	–	8
(ii) Loans given/(repaid (repayment thereof) during the year	0	0	–	0
(iii) Guarantees given during the period (net of relinquishment)	–	–	2	2
(iv) Purchase of structured investment	541	–	–	541

Details of balances as at 31 March 2019 are as follows:

Particulars	Holding Company/ Fellow Subsidiaries	Associates/ Joint Ventures	Others	Total
		(in $ million)		
Net amounts receivable at year end	3	–	–	3
Net amounts payable at year end	3	–	14	17
Investment in equity Share	17	–	15	32
Value of bonds held by Volcan	13	–	–	13
Net advance given at year end	–	–	0	0
Financial guarantee given	–	–	7	7
Loans given	0	1	–	1
Deferred Consideration payable	299	–	–	299
Fair Value of structured Investment	690	–	–	690

Remuneration of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Vedanta, directly or indirectly, including any director (whether executive or otherwise).

Particulars	Fiscal Year 2020	Fiscal Year 2019
	(in $ million)	
Short-term employee benefits	22	24
Post-employment benefits	2	1
Share-based payments	2	4
Total	**26**	**29**
Compensation for Non-Executive Directors	1	1
Commission/Sitting Fees to key management personnels	0	0

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Other related party[1]

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Vedanta, directly or indirectly, including any director (whether executive or otherwise).

Particulars	Fiscal Year 2020	Fiscal Year 2019
	(in $ million)	
Remuneration to relatives	2	2
Commission/sitting fees to relatives of key management personnels	0	0

(1) Close relatives of the Executive Chairman

Given that there is no specific requirement in IAS 24 to disclose transactions with each related party, the presentation has been revised during the year to aggregate the transactions based on categories of related parties. The disclosure of previous year has also been restated accordingly.

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MATERIAL CONTRACTS

The following is a summary of Vedanta's material contracts (other than those in respect of its material indebtedness, which are discussed in the section entitled "*Description of Material Indebtedness*").

HZL call options

On 11 April 2002, Vedanta Limited acquired a 26.0% interest in HZL from the GOI through its subsidiary, SOVL (which has since merged into Vedanta Limited). Upon Vedanta Limited's acquisition of the 26.0% interest in HZL, the GOI and Vedanta Limited entered into a shareholders' agreement to regulate, among other things, the management of HZL and dealings in HZL's shares.

Under the shareholders' agreement, the GOI granted Vedanta Limited two call options to acquire all the shares in HZL held by the GOI at the time of exercise. Vedanta Limited exercised the first call option on 29 August 2003 and acquired an additional 18.9% on 12 November 2003, taking Vedanta Limited's interest in HZL to 64.9%.

The shareholders' agreement provides that prior to selling shares in HZL to a third party, either party must first issue a sale notice offering those shares to the other party at the price it intends to sell them to the third party. However, a transfer of shares, representing not more than 5.0% of the equity share capital of HZL, by the GOI to the employees of HZL is not subject to such right of first refusal by Vedanta Limited. The GOI has transferred shares representing 1.5% of HZL's share capital to the employees of HZL. The shareholders' agreement also provides that if the GOI proposes to make a sale of its shares in HZL by a public offer prior to the exercise of Vedanta Limited's second call option, then Vedanta Limited shall have no right of first refusal.

The second call option provides Vedanta Limited a right to acquire the GOI's remaining 29.5% shareholding in HZL, subject to the right of the GOI to transfer up to 3.5% of the issued share capital of HZL to employees of HZL, in which case the number of shares that Vedanta may purchase under the second call option will be reduced accordingly. The exercise price for the second call option will be equal to the fair market value of the shares as determined by an independent appraiser. By a letter dated 21 July 2009, Vedanta Limited exercised the second call option. See the section entitled "*Business — Litigation — Vedanta Limited has commenced proceedings against the GOI, which the GOI has disputed Vedanta Limited's exercise of the call option to purchase its remaining 29.5% ownership interest in HZL.*" for more information.

BALCO call option

On 2 March 2001, Vedanta Limited acquired a 51.0% interest in BALCO from the GOI. On the same day, Vedanta Limited entered into a shareholders' agreement with the GOI and BALCO to regulate, among other things, the management of BALCO and dealings in BALCO's shares. The shareholders' agreement provides that as long as Vedanta Limited holds at least 51.0% of the share capital of BALCO, it is entitled to appoint one more director to the board of BALCO than the GOI and is also entitled to appoint the managing director.

Under the shareholders' agreement, if either the GOI or Vedanta Limited wishes to sell its shares in BALCO to a third party, the selling party must first offer the shares to the other party at the same price at which it is proposing to sell the shares to the third party. The other party shall then have the right to purchase all, but not less than all, of the shares so offered. If a shareholder does not exercise its right of first refusal, it shall have a tag along right to participate in the sale pro rata and on the same terms as the selling party, except that if the sale is by the GOI by way of a public offer, the tag along right will not apply. However, a transfer of shares representing not more than 5.0% of the equity share capital of BALCO by the GOI to the employees of BALCO is not subject to such right of first refusal by Vedanta Limited. The GOI also granted to Vedanta Limited an option to acquire the remaining shares in BALCO held by the GOI at the time of exercise. See the section entitled "*Business — Litigation — Vedanta Limited has commenced proceedings against the GOI, which the GOI has disputed Vedanta Limited's exercise of the call option to purchase its remaining 49.0% ownership interest in BALCO.*" for more information.

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Mineral Development Agreement executed relating to the rehabilitation and development of the Western Cluster iron ore deposits with the Government of Liberia

On 3 August 2011, Sesa Goa, Bloom Fountain Limited ("BFL"), Elenilto, WCL and the Government of Liberia entered into a Mineral Development Agreement relating to the exploration and development of the Western Cluster iron ore deposits (the "MDA"). The MDA became effective on 22 August 2011 (the "Effective Date").

The initial term of the MDA is 25 years from the Effective Date and will automatically be extended to match any extensions of the term of any mining licence granted by the Government of Liberia to WCL pursuant to the MDA.

The MDA provides that exploration licences are to be granted to WCL for the exclusive exploration of iron ore deposits in the Bomi, Mano River and Bea Mountain exploration areas. The MDA provides that WCL be granted land use rights in relation to the land subject to any exploration licence or mining licence; provided WCL pays reasonable compensation to landowners and occupants of the land for loss of or diminution in value of the land. These land use rights terminate at the end of the term of the MDA.

WCL must pay the Government of Liberia a royalty of 4.50% of the value of commercially shipped mineral, regardless of whether the shipment is a sale or other disposition, multiplied by the fair market value determined in accordance with the Liberian revenue code. WCL must also pay the Government of Liberia an upfront fee of $25 million. In addition, WCL is required to develop programmes for the development and maintenance of the communities that have formed and that may form as a result of its operations in the exploration areas and to also make annual contributions ranging from $2 million to $3.1 million to a specially managed fund for the benefit of communities in affected counties.

In the event of a transfer of an interest in WCL, WCL or the transferor of such interest must pay a withholding tax to the Government of Liberia of 15.0% of the value of all cash and other consideration received by the transferor or any other entity with respect to the transfer. No change of control of WCL is permitted by the MDA unless the prior written consent of the Government of Liberia is obtained or is otherwise permitted under the MDA. The MDA provides that a change of control of a shareholder of WCL (including Elenilto, BFL and any person who acquires an interest in WCL) will constitute a change of control of WCL. Due to a change in control of WCL pursuant to the share purchase agreement dated 20 December 2012 for the sale of Elenilto's 49% of the shares in WCL to BFL, the Legislature of Liberia is required to approve the amendment to the MDA which is currently in progress. On 5 July 2013 the first amendment to the MDA was executed by the parties to incorporate the change in shareholding. The amendment to the MDA is pending ratification from the Legislature of Liberia.

WCL agreed to indemnify the Government of Liberia and its officers and agents from all losses and liabilities incurred as a direct consequence of death or injury to persons or damage to property directly resulting from the conduct of WCL. Sesa Goa, BFL and Elenilto jointly and severally guaranteed the performance of the obligations of BFL and WCL under the MDA. Furthermore, Sesa Goa agreed to maintain a net worth of at least $100 million. The MDA is governed by Liberian law.

Rajasthan Block Production Sharing Contract

Vedanta Limited's oil and gas business along with CEHL are working in partnership with its joint operation partner, ONGC, in the RJ-ON-90/1 Block located in Barmer district, Rajasthan Block. The Rajasthan Block PSC was signed on 15 May 1995 between the GOI and a consortium consisting of ONGC and SIPD.

Vedanta Limited's oil and gas business acquired interest in the Block from SIPD in two tranches and held 100.0% interest on 20 June 2003. Under the Rajasthan Block PSC, the GOI has an option to acquire a participating interest of 30.0% in any development area containing a commercial discovery. The GOI exercised their right in all three development areas, specifically, DA 1 in 2005, DA 2 in 2007 and DA 3



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in 2009, acting through its nominee ONGC, and acquired a 30.0% participating interest. As of 31 March 2020, ONGC holds 30.0% and Vedanta Limited's — oil and gas business holds 35.0% participating interest in the Rajasthan Block, with the remaining 35.0% interest being held by CEHL, which is a wholly owned subsidiary of Vedanta Limited.

As per the terms of the Rajasthan Block PSC and permissions from the GOI, the crude oil and condensate produced at Rajasthan Block is being sold to both public sector undertakings and private refineries. As of 31 March 2020, commercial sales arrangements were in place for over 250,000 bopd with public sector undertakings and private refineries.

The Rajasthan Block PSC established a Management Committee for the Rajasthan Block, which consists of four members, two of whom are nominated by and represent the GOI and the licensee, ONGC, taken together, and two of whom are nominated by and represent Vedanta Limited's — oil and gas business and CEHL. The Management Committee must unanimously approve annual work programmes, budgets, proposals for the declaration of a discovery as commercial, field development plans, and the delineation of or additions to a development area as provided in the Rajasthan Block PSC.

The Rajasthan Block PSC is valid until May 2020, unless it is terminated in accordance with its terms, but may be extended by mutual agreement among the parties for up to an additional term of five years, provided in case of commercial production of natural gas which is expected to continue beyond 2020, the production sharing contract shall be extended for a period of 35 years from 15 May 1995. There is also a provision to further extend the Rajasthan Block PSC by agreement of the parties if production of crude oil or of natural gas is expected to continue after the relevant period.

Vedanta Limited has filed a writ petition before the High Court of Delhi against the MoPNG, the DGH and ONGC regarding the extension of the tenure for the Rajasthan Block PSC for the Rajasthan Block. As of the date of this Offering Circular, the Rajasthan Block PSC addendum for extension of the tenure of the Rajasthan Block has not been executed. See the section entitled "*Business — Litigation — Writ petition filed in the Delhi High Court by Vedanta Limited relating to extension of tenure of the Rajasthan Block PSC*." for more information.

Separately, Cairn has initiated arbitration and filed a Notice of Arbitration dated 1 March 2019 against ONGC with respect to the issue of cost oil finalisation. ONGC filed its response on 12 April 2019. The arbitral tribunal has been constituted in accordance with and pursuant to the Rajasthan Block PSC. As of the date of this Offering Circular, the respective parties are at the stage of filing their pleadings. In parallel, ONGC has also filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 seeking interim relief before the High Court of Delhi claiming royalty of approximately $394 million. The next date of hearing is 15 December 2020.

The Rajasthan Block benefitted from a tax holiday of seven years from the Fiscal Year 2009 (being the year of commencement of commercial production in the Rajasthan Block) to 31 March 2016. However, during this seven year period, minimum alternate tax rules applied resulting in a taxation of book profits calculated in accordance with the generally accepted accounting principles used in India. Any minimum alternate tax paid can be carried forward for a total period of 15 years from the year of payment and used to reduce corporate tax due in future years in excess of minimum alternate tax payable in those years.

Under the Rajasthan Block PSC, all crude oil sales made to the GOI or Government companies as well as private buyers are valued at a weighted average FOB selling price per barrel of a basket of international crude oil as agreed by all parties which is quoted in Platts, a provider of energy information. For any delivery period in which sales take place, the price is set at an average price per barrel determined by calculating the average for the month of such delivery period of the mean of the high and low FOB prices.



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The crude oil produced at the Rajasthan Block is benchmarked to Bonny Light, an international low sulphur crude oil published in Platts Crude Oil Market wire on a daily basis. The pricing formula also adjusts for differences in yield and quality.

In the event of any dispute, difference or claim between the parties to the Rajasthan Block PSC arising out of or in connection with any of the terms and conditions of the said PSC or concerning any interpretation or performance thereof which cannot be settled amicably may be referred a sole expert, to be appointed by the parties to the dispute jointly, who is to be an independent and impartial person of international standing with relevant qualifications and experience. Under the provisions of the Rajasthan Block PSC, the decision of the sole expert is final and binding on the parties and not subject to arbitration. The Rajasthan Block PSC also provides for settlement of any dispute, difference or claim between the parties through arbitration.

Ravva Block Production Sharing Contract

The production sharing contract for the exploration, development and production of the Ravva Block (the "Ravva PSC") was signed on 28 October 1994 between the GOI and a consortium consisting of ONGC, Videocon Industries Limited (formerly Videocon Petroleum Limited), Ravva Oil and Cairn Energy India Pty Limited (formerly known as Command Petroleum (India) Pty Limited) ("Command Petroleum") with Command Petroleum being designated as the operator. In 1996, Cairn Energy acquired Command Petroleum, including its interest in the Ravva Block, and subsequently Vedanta Limited's oil and gas business (since merged with Vedanta) became the operator.

Currently, Vedanta Limited holds a 22.5% working interest in the Ravva Block with the remaining interests held by ONGC (40%), Videocon Industries Limited (25%) and Ravva Oil (12.5%) (together the "Ravva Joint Operating Partners"). The Ravva PSC was originally valid until 27 October 2019. The MoPNG, through a notification dated 28 March 2016, issued a policy for the grant of an extension to the production sharing contracts signed by the GOI awarding small, medium sized and discovered fields to private joint ventures (the "Ravva Extension Policy"). The Ravva Extension Policy defines the framework for granting of the extension and covers 28 small and marginal fields, including the Ravva field.

The Ravva Extension Policy, amongst others, provides for an increased share of profit petroleum of 10% for the GOI during the extended term of the Ravva PSC and payment of royalty and cess as per prevailing rate in accordance with PNG rules 1959 and OIDB Act. According to the terms of the Ravva Extension Policy, the joint operation partners applied to the GOI seeking extension of the Ravva PSC by ten years and the DGH vide 11 March 2019 has communicated to the GOI, approval of PSC extension for ten years with some conditions. All the joint venture parties have submitted the acceptance of these conditions to the DGH vide their letter dated 25 April 2019. All the parties including the GOI have executed the PSC amendment incorporating the period extension of 10 years and other terms and conditions of extension on 24 October 2019.

As per the terms of the Ravva PSC, the crude oil and condensate produced from the Ravva Block is being sold to the public sector undertakings and private refineries. As of 31 March 2020, commercial sales arrangements are in place for over 25,000 bopd with public sector undertakings. All sales to the GOI nominees are to be valued at a FOB selling price per barrel in US dollars based on a pricing formula based on Bonny Light ascertained on Platts.

Cambay Block Production Sharing Contract

Exploration, development and production of the Cambay block is governed by a production sharing contract between the GOI and a consortium consisting of ONGC, Tata Petrodyne and Vedanta Limited (the "Cambay Joint Operating Partners") which was signed on 30 June 1998 (the "Cambay PSC") and runs until 2023 unless the Cambay PSC is terminated earlier in accordance with its terms and may be extended for a further period not exceeding five years, provided that in the event of commercial production of non-associated natural gas the Cambay PSC may be extended for period not exceeding 35 years from the



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30 June 1998. By way of a notification dated 7 April 2017, the MoPNG issued the Pre-NELP Extension Policy, which defines the framework for granting extensions for Pre-NELP blocks. The Pre-NELP Extension Policy, amongst others, provides for an increased share of profit petroleum of 10% for the GOI during the extended term of the Cambay PSC. The extension application for the Cambay block shall be due for filing in 2021. Vedanta Limited's oil and gas business's participating interest in the Cambay Basin joint operation consists of a 40% interest in the Lakshmi, Gauri and CB-X development areas. The remaining interests in these development areas are held by ONGC (50%) and Tata Petrodyne (10%).

Conflicts of Interest

From time to time, conflicts of interest have in the past and will in the future arise between the Company and its affiliates. With respect to transactions between the Company and its affiliates, Directors and executive officers that involve conflicts of interests, the Company has in the past undertaken and will continue to undertake such transactions in compliance with the rules for interested or related party transactions of the NYSE on which Vedanta Limited is listed and the Indian stock exchanges, for so long as Vedanta Limited is so listed.

As part of Vedanta Limited's listing on the NYSE, Vedanta Limited was required to confirm to the NYSE that it will appropriately review and oversee related party transactions on an ongoing basis. Such related party transactions include transactions between Vedanta Limited and the Company, and the Company's affiliates. The NYSE reviews the proxy statements and other public filings of its listed companies as to related party transactions. Under the rules of the NYSE, Vedanta Limited was required to have an independent audit committee comprised of a majority of independent directors within 90 days of listing and comprised entirely of independent directors within one year of listing. Vedanta Limited currently has an independent audit committee comprised entirely of independent directors and expects to continue to do so for as long as it is listed on the NYSE. One of the functions of its independent audit committee is to review any related party transactions by Vedanta Limited or any of its subsidiaries or affiliates. In addition, under the rules of the NYSE, Vedanta Limited is required to obtain shareholder approval for any issuance of its equity shares, or securities convertible into or exercisable for its equity shares, to any related party, except that such approval would not be required for sales of its equity shares to its controlling shareholder or its affiliates in an amount not to exceed 5% of the number of its equity shares outstanding prior to such issuance and at a price equal to or greater than the higher of the book or market value of its equity shares.

Under the listing agreements that the Company's Indian subsidiaries have entered into with the Indian stock exchanges, these subsidiaries are required to ensure that their disclosures in relation to material and significant related party transactions in their annual reports are in compliance with Indian Accounting Standards. Specifically, these subsidiaries are required to place before their audit committee and publish in their annual reports a statement in summary form of the related party transactions entered into by them during the previous Fiscal Year, providing details of whether such transactions were undertaken in the ordinary course of business and details of material individual transactions with related parties or others which were not on an arm's length basis, together with their management's justification for such transactions. Under the listing agreements, their audit committee is required to review and discuss with the management the disclosures of any related party transactions, as defined under Indian Accounting Standards, in the Company's annual financial statements.

The Company also has used and will continue to use independent appraisers in appropriate circumstances to help determine the terms of related party transactions. The Company has had and will continue to have an Audit Committee comprised entirely of independent directors which is responsible for reviewing any related-party transaction by the Company or any of its subsidiaries or affiliates. See also the section entitled "*Risk Factors — Risks Relating to Business — The equity shares of the Issuer and the Company are not listed and therefore the Issuer and the Company are not subject to the disclosure and corporate governance requirements that listed companies are required to comply with*" for more information.



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DESCRIPTION OF MATERIAL INDEBTEDNESS

Set forth below is a summary of the terms and conditions of certain of Vedanta's debt instruments that Vedanta considers to be the most material as of 31 March 2020. The summary may not contain all of the information that is important to you. You should read the notes to the financial statements for additional information about the indebtedness of Vedanta.

As of 31 March 2020 Vedanta had $15,095 million of debt outstanding including bonds, term loans and working capital facilities. Set forth below is information regarding Vedanta's material debt outstanding as of 31 March 2020.

The Company

$1,000.0 million 6.125% bonds due 2024 (the "2024 Bonds")

On 9 August 2017, the Company issued $1,000.0 million 6.125% bonds due 2024. The interest on the bonds is payable semi-annually in arrear on 9 February and 9 August each year, at a rate of 6.125% per annum. The bonds will mature on 9 August 2024.

Under the terms and conditions of the bonds, the Company is subject to certain covenants restricting it from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness (as defined in the terms and conditions of the bonds), or any guarantee or indemnity in respect of any indebtedness (as defined in the terms and conditions of the bonds) of its material subsidiaries, unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

The 2024 Bonds were the subject of a consent solicitation exercise by Vedanta on 5 June 2020. For more information, please see the section entitled "*Summary — Recent Developments — Consent Solicitation in respect of the outstanding Company Bonds and Guaranteed Bonds*".

$1,000.0 million 6.375% bonds due 2022 (the "2022 Bonds")

On 30 January 2017, the Company issued $1,000.0 million 6.375% bonds due 2022. The interest on the bonds is payable semi-annually in arrear on 30 January and 30 July each year, at a rate of 6.375% per annum. The bonds will mature on 30 July 2022.

Under the terms and conditions of the bonds, the Company is subject to certain covenants restricting it from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness (as defined in the terms and conditions of the bonds), or any guarantee or indemnity in respect of any indebtedness (as defined in the terms and conditions of the bonds), unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

The 2022 Bonds were the subject of a consent solicitation exercise by Vedanta on 5 June 2020. For more information, please see the section entitled "*Summary — Recent Developments — Consent Solicitation in respect of the outstanding Company Bonds and Guaranteed Bonds*".

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$500.0 million 7.125% bonds due 2023 (the "2023 Bonds I")

In June 2013, the Company issued $500.0 million 7.125% bonds due 2023. The interest on the bonds is payable semi-annually in arrear on 3 June and 3 December each year at a rate of 7.125% per annum. The bonds will mature on 31 May 2023.

Under the terms and conditions of the bonds, the Company is subject to certain covenants restricting it from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness (as defined in the terms and conditions of the bonds) or any guarantee or indemnity in respect of any indebtedness (as defined in the terms and conditions of the bonds), unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

The 2023 Bonds I were the subject of a consent solicitation exercise by Vedanta on 5 June 2020. For more information, please see the section entitled "*Summary — Recent Developments — Consent Solicitation in respect of the outstanding Company Bonds and Guaranteed Bonds*".

$900.0 million 8.25% bonds due 2021 (the "2021 Bonds")

On 7 June 2011, the Company issued $900.0 million 8.25% bonds due 2021. The interest on the bonds is payable semi-annually in arrear on 7 June and 7 December each year, at a rate of 8.25% per annum. The bonds will mature on 7 June 2021.

Under the terms and conditions of the bonds, the Company is subject to certain covenants restricting it from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness (as defined in the terms and conditions of the bonds) or any guarantee or indemnity in respect of any indebtedness (as defined in the terms and conditions of the bonds), unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

Following a tender offer by the Company in August 2017 for the bonds, the outstanding amount on the bonds as of 31 March 2020 was $670.2 million.

The 2021 Bonds were the subject of a consent solicitation exercise by Vedanta on 5 June 2020. For more information, please see the section entitled "*Summary — Recent Developments — Consent Solicitation in respect of the outstanding Company Bonds and Guaranteed Bonds*".

$400.0 million 8% bonds due 2023 (the "2023 Bonds II") and $600.0 million 9.25% bonds due 2026 (the "2026 Bonds")

In April 2019, Vedanta Resources Finance II Plc issued $400.0 million 8% bonds and $600.0 million 9.25% bonds. The bonds are guaranteed by the Company. The bonds mature in April 2023 and April 2026, respectively. The interest is payable semi-annually in arrear on 23 April and 23 October of each year.

Under the terms and conditions of the bonds, the Company is subject to certain covenants restricting it and Vedanta Resources Finance II Plc (as defined in the terms and conditions of the bonds) from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any part of their respective undertaking, assets directly held by the Company or Vedanta Resources Finance II Plc, present or future, to secure any indebtedness (as defined in the terms and conditions of the bonds) or any guarantee or indemnity in respect of any indebtedness (as defined in the terms and conditions of the bonds), unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

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The 2023 Bonds II and the 2026 Bonds were the subject of a consent solicitation exercise by Vedanta on 5 June 2020. For more information, please see the section entitled "*Summary — Recent Developments — Consent Solicitation in respect of the outstanding Company Bonds and Guaranteed Bonds*".

$350.0 million Term Loan Facility with SBI (London Branch)

In March 2015, the Company entered into a facility agreement with State Bank of India for $350.0 million. $250.0 million bears an interest rate of LIBOR plus 403 basis points repayable in two instalments of $100.0 million and $150.0 million in June 2021 and June 2022 respectively. As at 31 March 2020, the principal amount outstanding was $250.0 million under this facility.

$300.0 million Term Loan Facility with SBI (London Branch)

In January 2016, the Company entered into a facility agreement with State Bank of India for $300.0 million. Out of which $120.0 million bears an interest rate of LIBOR plus 450 basis points and is repayable in February 2022. Balance $180.0 million bears an interest rate of LIBOR plus 454 basis points and is repayable in February 2023. As at 31 March 2020, the principal amount outstanding was $300.0 million under this facility.

$575.0 million Term Loan Facility dated September 2017 between Twin Star as borrower, the Company as the guarantor and Barclays Bank Plc, Credit Suisse AG Singapore Branch, DBS Bank Ltd, National Bank of Abu Dhabi Pjsc Singapore Branch, Standard Chartered Bank Singapore Branch as arrangers

In September 2017, the Company entered into a $575.0 million syndicated facility agreement with Barclays Bank Plc, Credit Suisse AG Singapore Branch, DBS Bank Ltd, National Bank of Abu Dhabi Pjsc Singapore Branch, Standard Chartered Bank Singapore Branch as Arrangers. The facility bears an interest rate of LIBOR plus 310 basis points. The facility was fully drawn in September 2017. The same is repayable as $17.25 million in September 2020, $34.5 million in March 2021, $172.5 million in September 2021, $172.5 million in March 2022 and $178.25 million in September 2022. As at 31 March 2020, the principal amount outstanding under this facility was $575.0 million.

$200.0 million Term Loan Facility from SBI (London Branch)

In January 2018, the Company entered into a $200.0 million facility with State Bank of India (London Branch). The facility bears an interest rate of LIBOR plus 338.57 basis points. The facility was fully drawn in March 2018 and is repayable in January 2025. As at 31 March 2020, the principal amount outstanding under this facility was $200.0 million.

$180.0 million Term Loan Facility between Vedanta Resources Jersey II Limited (wherein the Company is the guarantor) and Yes Bank Limited (IFSC Banking Unit)

In December 2017, the Company entered into a $150.0 million facility with Yes Bank Limited, which was amended to $180.0 million in January 2018. The facility currently bears an interest rate of LIBOR plus 289 basis points. The facility was fully drawn in January 2018. The facility is repayable in September 2021. As at 31 March 2020, the principal amount outstanding under this facility was $180.0 million.

$200.0 million Term Loan Facility from Bank of Baroda (London Branch)

In June 2018, the Company entered into a $200.0 million facility with Bank of Baroda. The facility bears an interest rate of LIBOR plus 300 basis points. The facility was fully drawn in June 2018 and is repayable in nine half-yearly instalments starting from June 2020. As at 31 March 2020, the principal amount outstanding under this facility was $200.0 million.

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$200.0 million Term Loan Facility from ICICI Bank Limited (Bahrain Branch)

In September 2018, the Company entered into a $200.0 million facility with ICICI Bank Limited. The facility bears an interest rate of LIBOR plus 339 basis points. The facility was fully drawn in October 2018 and is repayable in six half-yearly instalments starting from March 2021. As at 31 March 2020, the principal amount outstanding under this facility was $200.0 million.

$120.0 million Revolving Credit Facility dated February 2020 between Twin Star as borrower, the Company as the guarantor and Emirates NBD Bank PJSC and Standard Chartered Bank as Arrangers

In February 2020, the Company entered into a $120.0 million Revolving Credit facility with Emirates NBD Bank PJSC and Standard Chartered Bank as Arrangers. The facility bears an interest rate of $LIBOR plus 325 basis points. The same is repayable in February 2021. As at 31 March 2020, the principal amount outstanding under this facility was $112.50 million.

$600.0 million Bridge Loan Facility between Twin Star (wherein the Company is the guarantor) from Standard Chartered Bank

In December 2019, Vedanta entered into a $600.0 million short term facility with Standard Chartered Bank. The facility bears an interest rate of LIBOR plus 400 basis points and further increased to 500 basis points in March 2020 and is repayable in June 2020. As at 31 March 2020, the principal amount outstanding under this facility was $589.0 million. The facility was subsequently extended by 6 months from June 2020. In October 2020, Vedanta repaid all outstanding amounts under the facility.

$200.0 million Term Loan Facility between Vedanta Resourced Limited from Syndicate Bank (London Branch)

In December 2019, Vedanta entered into a $200.0 million facility with Syndicate Bank. The facility bears an interest rate of LIBOR plus 375 basis points with an average maturity of 4.5 years. As at 31 March 2020, the principal amount outstanding under this facility was $200.0 million.

Vedanta Limited

$500.0 million Term Loan Facility with CIHL as borrower with a greenshoe option of $250.0 million

In September 2019, CIHL entered into a $500.0 million facility (with a greenshoe option of $250.0 million) with Axis Bank Limited (IFSC Unit), Citigroup Global Markets Asia Limited and ICICI Bank Limited (IFSC Unit) as arrangers. The facility bears an interest rate of LIBOR plus 265.5 basis points with an average maturity of 3.8 years from the date of first drawdown. As at 31 March 2020, the principle amount outstanding was $500.0 million.

Axis Bank Limited's Rupee corporate loan of ₹50 billion

In November 2015, Vedanta Limited entered into a common Rupee loan agreement with Axis Bank Limited to avail a Rupee term loan of ₹50 billion at an interest rate of Axis bank's base rate plus 30 basis points. The facility is secured by a first ranking *pari passu* mortgage and hypothecation over the fixed assets of Vedanta Limited in respect of the specific aluminium division assets in Odisha. The facility is repayable in 60 quarterly instalments up to 31 March 2031. As at 31 March 2020, the principal amount outstanding was ₹20.23 billion ($273.9 million) (including the amount outstanding on the portion of the loan novated to other banks). The interest rate was reset at Axis Bank's 1 year MCLR plus 115 basis points in May 2020.

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Axis Bank Limited novated a part of facility to the following banks:

(i) Loan amount of ₹3.0 billion was novated to Canara Bank. The interest rate was reset at the bank's 1 Year MCLR plus 55 basis points in March 2020. As at 31 March 2020, the principal amount outstanding was ₹2.64 billion ($35.29 million).

(ii) Loan amount of ₹2.0 billion was novated to State Bank of India (erstwhile known as State Bank of Hyderabad). The interest rate was reset at the bank's 6 Month MCLR plus 55 basis points in July 2020. As at 31 March 2020, the principal amount outstanding was ₹1.76 billion ($23.52 million).

(iii) Loan amount of ₹5.0 billion was novated to Bank of Baroda (erstwhile known as Vijaya Bank). The interest rate was reset at the bank's 1 Year MCLR plus 15 basis points in June 2019. As at 31 March 2020, the principal amount outstanding was ₹4.40 billion ($58.8 million).

(iv) Loan amount of ₹3.0 billion was novated to State Bank of India (erstwhile known as State Bank of Patiala). The interest rate was reset at the bank's 6 Month MCLR plus 55 basis points in July 2020. As at 31 March 2020, the principal amount outstanding was ₹2.64 billion ($35.3 million).

State Bank of India's Rupee corporate loan of ₹12.5 billion

In December 2015, Vedanta Limited entered into a corporate loan agreement with State Bank of India to avail a corporate loan of ₹12.50 billion. The interest rate was reset at the bank's 6 Month MCLR plus 55 basis points in July 2020. The facility is secured by a first *pari passu* mortgage and hypothecation over the fixed assets of aluminium division of Vedanta Limited in Odisha. The facility is repayable in 29 quarterly instalments up to 31 March 2025. As at 31 March 2020, the principal amount outstanding was ₹11.41 billion ($152.5 million).

State Bank of India's Rupee corporate loan of ₹50 billion

In July 2014, Vedanta Limited entered into a corporate loan agreement with State Bank of India to avail a corporate loan of ₹50 billion. The interest rate was reset at the bank's 6 Month MCLR plus 55 basis points in July 2020. The facility is secured by a first *pari passu* mortgage and charge over the specific fixed assets of aluminium division of Vedanta Limited in Odisha. The facility is repayable in 30 quarterly instalments up to 31 March 2022. As at 31 March 2020, the principal amount outstanding was ₹28.13 billion ($376.0 million).

Bank of Baroda Rupee Term Loan of ₹30 billion

In July 2018, Vedanta Limited entered into a corporate loan agreement with Bank of Baroda to avail a corporate loan of ₹30 billion. The facility was fully drawn in August 2018. The interest rate was reset at the bank's 1 year MCLR plus 20 basis points in August 2019. The facility is secured by a first *pari-passu* charge on fixed assets pertaining to the Aluminium Division of the company situated at Jharsuguda, Odisha. The facility is repayable in 32 consecutive structured quarterly instalments starting from June 2020 (post a two year moratorium). As at 31 March 2020, the principal amount outstanding was ₹30.0 billion ($401.0 million).

TRUE COPY

Talwandi Sabo Power Limited

State Bank of India's Rupee Term Loan facility of ₹20.0 billion

In December 2015, TSPL entered into a term loan facility agreement with State Bank of India to avail term loan of ₹20 billion. At present, this facility carries an interest rate of State Bank of India's 1 Year MCLR plus 170 basis points. The facility was secured by *pari passu* charge on the assets of TSPL pertaining to the project envisaging development of 1,980 MW coal based thermal power plant, both present and future, with an unconditional and irrevocable corporate guarantee by Vedanta Limited. The facility is repayable in 48 quarterly instalments starting in June 2018. As at 31 March 2020, the principal amount outstanding was ₹17.9 billion ($239.27 million).

Electrosteel Steels Limited (formerly Vedanta Star Limited)

Standard Chartered Bank Rupee Term Loan facility of ₹34.0 billion

In June 2018, VSL entered into an Indian Rupee loan agreement with Standard Chartered Bank to avail an Indian Rupee term loan of ₹34.0 billion for acquiring shares of ESL in furtherance of the approval of a resolution plan submitted to the NCLT under Section 31 of the Insolvency and Bankruptcy Code, 2016. On 31 January 2020, the NCLT approved the merger scheme between VSL and ESL. The facility is secured by a hypothecation on all fixed assets of Electrosteel Steels Limited, a corporate guarantee provided by Vedanta Limited in favour of the security trustee and a mortgage on all the immovable properties of ESL. The initial interest rate was set at the aggregate of Standard Chartered Bank's six-month MCLR plus 15 basis points per annum. The facility is repayable from 24 months from the date of utilisation in 33 instalments. In June 2018, loan amount of ₹15 billion was novated to ICICI Bank Limited with an interest rate of ICICI Bank Limited's 1 Year MCLR plus 70 basis points per annum. As at 31 March 2020, the principal amount outstanding under this facility was ₹34.0 billion ($454.48 million) (including the amount outstanding on the portion of the loan novated to other banks).

Standard Chartered Bank and ICICI Bank Limited further novated a part of the facility to the following banks and as of 31 March 2020, their principal amount outstanding was ₹2.4 billion ($32.08 million) and ₹5.6 billion ($74.86 million) respectively:

(i) Loan amount of ₹10 billion have been novated to Bank of Bardoa. As of 31 March 2020, the principal amount outstanding was ₹10 billion ($133.67 million) with an interest rate of Bank of Baroda's 1 Year MCLR plus 115 basis points per annum.

(ii) Loan amount of ₹5 billion have been novated to Punjab National Bank. As of 31 March 2020, the principal amount outstanding was ₹.5 billion ($66.84 million) with an interest rate of Punjab National Bank's 1 Year MCLR plus 105 basis points per annum.

(iii) Loan amount of ₹5 billion have been novated to Bank of India. As of 31 March 2020, the principal amount outstanding was ₹5 billion ($66.84 million) with an interest rate of Bank of India's 1 Year MCLR plus 75 basis points per annum.

(iv) Loan amount of ₹5 billion have been novated to Andhra Bank. As of 31 March 2020, the principal amount outstanding was ₹5 billion ($66.84 million) with an interest rate of Andhra Bank's 1 Year MCLR plus 80 basis points per annum.

(v) Loan amount of ₹1 billion have been novated to Karnataka Bank. As of 31 March 2020, the principal amount outstanding was ₹1 billion ($13.37 million) with an interest rate of Karnataka Bank's 6 Month MCLR plus 50 basis points per annum.

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Non-Convertible Debentures

Vedanta Limited had non-convertible debentures ("NCDs") aggregating to $2,191 million principal outstanding as at 31 March 2020. These NCDs were issued between August 2015 and February 2020. The details of the material NCDs are as follows:

Issuer	Principal Outstanding as at 31 March 2020	Interest Rate	Maturity Date
Vedanta Limited	₹20 billion ($267 million)	9.45%	17 August 2020*
Vedanta Limited	₹23.50 billion ($314 million)	8.50%	5 April 2021
Vedanta Limited	₹16.50 billion ($221 million)	8.50%	15 June 2021
Vedanta Limited	₹12.7 billion ($170 million)	8.75%	30 June 2022
Vedanta Limited	₹20 billion ($267 million)	9.20%	25 February 2030

* In August 2020, Vedanta Limited has fully repaid its obligation under this non-convertible debenture.

In addition to the above indebtedness, Vedanta has entered into various arrangements with lenders in relation to its long-term and short-term borrowings (which includes commercial paper and credit lines) to fund its working capital requirements. Certain of these financing arrangements are secured by movable and immovable assets of the Company, including the capital stock of its subsidiaries and, in certain instances, guarantees by the Company.



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TERMS AND CONDITIONS OF THE BONDS

The following, other than the paragraphs in italics, is the text of the terms and conditions of the Bonds which will be endorsed on the individual certificates ("Individual Certificates") issued in respect of the Bonds.

The issue of the $1,000,000,000 13.875% guaranteed bonds due 2024 (the "Bonds"), which expression shall, unless the context requires, include any bonds issued pursuant to Condition 15 and forming a single series with the Bonds issued on 21 December 2020 (the "Closing Date") was authorised by resolutions of the board of directors of Vedanta Resources Finance II PLC (the "Issuer") on 29 November 2020 and 9 December 2020. The Bonds are guaranteed jointly and severally by Vedanta Resources Limited (the "Parent Guarantor") and the Subsidiary Guarantors (as defined in Condition 1(c)) (collectively, the "Guarantors"). The Bonds are constituted by a Trust Deed (the "Trust Deed") dated on or about the Closing Date among the Issuer, the Guarantors and Citicorp International Limited as trustee for the Bondholders (as defined in Condition 1(b)) (the "Trustee", which expression shall include all persons for the time being acting as trustee or trustees under the Trust Deed). These terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Issuer and the Guarantors have entered into an agency agreement dated on or about the Closing Date (the "Agency Agreement") among the Issuer, the Guarantors, the Trustee, Citibank, N.A., London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability, as paying agent (the "Paying Agent") and transfer agent (the "Transfer Agent"), Citigroup Global Markets Europe AG, an investment firm and a securities trading bank organised and existing as a stock corporation under the laws of Germany with limited liability, at its registered office at Reuterweg 16, 60323 Frankfurt, Germany, as registrar (the "Registrar"), and any other paying agents, transfer agents and registrars appointed under it. The Paying Agent, the Transfer Agent, the Registrar and any other paying agents, transfer agents and registrars, each of which expressions shall include the successors and assigns from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to herein as the "Agents". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the specified office of the Paying Agent. The Bondholders (as defined in Condition 1(b)) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of the provisions of the Agency Agreement applicable to them.

1 Form, Denomination, Title, Guarantees and Status

(a) Form and denomination

The Bonds are in registered form in the minimum denomination of $200,000 each and in integral multiples of $1,000 in excess thereof, without coupons attached. A bond certificate (each, a "Certificate") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will have an identifying number which will be recorded on the relevant Certificate and in the Register (as defined in Condition 2(a)).

Certificates issued with respect to Rule 144A Bonds will bear the Securities Act Legend (as defined in the Trust Deed), unless determined otherwise in accordance with the provisions of the Agency Agreement by reference to applicable law. Certificates issued with respect to the Regulation S Bonds will not bear the Securities Act Legend. Upon issue, the Rule 144A Bonds will be represented by the Restricted Global Certificate and the Regulation S Bonds will be represented by the Unrestricted Global Certificate. The Restricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company ("DTC") and the Unrestricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC for the accounts of Euroclear Bank SA/NV and Clearstream Banking S.A. The Conditions are modified by certain provisions contained in the Global Certificates. See "Summary of Provisions relating to the Bonds while in Global Form."

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Except in the limited circumstances described in the Global Certificates and "Summary of Provisions relating to the Bonds while in Global Form," owners of interests in Bonds represented by the Global Certificates will not be entitled to receive Individual Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

(b) Title

Title to the Bonds passes only by transfer and registration in the Register (as defined in Condition 2(a)). The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or the theft or loss of, the Certificate (if any) issued in respect of it or anything written on it or on the relevant Certificate) and no person will be liable for so treating the holder. In these Conditions, "Bondholder" and (in relation to a Bond) "holder" mean the person in whose name a Bond is registered in the Register from time to time.

(c) Guarantees

The Parent Guarantor and each initial Subsidiary Guarantor has unconditionally and irrevocably guaranteed, on a joint and several basis, the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The obligations of each Guarantor in that respect (each a "Guarantee" and collectively the "Guarantees") are contained in the Trust Deed. The obligations of each Guarantor under its Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The initial Subsidiary Guarantors on the Closing Date are Twin Star Holdings Ltd. ("Twin Star") and Welter Trading Limited ("Welter").

The Parent Guarantor may, in its sole discretion, from time to time, cause any of its Subsidiaries to execute and deliver to the Trustee a supplemental trust deed to the Trust Deed (a "Supplemental Trust Deed") pursuant to which such Subsidiary will guarantee, on a joint and several basis with the then existing Subsidiary Guarantors, the payment of any amount payable under the Bonds or the Trust Deed, *provided* that on the date of such execution and delivery after giving pro forma effect thereto, either (i) such Subsidiary would be permitted to Incur at least $1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(h) or (ii) the Subsidiary Guarantor Attributable Leverage Ratio would be no greater than the actual Subsidiary Guarantor Attributable Leverage Ratio on such date. Each such Subsidiary that guarantees the Bonds after the Closing Date, upon execution of the applicable Supplemental Trust Deed, will be a "Subsidiary Guarantor".

Notwithstanding anything contrary contained in these Conditions, the Issuer and the Guarantors shall ensure that Indian Subsidiaries shall not provide any direct or indirect loan, guarantee, security, collateral or other form of financial assistance in connection with the Bonds or for any acquisition of shares of Indian Subsidiaries, including by way of disposal or encumbrance over their assets or Incurring Borrowings, and shall at all times comply with their obligations under Section 67(2) of the (Indian) Companies Act, 2013 and other applicable laws.

(d) Status

The Bonds constitute senior, unsubordinated, direct, unconditional and (subject to Condition 3(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.



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2 Transfer of Bonds

(a) The Register

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register (the "Register") on which shall be entered, on behalf of the Issuer, the names and addresses of the Bondholders from time to time and the particulars of the Bonds held by them and of all transfers and redemptions of Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding.

(b) Transfers

Subject to the terms of the Agency Agreement and to Conditions 2(e) and 2(f), a Bond may be transferred by delivering the Certificate issued in respect of it, with the form of transfer on the back duly completed and signed, to the specified office of the Registrar or any of the Transfer Agents. No transfer of a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

Upon the transfer, exchange or replacement of a Rule 144A Bond, a Transfer Agent will only deliver Certificates with respect to Rule 144A Bonds that bear the Securities Act Legend unless there is delivered to such Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Issuer and the Transfer Agent, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the US Securities Act of 1933, as amended (the "Securities Act").

Interests in Bonds represented by the Restricted Global Certificate may be transferred to a person who wishes to take delivery of any such interest in the form of an interest in Bonds represented by the Unrestricted Global Certificate only if a Transfer Agent receives a written certificate from the transferor (in the form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S under the Securities Act ("Regulation S") or Rule 144 under the Securities Act ("Rule 144A") (if available).

Prior to the 40th day after the day of issue of the Bonds (the "Restricted Period"), an interest in Bonds represented by the Unrestricted Global Certificate may be exchanged for an interest in Bonds represented by the Restricted Global Certificate only if a Transfer Agent receives a written certificate from the transferee of the interest in Bonds represented by the Unrestricted Global Certificate (in the form provided in the Agency Agreement) to the effect that the transferee is a qualified institutional buyer (as defined in Rule 144A) and is obtaining such interest in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction. After the expiration of the Restricted Period, this certification requirement will no longer apply to such transfers.

Transfers of Bonds are also subject to the restrictions described under "Plan of Distribution" and "Transfer Restrictions" below.

(c) Delivery of new Certificates

Each new Certificate to be issued on transfer of a Bond or Bonds will, within five Business Days of receipt by the relevant Transfer Agent of the duly completed and signed form of transfer, be made available for collection at the specified office of the relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds transferred (free of charge to the holder), to the address specified in the form of transfer.



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Except in the limited circumstances described in "Summary of Provisions relating to the Bonds while in Global Form – Registration of Title", owners of interests in Bonds represented by the Global Certificates will not be entitled to receive physical delivery of Individual Certificates. Issues of Certificates upon transfers of Bonds are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of Rule 144A Bonds, compliance with the Securities Act Legend.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred or redeemed, a new Certificate in respect of the Bonds not so transferred or redeemed, will, within five Business Days of delivery or surrender of the original Certificate to the relevant Transfer Agent or Registrar, be made available for collection at the specified office of the Registrar or, if so requested by the holder, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred or redeemed (free of charge to the holder), to the address of such holder appearing on the Register.

In this Condition 2, "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for business in the city in which the specified office of the Registrar and the relevant Transfer Agent to which the Certificate in respect of the Bonds to be transferred or relevant form of transfer is delivered is situated.

(d) Formalities free of charge

Registration of transfer of Bonds will be effected without charge by or on behalf of the Issuer or any of the Transfer Agents, but only upon the person making such application for transfer, paying or procuring the payment (or the giving of such indemnity as the Issuer or any of the Transfer Agents may require) of any tax, duty or other governmental charges which may be imposed in relation to such transfer.

(e) Closed periods

No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on (and including) the due date for any payment of principal of that Bond or seven days ending on (and including) any Interest Record Date (as defined in Condition 6(a)).

(f) Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon written request.

3 Covenants

(a) Negative pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon any assets directly held by the Issuer or any Guarantor, present or future, to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (x) are secured equally and rateably therewith in substantially identical terms thereto, in each case to the satisfaction of the Trustee; or (y) have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the



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Bondholders; *provided* that this clause (a) shall not apply to Security (x) arising by operation of law or (y) created in respect of Indebtedness (which for this purpose shall exclude Relevant Debt) in an aggregate principal amount not exceeding 10% of Total Assets. For the avoidance of doubt, the foregoing restriction shall not apply to Security upon assets held by any Subsidiary (other than the Issuer or any Subsidiary Guarantor) (other than assets that are jointly held with the Issuer or any Guarantor).

As used in these Conditions:

"Excluded Indebtedness" means any Indebtedness to finance or refinance the ownership, acquisition, development and/or operation of projects, assets or installations (the "Relevant Property") in respect of which the person or persons (in this definition the "Lender") to whom any Indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group for the repayment of all or any portion of such indebtedness other than recourse to:

(i) such borrower for amounts limited to the present and future cash flow or net cash flow from the Relevant Property; and/or

(ii) the proceeds of enforcement of any Security given by such borrower over the Relevant Property or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such Indebtedness, *provided* that:

(A) the extent of such recourse to such borrower is limited solely to the amount of any recoveries made on any such enforcement; and

(B) such Lender is not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness, to commence proceedings for the winding-up or dissolution of such borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of such borrower generally or any of its projects, assets or installations (save for the Relevant Property the subject of such security); and/or

(C) such borrower generally, or directly or indirectly to a member of the Group, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another person or an indemnity in respect thereof or an obligation to comply or to procure compliance by another person with any financial ratios or other tests of financial condition) by the person against whom such recourse is available; and/or

(D) any Subsidiary of the Parent Guarantor by way of guarantee of such Indebtedness (but not benefiting from any security or quasi-security from that Subsidiary of the Parent Guarantor);

"Group" means the Parent Guarantor and its Subsidiaries;

"Indebtedness" means any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money;

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"Relevant Debt" means any present or future indebtedness (other than Excluded Indebtedness) of the Issuer, any Guarantor or any other person in the form of, or represented by, bonds, notes, debentures, loan stock or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, have an original maturity of more than one year from their date of issue and are denominated, payable or optionally payable in a currency other than Rupees or are denominated in Rupees and more than 50% of the aggregate principal amount of which is initially distributed outside India by or with the authority of the Parent Guarantor;

"Subsidiary" means any company or other business entity of which the Parent Guarantor owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of the Parent Guarantor or which, under English or other applicable law or regulations, or International Financial Reporting Standards, as the case may be, from time to time, should have its accounts consolidated with those of the Parent Guarantor; and

"Total Assets" means the aggregate of consolidated total current assets and consolidated total non-current assets of:

(i) the Parent Guarantor as shown in the balance sheet of the latest available audited consolidated financial statements of the Parent Guarantor; and

(ii) any Subsidiary of the Parent Guarantor acquired by the Parent Guarantor or any Subsidiary of the Parent Guarantor since the date of the latest available audited consolidated financial statements of the Parent Guarantor as shown in the balance sheet of the latest available audited consolidated financial statements of such Subsidiary.

(b) Dividend restriction

The Issuer shall not, each Guarantor shall not, and the Parent Guarantor shall procure that each of the Material Subsidiaries shall not, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of the Issuer, any Subsidiary Guarantor or any Material Subsidiary to pay dividends or make any other distribution with respect to its Share Capital or to make or repay loans to the Issuer, any Guarantor or any Material Subsidiary, other than:

(a) the subordination of any Indebtedness made to the Issuer, any Guarantor or any of the Material Subsidiaries to any other Indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries; *provided* that:

(i) such other Indebtedness is permitted under these Conditions; and

(ii) such subordination would not singly or in the aggregate have a materially adverse effect on the ability of the Issuer or any Guarantor to meet its obligations under the Bonds;

(b) such encumbrance or restriction in relation to any Indebtedness of the Issuer, any Subsidiary Guarantor or any Material Subsidiary or other assurance against financial loss where such encumbrance or restriction relates to payment of dividends or other distributions during the continuance of an event of default (howsoever described) which has occurred pursuant to the terms of that Indebtedness;

(c) such encumbrance or restriction arising by operation of law;

(d) such encumbrance or restriction as is in existence on the date of issue of the Bonds; or



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(e) in respect of any Person (including any existing Subsidiary of the Parent Guarantor) which becomes a Material Subsidiary after the date of issue of the Bonds, any encumbrance or restrictions on such Person as may be in existence on the date such Person becomes a Material Subsidiary, provided such restrictions were not imposed in contemplation of such Person becoming a Material Subsidiary;

provided that this Condition 3(b) shall not restrict any Material Subsidiary from issuing Preferred Stock otherwise in accordance with these terms of the Conditions.

(c) Limitation on Borrowings

(i) The Parent Guarantor shall not, and shall procure that each of its Subsidiaries shall not, Incur directly or indirectly any Borrowings, and the Parent Guarantor shall procure that each of its Subsidiaries shall not issue any Preferred Stock; *provided* that:

(a) at any time prior to the Take Private Date, (x) the Parent Guarantor may Incur Borrowings if, after giving pro forma effect to the Incurrence of such Borrowings and the application of the proceeds thereof, the Fixed Charge Coverage Ratio would be not less than 3.0 to 1.0 and (y) any Subsidiary of the Parent Guarantor may Incur Borrowings or issue Preferred Stock if, after giving pro forma effect to the Incurrence of such Borrowings or issuance of Preferred Stock and the application of the proceeds thereof, the Fixed Charge Coverage Ratio would be not less than 3.5 to 1.0; and

(b) at any time on or after the Take Private Date, the Parent Guarantor and any Subsidiary of the Parent Guarantor may Incur Borrowings and (in the case of any Subsidiary of the Parent Guarantor) may issue Preferred Stock if, after giving pro forma effect to the Incurrence of such Borrowings or issuance of Preferred Stock and the application of the proceeds thereof, the Fixed Charge Coverage Ratio would be not less than 3.0 to 1.0.

(ii) Notwithstanding the foregoing, the Parent Guarantor and any Subsidiary of the Parent Guarantor may Incur, to the extent provided below, each and all of the following ("Permitted Borrowings"):

(a) Borrowings represented by the Bonds issued on the Closing Date and the Guarantees;

(b) Borrowings of the Parent Guarantor or any Subsidiary of the Parent Guarantor outstanding on the Closing Date;

(c) Borrowings Incurred (w) by the Parent Guarantor or any Subsidiary of the Parent Guarantor which is issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "refinance", and "refinancing", "refinances" and "refinanced" shall have correlative meanings) ("Permitted Refinancing Borrowings") then outstanding Borrowings (or Borrowings that are no longer outstanding, but that were refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Borrowings) Incurred under clause (c)(i) or sub-clauses (c)(ii)(a), (c)(ii)(b), (c)(ii)(c), (c)(ii)(e) or (c)(ii)(f) and any refinancing thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses), *provided that,* such Borrowings to be refinanced are fully and irrevocably repaid no later than 90 days after the Incurrence of such Permitted Refinancing Borrowings; (x) by the Parent Guarantor or any Subsidiary of the Parent Guarantor used to pay any accrued interest on then outstanding Borrowings;

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(y) by Hindustan Zinc Limited (or any of its successors or assigns) ("HZL") in an aggregate principal amount at any one time outstanding (together with refinancings thereof) not exceeding the product of (I) the amount of any Borrowings of Vedanta Limited (or any of its successors or assigns) which have been refinanced (together with any accrued interest and premium, if any, paid thereon) from dividends received directly or indirectly from HZL no earlier than 90 days before and no later than 90 days after the Incurrence of such Borrowings by HZL and (II) the quotient of (A) 100% *divided by* (B) the percentage ownership of Capital Stock in HZL held directly by Vedanta Limited (or any of its successors or assigns) or any of its wholly-owned Subsidiaries at the time such dividends were paid by HZL (or the Dollar Equivalent thereof) and (z) by HZL on or after the Take Private Date in an aggregate principal amount at any one time outstanding (together with refinancings thereof) not exceeding the product of (I) the amount of any Borrowings of the Parent Guarantor which have been refinanced (together with any accrued interest and premium, if any, paid thereon) from dividends received directly or indirectly from Vedanta Limited (or any of its successors or assigns) (*provided* that such dividends were funded directly or indirectly by Vedanta Limited (or any of its successors or assigns) by way of dividends received directly or indirectly substantially concurrently from HZL) no earlier than 90 days before and no later than 90 days after the Incurrence of such Borrowings by HZL and (II) the product of (A) the quotient of (xx) 100% *divided by* (yy) the percentage ownership of Capital Stock in Vedanta Limited (or any of its successors or assigns) held directly by the Parent Guarantor or any of its wholly-owned Subsidiaries at the time such dividends were paid by HZL and (B) the quotient of (xx) 100% *divided by* (yy) the percentage ownership of Capital Stock in HZL held directly by Vedanta Limited (or any of its successors or assigns) or any of its wholly-owned Subsidiaries at the time such dividends were paid by HZL (or the Dollar Equivalent thereof);

(d) Borrowings incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor with a maturity of one (1) year or less used by the Parent Guarantor or any Subsidiary of the Parent Guarantor for working capital purposes (or any guarantee or indemnity given by the Parent Guarantor or any Subsidiary of the Parent Guarantor in relation thereto) (together with refinancings thereof);

(e) Borrowings Incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor represented by Capitalized Lease Obligations or purchase money obligations in the ordinary course of business to finance all or any part of the Incurred or to be Incurred purchase price or cost of construction, installation or improvement of property (real or personal) (including the lease purchase price of land use rights), plant or equipment (including through the acquisition of Capital Stock of any Person that owns property, plant or equipment which has or will, upon such acquisition, become a Subsidiary of the Parent Guarantor) to be used in the Permitted Business; *provided that* on the date of Incurrence of such Borrowings and after giving effect thereto, the aggregate principal amount of such Borrowings at any time outstanding (together with refinancings thereof) shall not exceed an amount equal to 5.0% of Total Assets (or the Dollar Equivalent thereof);

(f) at any time on or prior to the Take Private Date, Borrowings Incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor; *provided* that the net cash proceeds therefrom are used by the Parent Guarantor or any Subsidiary of the Parent Guarantor within 30 days of the Incurrence of such Borrowings to acquire Capital Stock of Vedanta Limited (or any of its successors or assigns) (and/or to establish an escrow for that purpose) and to pay costs, fees and expenses in connection therewith, such that pro forma for such acquisition, the Parent Guarantor and its Subsidiaries shall hold no less than 90.0% of the Capital Stock in Vedanta Limited

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(or any of its successors or assigns) (for the avoidance of doubt, to be calculated excluding the Capital Stock of Vedanta Limited which is then held by a custodian and against which ADS have been issued and Capital Stock into which ADS have been converted after the Acquisition Date); and

(g) guarantees by the Parent Guarantor or any Subsidiary of the Parent Guarantor of Borrowings of the Parent Guarantor or any Subsidiary of the Parent Guarantor that was permitted to be Incurred by another provision of this covenant.

For purposes of determining compliance with this Condition (3)(c), if an item of Borrowings meets the criteria of more than one of the types of Permitted Borrowings or is permitted to be Incurred pursuant to paragraph (c)(i) of this covenant, the Parent Guarantor may, in its sole discretion, classify such item of Borrowings and only be required to include the amount of such Borrowings as one of such types.

Notwithstanding any other provision of this covenant, the maximum amount of Borrowings that the Parent Guarantor or any Subsidiary of the Parent Guarantor may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Borrowings, the U.S. dollar equivalent principal amount of Borrowings denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Borrowings was incurred (or first committed, in the case of revolving credit debt); *provided,* that if such Borrowings is incurred to refinance other Borrowings denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Borrowings does not exceed the principal amount of such Borrowings being refinanced. The principal amount of any Borrowings Incurred to refinance other Borrowings, if Incurred in a different currency from the Borrowings being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Borrowings is denominated that is in effect on the date of such refinancing.

(d) Limitation on distribution of Net Proceeds of Asset Sales

The Parent Guarantor shall not, and shall procure that each of its Subsidiaries shall not pay any dividend in respect of or otherwise distribute the Net Proceeds from any Asset Sale to any Person (other than to the Parent Guarantor or any of its Subsidiaries) if such dividend or distribution, individually or when aggregated with all other dividends or distributions in respect of the Net Proceeds from any other Asset Sales in the twelve-month period prior to the date of the declaration of such dividend or distribution, exceeds $250,000,000 (or the Dollar Equivalent thereof).

(e) Material Subsidiaries

So long as any of the Bonds are outstanding (as defined in the Trust Deed), the Parent Guarantor or any of its Subsidiaries shall retain Control over, or, directly or indirectly, own more than 50% of the issued equity share capital of, each of the Material Subsidiaries.

For the avoidance of doubt, nothing in this Condition 3(e) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.



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(f) Accounts

The Parent Guarantor agrees that:

(i) as soon as reasonably practicable after the issue or publication thereof and in any event within 180 days after the end of each financial year (beginning with 31 March 2021) it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its annual report and audited Accounts (in the English language) as of the end of and for such financial year, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such annual report and audited Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

(ii) as soon as reasonably practicable after the issue or publication thereof (and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange), it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its unaudited interim Accounts (in the English language) as of the end of and for each six-month period ending on 30 September (beginning with 30 September 2020), *provided* that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with that used for the preceding relevant semi-annual or annual fiscal period, that fact shall be stated, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such unaudited interim Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

(iii) if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange, as soon as reasonably practicable after the issue or publication thereof and in any event within 90 days after the end of each three-month period ending 30 June and 31 December, it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of the unaudited consolidated statement of profit or loss for Vedanta Limited for such three-month period along with key production data for such three-month period, *provided that* if and to the extent that the statement of profit or loss is not prepared or adjusted on a basis consistent with that used for the preceding relevant three-month, semi-annual or annual fiscal period, that fact shall be stated; and

(iv) with each set of Accounts delivered by it under Conditions 3(f)(i) and 3(f)(ii), it will deliver to the Trustee and the specified office of each of the Paying Agents the Compliance Certificate.

(g) Limitation on Issuer's activities

The Issuer shall not, and the Parent Guarantor will procure that the Issuer will not, carry on any business activity whatsoever other than in connection with the issue of debt (including the Bonds) and any other activities reasonably incidental thereto (such activities shall, for the avoidance of doubt, include (i) the entry into currency and interest rate swap transactions and the on-lending of the proceeds of the issue of such debt and/or such swap transactions to the Parent Guarantor or any other Subsidiaries of the Parent Guarantor, (ii) activities undertaken to fulfill its obligations under such debt including under the Bonds, the Trust Deed and the Agency Agreement, and such swap transactions, (iii) redemptions, purchases, consent solicitations and tender and exchange offers in respect of such debt and (iv) activities directly related to the establishment and maintenance of the Issuer's corporate existence).

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(h) Additional limitations relating to Subsidiary Guarantors

In addition to the limitations in Condition 3(c), the Subsidiary Guarantors shall not, directly or indirectly, Incur any Borrowings; *provided, however, that* the Subsidiary Guarantors may Incur Borrowings (other than Borrowings to refinance any Short-Term Acquisition Financing or refinancing thereof) if, after giving pro forma effect to such Incurrence and the application of the proceeds thereof, (i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed (A) 6.0 to 1.0 in the case of any such Incurrence prior to the date on which consolidated financial statements of the Parent Guarantor as of and for the six months ending September 30, 2021 prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available or (B) 5.5 to 1.0 in the case of any such Incurrence on or after such date, notwithstanding the foregoing, any Subsidiary Guarantor may Incur Borrowings that refinance Borrowings Incurred by such Subsidiary Guarantor, (ii) the aggregate amount of Borrowings of the Subsidiary Guarantors would not exceed the amount equal to the product of (x) $3.1 billion multiplied by (y) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors divided by 38.14% and (iii) the aggregate amount of Borrowings of the Subsidiary Guarantors (excluding Borrowings owed by Twin Star to Cairn India Holdings Limited outstanding on the Closing Date) would not exceed the amount equal to the product of (x) $2.65 billion multiplied by (y) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors divided by 38.14%.

In addition to the limitations in Condition 3(c), any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Parent Guarantor shall procure that any such Subsidiary shall not, directly or indirectly, Incur any Borrowings; *provided, however, that* any such Subsidiary may Incur Borrowings if the Subsidiary Guarantor Attributable Leverage Ratio, as of the last date of the most recent four quarter period for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available, after giving pro forma effect to such Incurrence and the Incurrence of all other Borrowings Incurred by such Subsidiary after such four quarter period and the application of the proceeds thereof would not exceed (i) 6.0 to 1.0 in the case of any such Incurrence prior to the date on which consolidated financial statements of the Parent Guarantor as of and for the six months ending September 30, 2021 prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available or (ii) 5.5 to 1.0 in the case of any such Incurrence on or after such date. Notwithstanding the foregoing, any such Subsidiary may Incur Permitted Borrowings and Short-Term Acquisition Financing.

The Subsidiary Guarantors and any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Parent Guarantor shall procure that such Persons shall not, directly or indirectly, issue, sell, transfer or otherwise dispose of, or purchase or otherwise acquire any Capital Stock; *provided, however, that* any such Person may issue, sell, transfer or dispose of, or purchase or otherwise acquire, any Capital Stock if, after giving pro forma effect to such transaction and the application of the proceeds thereof, (i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed (A) 6.0 to 1.0 in the case of any such transaction prior to the date on which consolidated financial statements of the Parent Guarantor as of and for the six months ending September 30, 2021 prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available or (B) 5.5 to 1.0 in the case of any such transaction on or after such date or (ii) (A) in the case of any such transaction in respect of Capital Stock of a Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary Guarantor owned, directly or indirectly, by the Parent Guarantor would be the same as such percentage ownership immediately prior to such transaction or (B) in the case of any such transaction in respect of Capital Stock of a Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary owned, directly or indirectly, by such Subsidiary Guarantor would be the same as such percentage ownership



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immediately prior to such transaction; *provided, further, that* Twin Star and Welter (being the initial Subsidiary Guarantors on the Closing Date) shall not sell, transfer or otherwise dispose of any Capital Stock held by them on the Closing Date (other than in connection with the enforcement of Security upon Capital Stock of any borrower of Short-Term Acquisition Financing that secures such Short-Term Acquisition Financing).

So long as any Bond remains outstanding (as defined in the Trust Deed), no Subsidiary Guarantor will create or permit to subsist any Security upon any Capital Stock directly held by such Subsidiary Guarantor, present or future; *provided* that this paragraph shall not apply to (i) Security arising by operation of law and (ii) Security upon Capital Stock of any borrower of Short-Term Acquisition Financing to secure such Short-Term Acquisition Financing.

For the avoidance of doubt, nothing in this Condition 3(h) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.

As used in these Conditions:

"EBITDA" for any Person means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

for such Person, in each case as it is presented on the standalone financial statements of such Person prepared in accordance with Applicable Accounting Principles for such period.

"Short-Term Acquisition Financing" means Borrowings Incurred by any Subsidiary (other than any Subsidiary Guarantor) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the net cash proceeds of which are used by such Subsidiary to acquire Capital Stock of any Subsidiary that is listed in India and to pay costs, fees and expenses in connection therewith, *provided that* such Borrowings have a final stated maturity not exceeding four months from the date of such Incurrence.

"Subsidiary Guarantor Attributable Borrowings" means, as of any Transaction Date, the amount equal to the aggregate amount of (i) the Borrowings of each Subsidiary Guarantor (calculated on a standalone basis) outstanding as of such Transaction Date and (ii) the product of (x) the Borrowings of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor outstanding as of such Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date; *provided, however*, that (i) any Borrowing Incurred by a Subsidiary that is not a Subsidiary Guarantor and owed to another Subsidiary that is not a Subsidiary Guarantor or owed to a Subsidiary Guarantor and (ii) any Borrowing Incurred by a Subsidiary Guarantor and owed to another Subsidiary Guarantor, shall be excluded from the foregoing calculation; *provided further that* if on any date (a) any Subsidiary to which such Borrowing is owed ceases to be a Subsidiary or (b) such Borrowing is transferred to any Person (other than to another Subsidiary that is not a Subsidiary Guarantor or to a Subsidiary Guarantor), then such Borrowing shall be included in the foregoing calculation and shall be deemed to have been Incurred on such date.



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"Subsidiary Guarantor Attributable EBITDA" means, for any period, the amount equal to the aggregate of (i) the EBITDA for each Subsidiary Guarantor (calculated on a standalone basis) and (ii) the product of (x) the EBITDA of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor as of the Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date.

"Subsidiary Guarantor Attributable Leverage Ratio" means, on any Transaction Date, the ratio of:

(i) Subsidiary Guarantor Attributable Borrowings as of such Transaction Date; to

(ii) the aggregate amount of Subsidiary Guarantor Attributable EBITDA for the most recent four quarterly periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available.

(i) Limitation on dividends and other restricted payments and on asset sales

If an Event of Default has occurred and is continuing, the Issuer and the Guarantors shall not:

(i) declare or pay any dividend or make any other payment or distribution on account of Capital Stock of the Issuer or any Guarantor, or to the direct or indirect holders of any such Capital Stock in their capacity as such;

(ii) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer or any Guarantor or any direct or indirect parent of the Issuer or any Guarantor;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Borrowings of the Issuer or any Guarantor that is contractually subordinated to the Bonds or the Guarantees, except a payment of interest, principal or premium at the stated maturity thereof;

(iv) make any Investment; or

(v) sell, lease, lend, convey, transfer or otherwise dispose of any asset unless the Issuer or such Guarantor, as applicable, receives consideration, in the form of cash or cash equivalents, at the time of such transaction at least equal to such asset's fair market value (determined in good faith by the board of directors of the Parent Guarantor) (for the avoidance of doubt, the issuance of Capital Stock by the Issuer or any Guarantor shall not be subject to this clause (v)).

For the avoidance of doubt, nothing in this Condition 3(i) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.

As used in these Conditions:

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Borrowings, Capital Stock or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with Applicable Accounting Standards.

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(j) Covenant suspension

If, on any date following the date of the Trust Deed, the Bonds have an Investment Grade rating from any two of the Rating Agencies and no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Bonds cease to have an Investment Grade rating from either of the Rating Agencies, the provisions of the Trust Deed summarised under the following captions will not apply to the Bonds:

(a) Condition 3(c) "Limitation on Borrowings";

(b) Condition 3(d) "Limitation on distribution of Net Proceeds of Asset Sales"; and

(c) Condition 3(h) "Additional limitations relating to Subsidiary Guarantors."

Such covenants will be reinstituted and apply according to their terms as at and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event.

(k) Definitions

As used in these Conditions:

"Accounts" means:

(i) as of each 31 March and for the twelve-month period then ending, the audited consolidated profit and loss account and balance sheet of the Parent Guarantor prepared in accordance with Applicable Accounting Principles; and

(ii) as of each 30 September and for the six-month period then ending, the unaudited consolidated profit and loss account and balance sheet of the Parent Guarantor prepared in accordance with Applicable Accounting Principles.

"Acquisition Date" means the first date the Parent Guarantor and its Subsidiaries collectively hold at least 90.0% of the Capital Stock in Vedanta Limited (for the avoidance of doubt, to be calculated excluding the Capital Stock of Vedanta Limited which is then held by a custodian and against which ADS have been issued).

"Adjusted Treasury Rate" means, with respect to any redemption date:

(1) the average of the yields in each statistical release for the immediately preceding week (from the calculation date) designated "H.15" or any successor release published by the Board of Governors of the Federal Reserve System which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the heading "U.S. government securities – Treasury constant maturities – nominal," for the maturity corresponding to the Comparable Treasury Issue; *provided* that if no maturity is within three months before or after the period from the redemption date to the maturity of the Comparable Treasury Issue, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis rounding to the nearest month; *provided* further that if the period from the redemption date to 21 December 2022 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used; or

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(2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

"ADS" means American depositary shares issued by Vedanta Limited which are listed on New York Stock Exchange.

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Accounting Principles" means the accounting principles and provisions of International Financial Reporting Standards applicable to the Parent Guarantor and its Subsidiaries as in effect from time to time.

"Applicable Premium" means with respect to a Bond at any redemption date, the greater of:

(i) 1.0% of the principal amount of such Bond; and

(ii) the excess of:

(A) the present value at such redemption date of the redemption price of such Bond at 21 December 2022 (such redemption price being set forth in the table under Condition 5(b)), plus all required remaining scheduled interest payments due on such Bond through 21 December 2022 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points; over

(B) the principal amount of such Bond.

"Assets" of any Person means all or any of its shares, business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital.

"Asset Sale" means any sale, transfer or other disposition (including by way of merger, consolidation or sale leaseback transactions) in one or a series of transactions in any twelve-month period by the Parent Guarantor or any Subsidiary to any Person other than the Parent Guarantor or any of its Subsidiaries of a material part of the consolidated Assets of the Parent Guarantor.

"Balance Sheet Date" means each 30 September and 31 March or other semi-annual date at which the Parent Guarantor prepares its audited or unaudited Accounts.

"Borrowings" means, with respect to any Person at any date, without duplication:

(i) all obligations of such Person for borrowed money;

(ii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business;

(iii) all obligations of such Person as lessee which are capitalised in accordance with Applicable Accounting Principles;



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(iv) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, except in respect of trade accounts payable arising in the ordinary course of business;

(v) all obligations of such Person representing Disqualified Stock valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, plus accrued dividends, if any;

(vi) all Borrowings of others guaranteed by such Person;

(vii) all Borrowings of others secured by Security on any Asset of such Person (whether or not such Borrowings are assumed by such Person); *provided* that the amount of such Borrowings will be the lesser of:

(A) the fair market value of such Asset at such date of determination; and

(B) the amount of such Borrowings; and

(viii) in the case of a Subsidiary of the Parent Guarantor, all obligations representing Preferred Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price, plus accrued dividends, if any;

provided that for the purposes of Condition 3(c), Borrowings shall not include:

(A) Borrowings of the Parent Guarantor or any of its Subsidiaries owed to the Parent Guarantor or any of its Subsidiaries; *provided* that if on any date:

(1) any Subsidiary of the Parent Guarantor to which such Borrowing is owed ceases to be a Subsidiary of the Parent Guarantor; or

(2) such Borrowing is transferred to any Person (other than the Parent Guarantor or any of its Subsidiaries),

then such Borrowing shall be deemed to constitute a Borrowing for the purposes of Condition 3(c) and shall be deemed to have been Incurred on such date; and

(B) Preferred Stock or Disqualified Stock issued by any Subsidiary of the Parent Guarantor to the Parent Guarantor or any other Subsidiary of the Parent Guarantor; *provided further* that for the purposes of clause (y) of the proviso in Condition 3(c), Borrowings shall not include the Borrowings of any Subsidiary (which is established as a special purpose entity for the sole purpose of engaging in financing activities) of the Parent Guarantor, which are guaranteed by the Parent Guarantor and have no recourse, directly or indirectly, to any other member of the Group;

provided further that for the purposes of Condition 3(h), Borrowings shall not include Borrowings of any Subsidiary Guarantor which, by their terms or the terms of any agreement or instrument pursuant to which they are issued or remain outstanding, (i) are expressly made subordinate to the prior payment in full of the Guarantee of such Subsidiary Guarantor (including upon any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of such Subsidiary Guarantor), (ii) do not mature or require any amortization and are not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise (including any redemption, retirement or repurchase which is contingent upon events or circumstance) in whole or in part, on or prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iii) do not provide for any cash payment of interest (or premium, if any) prior to six months after the earlier of (a) the first date



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no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iv) are not secured by any Security on any assets of any Person, and are not guaranteed by any Person and (v) do not (including upon the happening of any event) restrict the payment of amounts due in respect of the Bonds or compliance by the Issuer or any of the Guarantors with their respective obligations under the Bonds and the Guarantees; *provided* that if on any date any event or circumstance occurs that results in such Borrowing ceasing to meet the conditions of any of clauses (i) through (v) above, such Borrowing shall constitute a Borrowing for the purposes of Condition 3(h) and shall be deemed to have been Incurred on such date.

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong and London.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the date of the Trust Deed or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

"Capitalized Lease" means, with respect to any Person, any lease of any property (whether real, personal or mixed), which, in conformity with Applicable Accounting Principles, is required to be capitalized on the balance sheet of such Person.

"Capitalized Lease Obligations" means the discounted present value of the rental obligations under a Capitalized Lease.

"Change of Control" means the occurrence of either of the following events:

(1) the Permitted Holders are the beneficial owners of less than 35% of the total voting power of the Voting Stock of the Parent Guarantor; or

(2) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Parent Guarantor greater than such total voting power held beneficially by the Permitted Holders.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Decline.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Trust Deed, and include, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Bank having a maturity most nearly equal to the period from the redemption date to 21 December 2022.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or

(2) if the Independent Investment Bank obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

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"Compliance Certificate" means a certificate signed by each of:

(i) the chief financial officer of the Parent Guarantor; and

(ii) a director or other authorised signatory of the Parent Guarantor,

confirming compliance with the financial ratios set out in this Condition 3, in each case as of each Balance Sheet Date and in respect of the whole of the financial year for each Balance Sheet Date falling on 31 March and in respect of the whole of the six-month period ending on the Balance Sheet Date for each Balance Sheet Date falling on 30 September, and setting out in reasonable detail the computations necessary to demonstrate such compliance.

"Consolidated EBITDA" means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

in each case as it is presented on consolidated financial statements of the Parent Guarantor and its Subsidiaries prepared in accordance with Applicable Accounting Principles for such period.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of:

(i) Consolidated Net Interest Expense for such period; and

(ii) all cash and non-cash dividends accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Parent Guarantor or any of its Subsidiaries held by Persons other than the Parent Guarantor or any of its Subsidiaries.

"Consolidated Net Interest Expense" means, for any period, the amount equal to "finance costs" minus "investment revenue," in each case as it is presented on a consolidated income statement of the Parent Guarantor and its Subsidiaries prepared in accordance with Applicable Accounting Principles for such period.

"Control", "Controlling" or "Controlled" means the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body or the right to direct or cause the direction of the management and policies, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency into U.S. dollars at the base rate for the purchase of U.S. dollars with such foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"Disqualified Stock" means any class or series of Capital Stock of any Person that by its terms or otherwise is:

(1) required to be redeemed prior to the stated maturity of the Bonds;



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(2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the stated maturity of the Bonds; or

(3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Borrowing having a scheduled maturity prior to the stated maturity of the Bonds.

"Fitch" means Fitch Ratings Limited, its affiliates and any successor to or assignee of its ratings business.

"Fixed Charge Coverage Ratio" means, on any Transaction Date, the ratio of:

(1) the aggregate amount of Consolidated EBITDA for the then most recent two semi-annual periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner) are available (the "Two Semi-annual Period") and have been provided to the Trustee; to

(2) the aggregate Consolidated Fixed Charges during such Two Semi-annual Period.

"Incur" means, as applied to any obligation, to directly or indirectly, create, incur, issue, assume, guarantee or in any other manner become directly or indirectly liable, contingently or otherwise. Such obligation and "Incurred", "Incurrence" and "Incurring" shall each have a correlative meaning.

"Independent Investment Bank" means a Reference Treasury Dealer appointed by the Parent Guarantor as such.

"Investment Grade" means a long term credit rating of "AAA," "AA," "A" or "BBB," as modified by a "±" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or a long term credit rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or a long term credit rating of "AAA," or "AA," "A" or "BBB," as modified by a "±," or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or the equivalent long term credit ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Parent Guarantor as having been substituted for S&P, Moody's or Fitch or all of them, as the case may be.

"Material Subsidiary" has the meaning specified in Condition 8.

"Moody's" means Moody's Investors Service, Inc., its affiliates and any successor to or assignee of its ratings business.

"Net Proceeds" means the aggregate cash proceeds received by the Parent Guarantor or any Subsidiary of the Parent Guarantor in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale.

"Offer to Purchase" means an offer to purchase the Bonds by the Issuer from the Bondholders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Bondholder at its last address appearing in the Register stating:

(1) the provision of the Trust Deed pursuant to which the offer is being made and that all Bonds validly tendered will be accepted for payment on a pro rata basis;



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(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Bond not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Guarantors, as the case may be, defaults in the payment of the purchase price, any Bond accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Bondholders electing to have a Bond purchased pursuant to the Offer to Purchase will be required to surrender the Bond, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Bond completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Bondholders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Bondholder, the principal amount of Bonds delivered for purchase and a statement that such Bondholder is withdrawing his election to have such Bonds purchased; and

(7) that Bondholders whose Bonds are being purchased only in part will be issued new Bonds equal in principal amount to the unpurchased portion of the Bonds surrendered; *provided* that each Bond purchased and each new Bond issued shall be in a minimum principal amount of $200,000 or integral multiples of $1,000 in excess thereof.

On one Business Day prior to the Offer to Purchase Payment Date, the Issuer shall deposit with the Paying Agent money sufficient to pay the purchase price of all Bonds or portions thereof so accepted.

On the Offer to Purchase Payment Date, the Issuer shall:

(a) accept for payment on a pro rata basis Bonds or portions thereof tendered pursuant to an Offer to Purchase; and

(b) deliver, or cause to be delivered, to the Trustee all Bonds or portions thereof so accepted together with a certificate signed by two directors of the Issuer specifying the Bonds or portions thereof accepted for payment by the Issuer.

The Paying Agent shall promptly mail to the Bondholders so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Bondholders a new Bond equal in principal amount to any unpurchased portion of the Bond surrendered; *provided* that each Bond purchased and each new Bond issued shall be in a principal amount of $200,000 or integral multiples of $1,000 in excess thereof. The Issuer will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Issuer will comply with all applicable securities laws and regulations if it is required to repurchase Bonds pursuant to an Offer to Purchase and, to the extent any applicable securities laws and regulations conflict with the Offer to Purchase obligations, the Issuer will not be deemed to have breached such obligations by virtue of such compliance.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Parent Guarantor and its Subsidiaries which the Issuer in good faith believes will assist the Bondholders to make an informed



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decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable the Bondholders to tender Bonds pursuant to the Offer to Purchase.

"Permitted Business" means any business, service or activity conducted or proposed to be conducted (as described in the offering memorandum relating to the Bonds dated 9 December 2020 (the "OM Date")) by the Parent Guarantor and its Subsidiaries and any other business, service or activity conducted by the Parent Guarantor and its Subsidiaries on the OM Date and other businesses reasonably related, complementary or ancillary thereto as approved by the board of directors of the Parent Guarantor from time to time.

"Permitted Holders" means any or all of the following:

(1) Mr Anil Agarwal and Mr Agnivesh Agarwal, individually or collectively;

(2) any Affiliate or a direct family member of any of the Persons specified in clause (1) of this definition; and

(3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are more than 80% owned by Persons specified in clauses (1) and (2) of this definition.

"Person" means any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organisation.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation, winding up or dissolution of such Person, over any other class of Capital Stock of such Person.

"Primary Treasury Dealer" means a primary U.S. government securities dealer in New York City.

"Rating Agencies" means:

(i) S&P;

(ii) Moody's;

(iii) Fitch; and

(iv) if any or all of them shall not make a rating of the Bonds publicly available, an internationally recognised securities rating agency or agencies, as the case may be, selected by the Parent Guarantor, which shall be substituted for such Rating Agency or Rating Agencies, as the case may be.

"Rating Date" means the date which is 90 days prior to the earlier of the date of consummation of Change of Control and a public announcement of a Change of Control.

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"Rating Decline" means the occurrence on, or within six months after, the earlier of the date of consummation of Change of Control or public announcement of a Change of Control (which period shall be extended so long as the rating of the Bonds is under publicly announced consideration for possible ratings change by any of the Rating Agencies) of any of the events listed below:

(1) if the Bonds are rated by Moody's, S&P and Fitch on the Rating Date as Investment Grade, the rating of the Bonds by at least two such Rating Agencies shall be below Investment Grade;

(2) if the Bonds are rated by two of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by either such Rating Agency shall be below Investment Grade;

(3) if the Bonds are rated by one of the three Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by such Rating Agency shall be below Investment Grade; or

(4) if the Bonds are rated by Moody's, S&P and Fitch on the Rating Date as below Investment Grade, the rating of the Bonds by any such Rating Agency shall be below the rating it provided on the Rating Date.

"Reference Treasury Dealer" means:

(1) each of Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse (Hong Kong) Limited, DBS Bank, Ltd., Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc and Standard Chartered Bank and their respective successors or any of their respective affiliates, so long as it is Primary Treasury Dealer; *provided* that, if any such Person ceases to be a Primary Treasury Dealer, the Parent Guarantor will substitute another Primary Treasury Dealer; and

(2) any other Primary Treasury Dealer selected by the Parent Guarantor.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"S&P" means S&P Global Ratings, a division of the McGraw Hill Companies, Inc., its affiliates and any successor to or assignee of its ratings business.

"Share Capital" means any and all shares, interests (including joint venture and partnership interests), participations or other equivalents of capital stock of a corporation or any and all equivalent ownership interests in a Person.

"Take Private Date" means the first date on which both (a) the Parent Guarantor and its Subsidiaries hold no less than 90.0% of the Capital Stock in Vedanta Limited (or any of its successors or assigns) (for the avoidance of doubt, to be calculated excluding the Capital Stock of Vedanta Limited which is then held by a custodian and against which ADS have been issued and Capital Stock into which ADS have been converted after the Acquisition Date) and (b) Vedanta Limited's (or any of its successors or assigns) Capital Stock ceases to be listed on the BSE Limited and the National Stock Exchange of India Limited.

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"Transaction Date" means, with respect to the Incurrence of any Borrowing, the date such Borrowing is to be Incurred and, with respect to the issuance, sale, transfer or other disposition of, or purchase or other acquisition of Capital Stock, the date such Capital Stock is to be issued, sold, transferred or otherwise disposed of, or purchased or otherwise acquired.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

4 Interest

The Bonds will bear interest from (and including) the Closing Date at the rate of 13.875% per annum, payable semi-annually in arrear on 21 January and 21 July of each year, commencing on 21 July 2021 (each such interest payment date, an "Interest Payment Date"), except that the first payment of interest, to be made on 21 July 2021 (the "First Interest Payment Date"), will be in respect of the period from and including the Closing Date to but excluding the First Interest Payment Date. Interest on the Bonds shall accrue from (and including) the most recent date to which interest has been paid and ending on (but excluding) the next Interest Payment Date for the Bonds. Each Bond will cease to bear interest from the due date for redemption unless, upon surrender in accordance with Condition 6, payment of the full amount of principal is improperly withheld or refused or unless default is otherwise made in respect of any such payment. In such event each Bond shall continue to bear interest at the applicable rate (both before and after judgment) until, but excluding whichever is the earlier of:

(a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder; and

(b) the day which is seven calendar days after the Trustee or the Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh calendar day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5 Redemption and Purchase

(a) Final redemption

Unless previously redeemed, or purchased and cancelled as provided herein, the Bonds will be redeemed at their principal amount on 21 January 2024. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

(b) Redemption at the option of the Issuer

At any time and from time to time prior to 21 December 2022, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed plus the Applicable Premium, plus accrued and unpaid interest, if any, to (but excluding) the redemption date. For the avoidance of doubt, none of the Agents or the Trustee have any responsibility with respect to the calculation or verification of the Applicable Premium.

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At any time and from time to time on or after 21 December 2022, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the periods set forth below:

Period	Redemption Price
	(%)
On or after 21 December 2022 to (but excluding) 21 July 2023	106
On or after 21 July 2023 to (but excluding) 21 January 2024	100

Any optional redemption of Bonds and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

If fewer than all the Bonds are to be redeemed, the Bonds for redemption will be selected on a pro rata basis, by lot or by such other method as required by law or requirement of any stock exchange on which the Bonds are listed or DTC or any alternative clearing system; *provided* that Bonds with a principal amount of $200,000 will not be redeemed in part.

(c) Redemption for taxation reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 calendar days' written notice to the Bondholders (which notice shall be irrevocable) and the Trustee, at their principal amount (together with interest accrued and unpaid to (but excluding) the date fixed for redemption), if:

(i) the Issuer (or any Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date; and

(ii) such obligation cannot be avoided by the Issuer (or as the case may be, the relevant Guarantor) taking reasonable measures available to it (*provided* that changing the jurisdiction of organisation of the Issuer (or as the case may be, the relevant Guarantor) is not a reasonable measure for purposes of this section),

provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer (or, as the case may be, the relevant Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Bonds or the Guarantees then due and, unless at the time such notice is given, the obligation to pay additional amounts remains in effect. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer (or, as the case may be, the relevant Guarantor) shall deliver to the Trustee a certificate signed by two directors of the Issuer (or, as the case may be, the relevant Guarantor) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or, as the case may be, the relevant Guarantor) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders.

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(d) Repurchase of Bonds Upon a Change of Control Triggering Event

Not later than 30 days following the occurrence of a Change of Control Triggering Event, the Issuer will make an Offer to Purchase all outstanding Bonds (a "Change of Control Offer") at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest, if any, to (but excluding) the Offer to Purchase Payment Date.

Notwithstanding the above, the Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner and at the same time and purchases all Bonds validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control, the Trust Deed does not contain provisions that permit the Bondholders to require that the Issuer purchase or redeem the Bonds in the event of a takeover, recapitalisation or similar transaction.

(e) Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be listed at the relevant time, the Parent Guarantor and any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. Any purchase of Bonds by tender shall be made available to all Bondholders alike and such Bonds may be retained for the account of the relevant purchaser or otherwise dealt with at its discretion (but may not be resold). The Bonds so purchased, while held by or on behalf of the Parent Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 12(a).

(f) Cancellation

All Bonds so redeemed will be cancelled and may not be re-issued or resold. All Bonds purchased pursuant to this Condition may be cancelled at the discretion of the relevant purchaser. Bonds may be surrendered for cancellation by surrendering each such Bond to the Paying Agent and if so surrendered shall be cancelled forthwith (and may not be reissued or resold) and the obligations of the Issuer in respect of any such Bonds shall be discharged.

6 Payments

(a) Principal and Interest

Payment of principal and interest due other than on an Interest Payment Date will be made in United States dollars by transfer to the registered account of the Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Paying Agents.

Interest on Bonds due on an Interest Payment Date will be paid in United States dollars on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "Interest Record Date"). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.



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(b) Registered accounts

For the purposes of this Condition, a Bondholder's registered account means the United States dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(c) Payments subject to fiscal laws

All payments are subject in all cases to:

(i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7; and

(ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if it is not a business day, the first following day which is a business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day or if the Bondholder is late in surrendering its Certificate (if required to do so).

(e) Business Day

In this Condition, "business day" means:

(i) in the case of payment by transfer to a registered account, a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong and the place of the specified office of the Paying Agent; and

(ii) in the case of the surrender of a Certificate, a day in which commercial banks are open for business in the place of the specified office of the Paying Agent to whom the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.



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(f) Paying Agents

The initial Paying Agent, Transfer Agent and Registrar and their initial specified offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent, Transfer Agent or Registrar and appoint additional or other paying agents, transfer agents or registrars; *provided* that it will maintain:

(i) a Paying Agent;

(ii) a paying agent in Singapore so long as the Bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the rules of the SGX-ST so require; and

(iii) a Registrar.

Notice of any change in the Paying Agent, Transfer Agent or Registrar or their specified offices will promptly be given to the Bondholders and the SGX-ST (so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require).

7 Taxation

All payments by or on behalf of the Issuer or the Guarantors in respect of the Bonds or the Guarantees, as applicable, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges (including, without limitation, penalties and interest and other amounts related thereto) of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom, Mauritius or Cyprus or any other jurisdiction in which the Issuer or any Guarantor is then incorporated, organised, engaged in business for tax purposes or resident for tax purposes or through which any payment on the Bonds or the Guarantees is made on behalf of the Issuer or a Guarantor (each, a "Tax Jurisdiction") or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer, or as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(a) to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of such holder (or its beneficial owner or equity holder) having some connection with a Tax Jurisdiction other than the mere holding of such Bond or exercising any rights or obligations relating thereto;

(b) in the case of payment of principal or interest (other than interest due on an Interest Payment Date) if the Certificate in respect of such Bond is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Certificate for payment on the last day of such period of 30 days;

(c) with respect to taxes, duties, assessments or governmental charges in respect of such Bond imposed as a result of the failure of the holder or beneficial owner of such Bond to comply with a written request of the Issuer or the relevant Guarantor at least 60 days before any such withholding or deduction would be payable to provide timely or accurate information concerning the nationality, residence or identity of the holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification, information or other reporting requirement (to the extent such holder or beneficial owner is legally eligible to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of a Tax Jurisdiction or any authority therein or thereof having the power to tax as a condition to exemption from all or part of such taxes;

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(d) for any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(e) for any Taxes imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the Code, any regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection therewith or any law or regulation (or any official interpretation thereof) implementing an intergovernmental approach thereto, or any agreements entered into pursuant to Section 1471(b) of the Code; or

(f) for any taxes, duties, assessments or governmental charges payable otherwise than by deduction or withholding on payments under such Bond or the Guarantees.

Such additional amounts shall also not be payable where, had the beneficial owner of the Bond been the holder of the Bond, it would not have been entitled to payment of additional amounts by reason of clauses (a) through (f) inclusive above.

"Relevant Date" means whichever is the later of:

(i) the date on which such payment first becomes due; and

(ii) if the full amount payable has not been received by the Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

Any reference in these Conditions to principal and/or interest in respect of the Bonds shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

8 Events of Default

The Trustee at its discretion may, and if so requested by holders of not less than 25% in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to it being indemnified and/or secured (including by way of payment in advance) to its satisfaction), give notice in writing to the Issuer and the Parent Guarantor that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable, if any of the following events (each an "Event of Default") shall have occurred:

(a) Non-Payment:

(i) the Issuer and the Guarantors fail to pay all or any part of the principal of any of the Bonds when the same shall become due and payable, whether at maturity, upon redemption or otherwise and such failure continues for a period of seven calendar days; or

(ii) the Issuer and the Guarantors fail to pay any instalment of interest upon any of the Bonds as and when the same shall become due and payable, and such failure continues for a period of 14 calendar days; or

(b) Breach of Other Obligations:

(i) the Issuer fails to make or consummate an Offer to Purchase with respect to any of the Bonds in the manner set out in Condition 5(d); or

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(ii) the Issuer or any Guarantor defaults in the performance or observance of or compliance with any of its other obligations set out in the Bonds or the Trust Deed or under the Guarantees, which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is not in the opinion of the Trustee remedied within 45 calendar days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" under the Bonds and demanding that the Issuer or, as the case may be, the relevant Guarantor remedy the same, shall have been given to the Issuer and the Parent Guarantor by the Trustee; or

(c) Cross-Default:

(i) any other present or future indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity (otherwise than at the option of the Issuer, any Guarantor or any Material Subsidiary, as the case may be) by reason of any actual or potential default, event of default or the like (howsoever described); or

(ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for; or

(iii) the Issuer, any Guarantor or any of the Material Subsidiaries fails to pay when due (or within any applicable grace period originally provided for) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised;

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which any one or more of the events mentioned above in this Condition 8(c) has or have occurred equals or exceeds $100,000,000 (or the Dollar Equivalent thereof); or

(d) Enforcement Proceedings: A distress, attachment, execution or other legal process (other than distraint or attachment imposed by any government, authority or agent prior to enforcement foreclosure) is levied, enforced or sued out, as the case may be, on or against all or a substantial part of the property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries and is not:

(i) either discharged or stayed within 60 calendar days or in circumstances where the levy, enforcement or suing out, as the case may be, of such legal process is not, or does not become, materially prejudicial to the interests of the Bondholders, within 120 calendar days; or

(ii) being contested in good faith on the basis of appropriate legal advice provided by reputable independent counsel in the relevant jurisdiction or jurisdictions and by appropriate proceedings; or

(e) Security Enforced: An encumbrancer takes possession or a receiver, administrator, administrative receiver, liquidator, examiner, manager, receiver and manager or other similar person (any of the foregoing, an "Administrator or Receiver") is appointed over, or an attachment order is issued in respect of, the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries and in any such case such possession or appointment is not stayed or terminated or the debt on account of which such possession was taken or appointment made is not discharged or satisfied within 60 calendar days of such appointment or the issue of such order; or

(f) Insolvency: The Issuer, any Guarantor or any of the Material Subsidiaries:

(i) is insolvent or bankrupt or is deemed to be insolvent as a result of a court being satisfied that the value of the Issuer, any Guarantor or any of the Material Subsidiaries' assets is less than the amount of its liabilities, taking into account contingent and prospective liabilities, or unable to pay its debts or stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts as they mature; or



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(ii) applies for or consents to or suffers the appointment of an Administrator or Receiver in respect of the Issuer, any Guarantor or any of the Material Subsidiaries or over the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries; or

(iii) proposes or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Issuer, any Guarantor or any of the Material Subsidiaries, except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution; or

(g) **Winding-up, Disposals**: An Administrator or Receiver is appointed, an order is made or an effective resolution is passed for the winding-up, dissolution, striking off the register, examinership or administration of the Issuer, any Guarantor or any of the Material Subsidiaries, or the Issuer, any Guarantor or any of the Material Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, or the Issuer, any Guarantor or any of the Material Subsidiaries sells or disposes of all or a substantial part of its assets or business whether as a single transaction or a number of transactions, related or not; except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or other similar arrangement:

(i) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(ii) in the case of a Material Subsidiary, not including arising out of the insolvency of such Material Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group or to a transferee or transferees which immediately upon such transfer become(s) a Subsidiary or Subsidiaries of the Parent Guarantor; or

(h) **Expropriation**: Any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates (excluding any distraint or attachment prior to enforcement or foreclosure) all or a substantial part of the assets or shares of the Issuer, any Guarantor or any of the Material Subsidiaries; or

(i) **Issuer or Subsidiary Guarantor ceases to be Subsidiary**: The Issuer ceases to be a Subsidiary wholly-owned and controlled, directly or indirectly, by the Parent Guarantor or any Subsidiary Guarantor ceases to be a Subsidiary; or

(j) **Analogous Events**: Any event occurs which under the laws of the Issuer's, the relevant Guarantor's or the relevant Material Subsidiary's (as the case may be) place of incorporation or principal place of business has an analogous effect to any of the events referred to in paragraphs (d) to (i) above; or

(k) **Guarantees**: The Guarantee of any Guarantor is not (or is claimed by any Guarantor not to be) in full force and effect.

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In addition, in the case of paragraph (a), the holders of not less than 25% in principal amount of the Bonds then outstanding may give notice in writing to the Issuer and the Parent Guarantor (with a copy to the Trustee) that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable.

Upon any such notice being given by the Trustee or such holders to the Issuer and the Parent Guarantor, the Bonds will immediately become due and payable at their principal amount together with accrued interest as provided in the Trust Deed, *provided* that no such notice may be given unless an Event of Default shall have occurred and *provided further* that, in the case of paragraphs (b)(ii), (d), (e) and (h), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

"Material Subsidiary" means, at any particular time, a Subsidiary of the Parent Guarantor:

(a) whose:

(i) total assets; or

(ii) gross revenues,

(in each case on an unconsolidated basis) attributable to the Parent Guarantor are equal to or greater than 10% of the consolidated total assets or consolidated gross revenues of the Parent Guarantor, as applicable (in each case as calculated based on the latest annual unconsolidated financial statements of the Subsidiary and the latest audited annual consolidated financial statements of the Parent Guarantor); or

(b) to which is transferred all or substantially all of the business, assets and undertaking of a Subsidiary of the Parent Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon the transferor Subsidiary of the Parent Guarantor shall immediately cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary (subject to the provisions of paragraph (a) above).

A report by two directors of the Parent Guarantor that in their opinion a Subsidiary of the Parent Guarantor is or is not, or was or was not, at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Bondholders.

9 Consolidation, Amalgamation or Merger

The Parent Guarantor will not consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

(a) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of the Parent Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Merger or that acquired such properties and assets, if not organised under the law of the United Kingdom, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added to Condition 7 and clause (c) of Condition 5 in each place therein in which reference is made to the United Kingdom, subject to clause (d) of the first paragraph of this Condition 9;

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(c) immediately after giving effect to any such Merger, no Event of Default or Potential Event of Default (as defined in the Trust Deed) shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

(i) a certificate signed by two directors of the Parent Guarantor; and

(ii) a certificate signed by two directors of the Person that would result from such Merger or that would acquire such properties and assets; and

(d) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Merger.

Each Subsidiary Guarantor will not, and the Parent Guarantor will not permit any Subsidiary Guarantor to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any Person other than the Parent Guarantor or another Subsidiary Guarantor (the consummation of any such event, a "Subsidiary Merger"), unless:

(a) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of such Subsidiary Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets, if not organised under the law of the jurisdiction of organisation of such Subsidiary Guarantor, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added to Condition 7 and clause (c) of Condition 5 in each place therein in which reference is made to the jurisdiction of organisation of such Subsidiary Guarantor, subject to clause (d) of the second paragraph this Condition 9;

(c) immediately after giving effect to any such Subsidiary Merger, no Event of Default or Potential Event of Default (as defined in the Trust Deed) shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

(i) a certificate signed by two directors of the Parent Guarantor; and

(ii) a certificate signed by two directors of the Person that would result from such Subsidiary Merger or that would acquire such properties and assets;

(d) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Subsidiary Merger; and

(e) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets would, on the date of such transaction after giving pro forma effect thereto, be permitted to Incur at least $1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(h).

The Issuer will not, and the Parent Guarantor will not permit the Issuer to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person.



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10 Prescription

Claims in respect of principal and interest will become void unless made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

11 Replacement of Certificates

If any Certificate representing a Bond is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Parent Guarantor may require (*provided* that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification and Waiver

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Issuer, the Parent Guarantor or the Trustee at any time and shall be convened by the Trustee if it receives a written request by Bondholders holding not less than 15% in principal amount of the Bonds for the time being outstanding. The quorum for any such meeting convened to consider an Extraordinary Resolution will be two (2) or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two (2) or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:

(i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds;

(ii) to reduce or cancel the principal amount of, or interest on, the Bonds;

(iii) to change the currency of payment of the Bonds;

(iv) to cancel or modify any Guarantee (other than any modification described in Condition 12(b));

(v) to impair or affect the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds; and

(vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution,

in which case the necessary quorum will be two (2) or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted in favour).



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The expression "Extraordinary Resolution" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than two-thirds of the votes cast.

(b) Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to:

(i) any modification to these Conditions or to the provisions of the Trust Deed or the Agency Agreement which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and

(ii) any other modification (except as provided for in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of these Conditions, the Trust Deed or the Agency Agreement which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders.

Any such modification, authorisation or waiver shall be binding on the Bondholders and such modification shall be notified to the Bondholders as soon as practicable.

(c) Written resolutions of 90% holders

The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90% of the aggregate principal amount outstanding of Bonds who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed shall be as valid and effective as a duly passed Extraordinary Resolution.

(d) Entitlement of the Trustee

In connection with the exercise of its powers, trusts, authorisations or discretions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders (including as a result of their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory) and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Guarantors any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantors as it may think fit to enforce the terms of the Trust Deed and the Bonds and/or the Guarantees, but it need not take any such proceedings unless:

(a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in principal amount of the Bonds outstanding; and

(b) it shall have been indemnified and/or secured (including by way of payment in advance) to its satisfaction.

No Bondholder may proceed directly against the Issuer and/or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing. However, such limitation does not apply to the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds.



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14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured (including by way of payment in advance) to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, any Guarantor and any entity related to the Issuer or any Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders on any certificate or report prepared by the auditors or any other person pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the auditors liability in respect thereof is limited by a monetary cap or otherwise; any such certificate shall be conclusive and binding on the Issuer, the Guarantors, the Trustee and the Bondholders.

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue, *provided* that, if the securities of such further issue are not fungible with the Bonds for U.S. federal income tax purposes, such securities will have a separate CUSIP or ISIN from those of the Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in Singapore (which is expected to be *The Business Times*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificates and the Global Certificates are held on behalf of DTC or the alternative clearing system (as defined in the Global Certificates), notices to Bondholders may be given by delivery of the relevant notice to DTC or the alternative clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Agency Agreement and the Bonds and all non-contractual matters arising therefrom or in connection therewith are governed by and construed in accordance with English law.



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(b) Jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Trust Deed or the Bonds and all non-contractual matters arising therefrom or in connection therewith (including a dispute regarding the existence, validity or termination of the Trust Deed or the Bonds or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

(c) Process Agent

Each of Twin Star and Welter hereby irrevocably appoints the Parent Guarantor, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings in England. If the Parent Guarantor ceases to be able to accept service of process in England and Wales, each of Twin Star and Welter shall immediately appoint a new agent to accept such service of process in England and notify the Trustee of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.



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SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Global Certificates contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Conditions of the Bonds set out in this Offering Circular. The following is a summary of certain of those provisions. Terms defined in the Conditions have the same meaning in the paragraphs below.

Book-Entry; Delivery and Form

The certificates representing the Bonds will be issued in fully registered form without interest coupons attached. The Regulation S Bonds will initially be represented by the Unrestricted Global Certificates and will be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream. Prior to the 40th day after the date of issue of the Bonds, beneficial interests in the Regulation S Bonds may only be held through Euroclear or Clearstream, and any resale or transfer of such interests to US persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A or Regulation S under the Securities Act.

The Rule 144A Bonds will initially be represented by the Restricted Global Certificates and will be deposited with a custodian for, and registered in the name of a nominee of, DTC.

Each Global Certificate (and any Bonds issued for exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "*Transfer Restrictions*".

Ownership of beneficial interests in a Global Certificate will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Certificate will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). QIBs may hold their interests in a Restricted Global Certificate directly through DTC if they are participants in such system, or indirectly through organisations which are participants in such system.

Investors may hold their interests in a Regulation S Bond directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organisations that are participants in such system. On or after the 40th day following the date of issue of the Bonds, investors may also hold such interests through organisations other than Euroclear or Clearstream that are participants in the DTC system. Euroclear and Clearstream will hold interests in the Regulation S Bonds on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Bonds represented by such Global Certificate for all purposes under the Trust Deed and the Bonds. No beneficial owner of an interest in a Global Certificate will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Trust Deed and the Agency Agreement and, if applicable, those of Euroclear and Clearstream.

Registration of Title

Individual Certificates will not be issued in exchange for interests in the Bonds in respect of which the Global Certificates are issued, except if (where they shall be issued free of charge to the holder) DTC (or any clearing system as shall have been designated by the Issuer and approved by the Trustee (the "Alternative Clearing System") on behalf of which the Bonds evidenced by the Global Certificates may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "Clearing Agency" registered under the Exchange Act or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, as the case may be, such Alternative Clearing System).



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Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as any Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that a Global Certificate is exchanged for Individual Certificates. In addition, in the event that a Global Certificate is exchanged for Individual Certificates, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Individual Certificates, including details of the paying agent in Singapore.

In such circumstances, the Issuer will cause sufficient Individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Bondholders. A person with an interest in the Bonds in respect of which a Global Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates and, in the case of a person with an interest in the Bonds represented by a Restricted Global Certificate, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous sale pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act ("Rule 144"), a certification that the transfer is being made in compliance with the provisions of Rule 144A, Regulation S or Rule 144, as the case may be, in accordance with the Agency Agreement. Restricted individual certificates issued in respect of the Rule 144A Bonds shall bear the Securities Act Legends applicable to transfers pursuant to Rule 144A.

Payments and Transfers

Payments of principal and interest in respect of Bonds represented by a Global Certificate will be made to DTC or its nominee, as the case may be, and will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender, of the Global Certificate to or to the order of the Paying Agent as shall have been notified to the Bondholders for such purpose. None of the Issuer, the Trustee or the Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Certificate, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Certificate as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Certificate held through such participants will be governed by standing instructions and customary practises, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.



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The Issuer expects that DTC will take any action permitted to be taken by a Bondholder (including the presentation of Bonds for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Certificate is credited and only in respect of such portion of the aggregate principal amount of Bonds as to which such participant or participants has or have given such direction.

The Issuer understands that DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies and certain other organisations that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Certificate among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee or the Paying Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Notices

So long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, notices to Bondholders will be published in a leading newspaper having general circulation in Singapore (which is expected to be the Business Times). Any such notice shall be deemed to have been given on the date of such publication. So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of DTC or an Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled account holders in substitution for publication as required by the Conditions.

Meetings

The registered holder of each Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each $1,000 in principal amount of the Bonds for which the Global Certificates may be exchanged. The Trustee may allow a person with an interest in the Bonds in respect of which a Global Certificate has been issued to attend and speak (but not to vote) at a meeting of Bondholders on appropriate proof of his identity and interest.

Purchase and Cancellation

Cancellation of any Bond required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Bonds in the register of Bondholders.

Trustee's Powers

In considering the interests of Bondholders while a Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may have regard to any information provided to it by or on behalf of the relevant clearing system or its operator as to the identity (either individually or by category) of its account holders with entitlements to the Bonds and may consider such interests as if such account holders were the Bondholders.



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The Clearing Systems

General

DTC, Euroclear and Clearstream have advised the Issuer, the Parent Guarantor and each Subsidiary Guarantor as follows:

DTC. DTC is a limited-purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organisations, some of whom own DTC, and may include the Joint Bookrunners. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Transfers of ownership or other interests in Bonds in DTC may be made only through DTC participants. In addition, beneficial owners of Bonds in DTC will receive all distributions of principal of and interest on the Bonds from the Trustee through such DTC participant.

Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Initial Settlement

Initial settlement for the Bonds will be made in immediately available funds. All Bonds issued in the form of global certificates will be deposited with Cede & Co., as custodian for DTC. Investors' interests in Bonds held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will initially hold positions on behalf of their participants through DTC.

Investors electing to hold their Bonds through DTC (other than through accounts at Euroclear or Clearstream) must follow the settlement practises applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date.

Investors electing to hold their Bonds through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Bonds will be credited to the securities custody accounts of Euroclear holders and of Clearstream holders on the business day following the settlement date against payment for value on the settlement date.



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Secondary Market Trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Bonds where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between DTC participants. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in same-day funds using DTC's Same-Day Funds Settlement System.

Trading between Euroclear and Clearstream participants. Secondary market trading between Euroclear participants and Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

Trading between DTC seller and Euroclear or Clearstream purchaser. When Bonds are to be transferred from the account of a DTC participant to the account of a Euroclear participant or a Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a participant at least one business day prior to settlement. Euroclear or Clearstream, as the case may be, will receive the Bonds against payment. Payment will then be made to the DTC participant's account against delivery of the Bonds. Payment will include interest accrued on the Bonds from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Bonds. After settlement has been completed, the Bonds will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Euroclear participant's or Clearstream participant's account. Credit for the Bonds will appear on the next day (European time), and cash debit will be back-valued to, and the interest on the Bonds will accrue from, the value date (which would be the preceding day when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade date fails), the Euroclear or Clearstream cash debit will be valued instead on the actual settlement date.

Euroclear participants or Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream. Under this approach, they may take on credit exposure to Euroclear or Clearstream until the Bonds are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream participants purchasing Bonds would incur overdraught charges for one day, assuming they cleared the overdraught when the Bonds were credited to their accounts. However, interest on the Bonds would accrue from the value date. Therefore, in many cases, the investment income on Bonds earned during that one-day period may substantially reduce or offset the amount of such overdraught charges, although this result will depend on each participant's particular cost of funds.

The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.



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Finally, day traders that use Euroclear or Clearstream and that purchase Bonds from DTC participants for credit to Euroclear participants or Clearstream participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

- borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear account or Clearstream account) in accordance with the clearing system's customary procedures;

- borrowing the Bonds in the United States from a DTC participant no later than one day prior to settlement, which would give the Bonds sufficient time to be reflected in the borrower's Euroclear account or Clearstream account in order to settle the sale side of the trade; or

- staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear participants or Clearstream participants.

Trading between Euroclear or Clearstream seller and DTC purchaser. Due to the time zone differences in their favour, Euroclear participants or Clearstream participants may employ their customary procedures for transactions in which Bonds are to be transferred by the respective clearing system to another DTC participant. The seller must send instructions to Euroclear or Clearstream through a participant at least one business day prior to settlement. In these cases, Euroclear or Clearstream will credit the Bonds to the DTC participant's account against payment. Payment will include interest accrued on the Bonds from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to the Bonds excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Bonds. The payment will then be reflected in the account of the Euroclear participant or Clearstream participant the following day, and receipt of the cash proceeds in the Euroclear or Clearstream participant's account will be back-valued to the value date (which would be the preceding day when settlement occurs in New York). If the Euroclear participant or Clearstream participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraught charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would instead be valued on the actual settlement date.

As in the case with respect to sales by a DTC participant to a Euroclear or Clearstream participant, participants in Euroclear and Clearstream will have their accounts credited the day after their settlement date. See the section entitled "— *Trading between DTC seller and Euroclear or Clearstream purchaser*" above for more information.

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TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Bonds and the Guarantees.

This offering is being made in reliance on Rule 144A and Regulation S. The Bonds and the Guarantees have not been, and will not be, registered or with any securities regulatory authority of any State in the United States or any other jurisdiction, and may only be offered or sold (a) within the United States to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) to non-US persons outside the United States in reliance on Regulation S, and in each case in accordance with any other applicable law.

Rule 144A Bonds

Each purchaser of the Bonds and the Guarantees within the United States pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that it has received such information as it deems necessary to make an investment decision and that:

- It is (a) a QIB within the meaning of Rule 144A, (b) acquiring such Bonds and the Guarantees for its own account or for the account of one or more QIBs, (c) not acquiring the Bonds and the Guarantees with a view to further distribute such Bonds, and (d) aware, and each beneficial owner of such Bonds and the Guarantees has been advised, that the sale of such Bonds and the Guarantees to it is being made in reliance on Rule 144A.

- It understands that such Bonds and the Guarantees have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that the holder and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (d) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of the States of the United States; and the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Bonds and the Guarantees of the resale restrictions referred to in this clause.

- It acknowledges that such Bonds and the Guarantees are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, are being offered and sold in a transaction not involving any public offering in the United States within the meaning of the Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the Bonds and the Guarantees.

- It understands that any offer, sale, pledge or other transfer of the Bonds and the Guarantees made other than in compliance with the above-stated restrictions may not be recognised by the Issuer, the Parent Guarantor or the Subsidiary Guarantors.

- The Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Transfer Agent, the Registrar, the Joint Bookrunners and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Bonds and the Guarantees for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make (and does make) the foregoing acknowledgments, representations and agreements on behalf of each such account.



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- It understands that the Bonds offered in reliance on Rule 144A and the Guarantees will be represented by the Restricted Global Certificates. Before any interest in the Restricted Global Certificates may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificates, it will be required to provide the Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

It understands that such Bonds and the Guarantees, unless otherwise agreed between the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Trustee in accordance with applicable law, will bear a legend to the following effect:

THIS BOND AND THE GUARANTEES IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER OF THIS BOND WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS BOND OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

Regulation S Bonds

Each purchaser of Bonds and the Guarantees offered hereby to non-US persons in reliance on Regulation S, by accepting delivery of this Offering Circular and the Bonds and the Guarantees, will be deemed to have represented, agreed and acknowledged that it has received such information as it deems necessary to make an investment decision and that:

- It understands that such Bonds and the Guarantees have not been and will not be registered under the Securities Act, and such Bonds and the Guarantees are being offered and sold to non-US persons in reliance on Regulation S.

- It is, or at the time the Bonds and the Guarantees are purchased will be, the beneficial owner of such Bonds and the Guarantees and (a) it is purchasing the Bonds and the Guarantees in an offshore transaction (within the meaning of Regulation S); (b) it is not an affiliate of the Issuer, the Parent Guarantor or the Subsidiary Guarantors or a person acting on behalf of such an affiliate and (c) it is not a US person (as defined in Regulation S) and is located outside the United States and will continue to be located outside the United States at the time the buy order is originated.

- It will not offer, sell, pledge or transfer Bonds and the Guarantees, except in accordance with the Securities Act and any applicable laws of the states of the United States and any other jurisdiction.



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- The Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Transfer Agent, the Registrar, the Joint Bookrunners and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

It understands that the Bonds and the Guarantees offered in reliance on Regulation S will be represented by the Unrestricted Global Certificates. For the period until and including the 40th day after the commencement of the offering, any interest in the Unrestricted Global Certificates may be offered, sold, pledged or otherwise transferred to a US person or a person located in the United States or a person who takes delivery in the form of an interest in the Restricted Global Certificate, provided that it will be required to provide the Transfer Agent with a written certification (in the form provided in the Agency Agreement) to the effect that the transferee is a "qualified institutional buyer" (as defined in Rule 144A) and as to compliance with applicable securities laws.

It understands that such Bonds and the Guarantees will, unless otherwise agreed between the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Trustee in accordance with applicable law, will bear a legend to the following effect:

This Bond and the Guarantees in respect hereof have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred in the United States or to, for the account or benefit of, any United States person except pursuant to an available exemption from the registration requirements of the Securities Act and all applicable state securities laws. Terms used above have the meanings given to them in Regulation S under the Securities Act.

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TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Bonds. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder or beneficial owner of the Bonds or of any person acquiring, selling or otherwise dealing with the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of the Bonds are advised to consult their tax advisers as to the tax consequences, under the tax laws of the country in which they are resident, of a purchase of Bonds including, without limitation, the consequences of receipt of interest and premium, if any, on the Bonds and a sale or redemption of, the Bonds or any interest therein.

Certain United Kingdom Taxation Considerations

The comments below, which are of a general nature and are based on the Issuer's understanding of current UK tax law as applied in England and Wales and HM Revenue & Customs ("**HMRC**") practice (which may not be binding on HMRC) in each case as at the latest practicable date before the date of this Offering Circular, both of which may be subject to change, possibly with retrospective effect, describe only the UK withholding tax treatment of payments in respect of the Bonds. They are not exhaustive. They do not deal with any other UK taxation implications of acquiring, holding, exchanging, redeeming or disposing of the Bonds. Prospective holders of the Bonds who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly advised to consult their own professional advisers. In particular, Bondholders should be aware that the tax legislation of any jurisdiction where a Bondholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Bonds including in respect of any income received from the Bonds.

Interest on the Bonds

The Bonds will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 (the "Act") as long as they are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Act. SGX-ST is a "recognised stock exchange" for these purposes. The Bonds will be treated as listed on SGX-ST if the Bonds are included in the official list of, and are admitted to trading on (which, in the case of SGX-ST, means quoted on), the Main Board of SGX-ST.

Provided, therefore, that the Bonds are and remain so listed and quoted, payments of interest on the Bonds will be made without deduction or withholding for or on account of UK income tax.

If the Bonds are not, or cease to be, so listed, generally an amount must be deducted or withheld for or on account of UK income tax at the basic rate (currently 20%), subject to any direction to the contrary by HM Revenue and Customs under an applicable double taxation treaty, and except that the deduction or withholding obligation is disapplied in respect of payments of interest to Bondholders who the Issuer reasonably believes are either UK resident companies or non-UK resident companies carrying on a trade in the UK through a permanent establishment which are, in each case, within the charge to UK corporation tax and to which the interest is attributable, or are partnerships whose members consist entirely of such companies (unless, in each such case, HM Revenue and Customs directs otherwise), or where any other relevant exception, exemption or relief applies. Any premium payable on redemption may be treated as a payment of interest for UK tax purposes and may accordingly be subject to the withholding tax treatment described above.

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Interest on the Bonds will constitute UK source income for UK tax purposes and may be subject to UK income tax or UK corporation tax (as appropriate) by assessment (including self-assessment) even where paid without deduction or withholding for or on account of UK tax. However, interest with a UK source received without deduction or withholding for or on account of UK income tax will not be chargeable to UK tax in the hands of a Bondholder who is not resident for tax purposes in the UK unless that Bondholder: (i) is not a company and carries on a trade, profession or vocation in the UK through a UK branch or agency, or is a company and carries on a trade in the UK through a UK permanent establishment and the interest is received in connection with, or the Bonds are attributable to, that branch or agency or permanent establishment (as applicable); or (ii) is a trustee in certain circumstances. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double tax treaty may also be relevant for such Bondholders.

United Kingdom Withholding Tax — Payments by a Guarantor

If a Guarantor makes any payments in respect of interest on the Bonds (or other amounts due under the Bonds other than the repayment of amounts subscribed for the Bonds) which are not treated as having a UK source, they should not be subject to UK withholding tax. If this is not the case then, depending on the correct legal analysis of the payments as a matter of UK law (which is uncertain), it is possible that such payments may be subject to deduction or withholding for or on account of UK income tax at the basic rate (currently 20%), subject to any claim which could be made under an applicable double taxation treaty or any other available exemption or relief. In particular, such payments by a Guarantor may not be eligible for the quoted Eurobonds exemption described above.

Provision of information

In certain circumstances, HM Revenue and Customs has the power to require any person in the UK (i) paying interest to, or receiving interest on behalf of another person who is an individual; or (ii) paying amounts due on redemption of any Bonds which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to, or receiving such amounts on behalf of, another person who is an individual, to disclose the name and address of that Bondholder and to provide information regarding the amounts paid to him or received on his behalf. In relation to the payment or receipt of interest, these provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of UK income tax and whether or not the Bondholder is resident in the UK for UK taxation purposes. Where the Bondholder is not so resident, the details provided to HM Revenue and Customs may, in certain cases, be passed on to the tax authorities of the jurisdiction in which the Bondholder is resident for taxation purposes.

Transfer and redemption of the Bonds

UK corporation taxpayers

In general, Bondholders who are within the charge to UK corporation tax in respect of the Bonds will be treated for tax purposes as realising profits, gains or losses (including exchange gains and losses) in respect of the Bonds on a basis which is broadly in accordance with their statutory accounting treatment so long as that accounting treatment is in accordance with generally accepted accounting practice as that term is defined for the relevant tax purposes. Such profits, gains and losses will be taken into account in computing taxable income for UK corporation tax purposes.

Other UK taxpayers

It is not entirely certain whether or not the Bonds will be treated as "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. Accordingly, Bondholders are advised to consult their own professional advisers in respect of this issue.



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If the Bonds are treated as "deeply discounted securities" for the purposes of Part 4, Chapter 8 of the Income Tax (Trading and Other Income) Act 2005, Bondholders who are not within the charge to UK corporation tax and who are resident for tax purposes in the United Kingdom, or who carry on a trade, profession or vocation in the UK through a branch or agency to which the Bonds are attributable, may be subject to UK tax on income on a disposal of the Bonds (including a disposal occurring on redemption of Bonds). In such a case, no chargeable gain or allowable loss would arise on a disposal of a Bond by a Bondholder (including a disposal occurring on redemption) nor should the accrued income profits and losses regime (as set out below) apply to Bondholders on such a disposal.

If the Bonds are not treated as "deeply discounted securities" for the purposes of Part 4, Chapter 8 of the Income Tax (Trading and Other Income) Act 2005, a disposal of the Bonds (including a disposal occurring on redemption) by an individual Bondholder who is resident for tax purposes in the United Kingdom, or who carries on a trade, profession or vocation in the UK through a branch or agency to which the Bonds are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the UK taxation of chargeable gains. In calculating any gain or loss accordingly, a taxable profit can arise even where the amount received in a non-sterling currency is the same as, or less than, the amount paid in that currency for the Bond. Special rules may apply to individuals who have ceased to be resident in the United Kingdom and who dispose of their Bonds before becoming once again resident in the United Kingdom.

The provisions of the "accrued income profits and losses" regime (formerly known as the "accrued income scheme") (the "Regime") may apply to Bondholders who are subject to UK income tax in relation to the Bonds. On a transfer of securities with accrued interest, the Regime can, in certain circumstances, apply to deem the transferor to receive an amount of income equal to the accrued interest and to treat the deemed or actual interest subsequently received by the transferee as reduced by a corresponding amount. Generally, persons who are not resident in the UK and who do not carry on a trade in the UK through a branch or agency to which the Bonds are attributable will not be subject to the provisions of these rules. Bondholders are advised to consult their own professional advisers for further information about the rules relating to the Regime.

Certain Mauritian Taxation Considerations

The Issuer is structured as a Global Business Company ("GBC") in Mauritius. A GBC must at all times: (i) carry out its core income generating activities in, or from, Mauritius, as required under the Income Tax Act 1995 of Mauritius; (ii) be managed and controlled from Mauritius; and (iii) be administered by a management company licensed under the Financial Services Act 2007.

Generally, income tax rate for GBCs is at 15%, but subject to meeting certain prescribed conditions, a partial exemption of 80% may be allowed against certain types of income such as foreign source dividend and interest. Where the GBC derives income which is subject to foreign tax, and where the said partial exemption has not been applied, the amount of foreign tax paid may be allowed as a credit against income tax payable in Mauritius in respect of that income.

Under Income Tax Act 1995 of Mauritius, interest paid by a GBC to a non-resident not carrying on any business in Mauritius out of its "foreign source income" is not subject to withholding tax in Mauritius. To the extent that the Company holds a GBC license, interest paid under the Bonds issued to non-residents not carrying on any business in Mauritius will therefore not be subject to withholding tax in Mauritius. There are currently no capital duties levied in Mauritius on the issue, transfer, conversion or redemption of the Bonds. Registration duties do not apply to the transfer of the Bonds. Capital gains derived from the sale of the Bonds will not be subject to tax in Mauritius. The Issuer is entitled to apply for tax residence certificates issued by the Mauritius Revenue Authority. These certificates are required for the avoidance of double taxation under the Agreements for the Avoidance of Double Taxation signed between Mauritius and other jurisdictions, including India and the United Kingdom. Prospective purchasers of the Bonds are urged to consult their own tax advisers in order to fully understand the tax consequences of purchasing the Bonds.



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Certain Cypriot Taxation Considerations

The statements below regarding taxation are based on the laws and practices that are in force in the Republic of Cyprus as at the date of this Offering Circular and should be treated with appropriate caution. The statements below are based on the Issuer's understanding and interpretation of the relevant laws and practices applicable in the Republic. In addition, the laws and practices currently in force may be subject to changes and/or amendments that could result in changes and/or amendments on a retroactive basis.

These statements are not exhaustive and do not constitute tax or legal advice and are of a general nature only. Prospective investors in the Bonds should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Bonds and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile and, if deemed appropriate, obtain an advance tax ruling from the Cyprus Tax Department.

Interest income

In accordance with the provisions of the Cyprus Income Tax Law, Law 118(I)/2002 (as amended) (the "**Income Tax Law**"), a person (natural or legal) is liable to income tax in Cyprus on its worldwide income if it is tax resident in Cyprus. If such person is not tax resident in Cyprus, it will only be subject to income tax in Cyprus on Cyprus sourced income.

Accordingly, persons (natural or legal) who are not tax resident in Cyprus for tax purposes pursuant to the provisions of the Income Tax Law will not be liable to income tax or to special defence contribution tax on interest payments under the Bonds (given that such interest will emanate from sources outside Cyprus).

Under the provisions of the Income Tax Law, interest income earned by a Cypriot tax resident person (natural or legal) from the ordinary carrying on of its business, as well as interest closely connected with the ordinary carrying on of its business, is considered income from a trading activity (i.e. "active" interest income) and is subject to income tax at the rate of 12.5% only. Under the provisions of the Special Contribution for the Defence of the Republic Law, Law 117(I) of 2002 (as amended) (the "SDC Law"), such interest is not considered as interest income for the purposes of the SDC Law and is not, therefore, subject to special defence contribution ("SDC").

Under the SDC Law, interest income earned: (1) by a legal person who is tax resident in Cyprus; or (2) by a natural person who is tax resident in Cyprus and also domiciled in Cyprus (see the section entitled "*Tax residency – SDC Law*" below), other than interest earned from the ordinary carrying on of its business and/or interest closely connected with the ordinary carrying on of its business, is subject to SDC only. The current SDC rate for interest income is 30%.

Tax residency – Income Tax Law

Individuals

"183-day-rule": An individual is considered to be a tax resident in Cyprus if he or she is physically present in the Republic of Cyprus for one or more periods that exceed in aggregate 183 days within the tax year.

"60-day-rule": As of 1 January 2017, an individual is also considered as Cypriot tax resident for a tax year, if he or she meets all of the following requirements: (1) does not spend one or more periods that in aggregate exceed 183 days in any other single state within the tax year; (2) is not tax resident of another state in the same tax year; (3) stays in Cyprus for at least 60 days in the tax year; (4) pursues a business or is employed in Cyprus or holds an office with a company that is tax resident in Cyprus at any time during the tax year; and (5) maintains a permanent home in Cyprus that is either owned or rented. If an individual terminates his or her employment in the Republic of Cyprus and/or terminates his or her business pursued in the Republic of Cyprus and/or terminates the holding of office with a company that is tax resident in Cyprus, he or she cannot be considered a Cypriot tax resident for that tax year.



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Companies

A company is considered to be tax resident in the Republic of Cyprus if its management and control is exercised in Cyprus. There is no definition in the Cyprus Income Tax Law as to what constitutes "management and control". Based on caselaw, a company is tax resident in Cyprus if: (1) the majority of the Board of Directors' meetings are held in Cyprus; (2) the Board of Directors exercise control and make key management and commercial decisions necessary for the company's operations and general policies in Cyprus; and (3) the majority of the directors are Cyprus tax residents.

In addition to the above, for the purposes of obtaining a tax residency certificate from the Cyprus Tax Department, the following factors are also considered (in addition to the fact that such company should be tax compliant at the time of submission of such a request): whether the shareholders' meetings are held in Cyprus; whether any general powers of attorney are issued to non-Cyprus tax residents; whether the corporate seal and all statutory books and records are maintained in Cyprus; whether corporate filing and reporting functions are performed by representatives located in Cyprus; whether agreements relating to the company's business or assets are executed or signed in Cyprus.

Tax residency – SDC Law

Individuals

The SDC Law provides that the term "resident in the Republic", when applied to an individual, means a person who is resident in the Republic of Cyprus as defined in accordance with the provisions of the Income Tax Law and who also has "domicile in the Republic".

For the purposes of the SDC Law, an individual has a "domicile in the Republic" if he or she has a domicile of origin in the Republic of Cyprus based on the provisions of the Cyprus Wills and Succession Law, Cap. 195, as amended (the "**Wills and Succession Law**") except for: (i) a person who has acquired and maintains a domicile of choice outside the Republic of Cyprus based on the provisions of the Wills and Succession Law, provided that he or she was not resident in the Republic of Cyprus as defined in accordance with the provisions of the Income Tax Law for any period of at least 20 consecutive years before the tax year; or (ii) a person who was not resident in the Republic of Cyprus as defined in accordance with the provisions of the Income Tax Law for a period of at least 20 consecutive years before the entry into force of the relevant provisions (regarding non domiciled individuals) in the SDC Law. As per the tax circular issued, this period is defined as the one that commences from tax year 1995 until tax year 2014 (inclusive).

However, the SDC Law also provides that, regardless of the domicile of origin, any person who is resident in the Republic of Cyprus, as defined in accordance with the provisions of the Income Tax Law, for at least 17 out of the last 20 years before the tax year, will be deemed domiciled in the Republic of Cyprus for the purposes of this Law.

Companies

The SDC Law provides that any terms not defined therein shall have the meaning set out in the Income Tax Law. Given that the term "resident in the Republic" is not defined for a company in the SDC Law, such term shall be interpreted as per the provisions of the Income Tax Law (see the section entitled "*Tax residency – Income Tax Law*" above). Thus, a company is subject to SDC in Cyprus if it is managed and controlled in Cyprus.



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Cypriot Withholding Tax on Guarantee Payments

Cyprus does not impose any withholding tax on interest payments made by a Cyprus tax resident company to persons not being resident for tax purposes in Cyprus.

There is no legislative or other available technical guidance as to how payments made by a Cyprus tax resident corporate guarantor to bondholders who are resident for tax purposes in Cyprus, could be legally characterised for Cypriot withholding tax purposes. Accordingly, an advance tax ruling is recommended to be obtained from the Cyprus Tax Department in this respect.

To the extent that payments made under the Guarantee represent interest payments, then SDC at the rate of 30% will be imposed on interest payments (assuming that they arise neither in the ordinary course of the business nor closely connected therewith) to: (a) individuals that are tax resident in Cyprus and have a Cypriot domicile (see the section entitled "*Tax residency – SDC Law*" above); and (b) companies that are tax resident in Cyprus.

Stamp Duty

In general, Cyprus levies stamp duty on every instrument specified in the Stamp Duty Law, Law 19/1963 (as amended) (the "**Stamp Duty Law**") if: (a) it relates to any property situated in Cyprus; or (b) it relates to any matter or thing which is performed or done in Cyprus. The stamp duty obligation arises irrespective of whether the document is executed in Cyprus or abroad. A document that is chargeable with stamp duty under the provisions of the Stamp Duty Law must be stamped (a) if executed within the Republic of Cyprus, within 30 days of the date of its execution or (b) otherwise, within 30 days of its receipt in the Republic of Cyprus.

Under the Stamp Duty Law, there are instruments which are subject to stamp duty at a fixed fee and instruments which are subject to stamp duty based on the value of the instrument (0.15% for amounts exceeding €5,000 and 0.20% for amounts exceeding €170,000) with a maximum stamp duty payable of €20,000 per instrument.

US Federal Income Tax Considerations

The following discussion is a summary of certain material US federal income tax consequences of the purchase, ownership and disposition of the Bonds by a US holder (defined below), (except for discussions of FATCA (as defined below under "— *Foreign Account Tax Compliance Act*"), which apply to all holders), but does not purport to be a complete analysis of all potential tax effects. This summary is based upon the US Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations issued or proposed thereunder, and judicial and administrative interpretations thereof, each of the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the US Internal Revenue Service (the "IRS") have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Bonds or that any such position would not be sustained.

This discussion does not address all of the US federal income tax consequences that may be relevant to a US holder in light of such US holder's particular circumstances, including the impact of the unearned income Medicare contribution tax or the alternative minimum tax, or to US holders subject to special rules, such as certain financial institutions, US expatriates, insurance companies, dealers in securities or currencies, traders in securities, US holders whose functional currency is not the US dollar, tax-exempt entities, regulated investment companies, real estate investment trusts, partnerships or other pass-through entities, persons that are resident in or have a permanent establishment in a jurisdiction outside the United States, persons holding the Bonds as part of a "straddle," "hedge," "conversion transaction" or other integrated transaction, and persons subject to special tax accounting rules as a result of any item of gross income with respect to the Bonds being taken into account in an applicable financial statement. In



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addition, this discussion does not address state, local or non-US tax consequences or estate or gift tax laws and is limited to persons who purchase Bonds for cash pursuant to this Offering Circular at original issue, at their "issue price" (the first price at which a substantial part of the Bonds are sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Bonds as capital assets within the meaning of Section 1221 of the Code (generally for investment). Additionally, this discussion does not address U.S. holders who purchase the Bonds and participate in the Tender Offer. Such U.S. holders should consult their tax advisors regarding the tax consequences of acquiring, owning and disposing of Bonds, which may differ from those described herein.

For purposes of this discussion, a "US holder" is a beneficial owner of a Bond that is, for US federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organised in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- any estate the income of which is subject to US federal income taxation regardless of its source; or
- any trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) a valid election is in place to treat the trust as a United States person.

If an entity or arrangement treated as a partnership for US federal income tax purposes holds Bonds, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such partnerships, should consult their tax advisers regarding the tax consequences of the purchase, ownership and disposition of Bonds.

This summary assumes that a substantial amount of the Bonds that are sold pursuant to this offering are purchased by investors who are not holders of the 2021 Bonds participating in the Tender Offer. Prospective purchasers who are holders of the 2021 Bonds who participate in the Tender Offer should consult their tax advisers concerning the US federal income tax consequences to them of the acquisition of the Bonds hereby and the sale of their 2021 Bonds pursuant to the Tender Offer.

Prospective purchasers of Bonds should consult their tax advisers concerning the tax consequences of the purchase, ownership and disposition of the Bonds in light of their particular circumstances, including the application of the US federal income tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Payments of Interest

It is expected, and the following discussion assumes, that the Bonds will be issued with no original issue discount or original issue discount that is less than a statutorily defined *de minimis* amount. Payments of stated interest on the Bonds generally will be includible in the gross income of a US holder as ordinary income at the time that such payments are received or accrued, in accordance with such US holder's method of accounting for US federal income tax purposes.

Interest income on a Bond generally will constitute foreign source income and generally will be considered "passive category income" for purposes of the foreign tax credit limitation rules.

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Should any foreign tax be withheld, the amount withheld and the gross amount of any additional amounts paid to a US holder as a result of such withholding as described in "*Terms and Conditions of the Bonds — Taxation*" (such amounts, "Additional Amounts") will be included in such US holder's income as ordinary income at the time such amount is deemed paid, received or accrued in accordance with such US holder's method of tax accounting. Foreign withholding tax paid at the rate applicable to a US holder would, subject to limitations and conditions, be treated as foreign income tax eligible for credit against such US holder's US federal income tax liability or, at such US holder's election, eligible for deductions in computing taxable income. There are significant complex limitations on a US holder's ability to claim foreign tax credits. US holders should consult their tax advisers regarding the creditability or deductibility of any withholding taxes.

Sale, Exchange, Redemption or Other Disposition of Bonds

Generally, upon the sale, exchange, redemption or other disposition of a Bond, a US holder will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange, redemption or other disposition (less any amount attributable to accrued but unpaid interest not previously included in income, which will be taxable as discussed above) and such US holder's adjusted tax basis in the Bond. A US holder's adjusted tax basis in a Bond generally will equal the cost of such Bond to such US holder, less any principal payments received by the US holder.

Such gain or loss generally will be US source capital gain or loss, and will be long-term capital gain or loss if at the time of the sale, exchange, redemption or other disposition the Bond has been held by such US holder for more than one year. Long-term capital gain recognised by a non-corporate US holder will generally be subject to taxation at a reduced rate. The deductibility of capital losses is subject to limitation.

Information Reporting and Backup Withholding

In general, payments made in the United States or through certain US-related financial intermediaries of interest or principal and the proceeds from sales of Bonds held by a US holder will be required to be reported to the IRS unless the US holder is an exempt recipient and when required, demonstrates this fact. In addition, a US holder that is not an exempt recipient may be subject to backup withholding unless it provides a taxpayer identification number and otherwise complies with applicable certification requirements.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a US holder's US federal income tax liability and may entitle the US holder to a refund, provided that the appropriate information is timely furnished to the IRS.

Tax Return Disclosure Requirements

Individuals that own "specified foreign financial assets" with an aggregate value in excess of certain thresholds are generally required to file an information report (on IRS Form 8938) with respect to such assets with their tax returns. If a US holder does not file a required IRS Form 8938, such holder may be subject to substantial penalties and the statute of limitations on the assessment and collection of all US federal income taxes of such holder for the related tax year may not close before the date which is three years after the date on which such report is filed. The Bonds generally will constitute specified foreign financial assets subject to these reporting requirements, unless the Bonds are held in certain accounts maintained by certain financial institutions. Under certain circumstances, an entity may be treated as an individual for purposes of these rules.



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Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code (commonly referred to as "FATCA") and subject to the proposed regulations discussed below, a "foreign financial institution" may be required to withhold US tax on certain "foreign passthru payments" to the extent such payments are treated as attributable to certain US source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are published in the Federal Register generally would be "grandfathered" unless materially modified after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA could apply to payments on the Bonds if there is a significant modification of the Bonds for US federal income tax purposes after the expiration of this grandfathering period. Under proposed regulations, any withholding on foreign passthru payments on Bonds that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of filing with the Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. Non-US governments (including the UK and Mauritius) have entered into agreements with the United States (and additional non-US governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein. Holders should consult their tax advisers on how these rules may apply to their investment in the Bonds. In the event any withholding under FATCA is imposed with respect to any payments on the Bonds, there will be no Additional Amounts payable to compensate for the withheld amount.



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PLAN OF DISTRIBUTION

Each of the Joint Bookrunners has, pursuant to a subscription agreement dated date of this Offering Circular (the "Subscription Agreement"), severally and not jointly agreed with the Parent Guarantor, the Subsidiary Guarantors and the Issuer, subject to the satisfaction of certain conditions, to subscribe for the principal amount of the Bonds set forth opposite its name below.

Joint Bookrunners	Principal Amount of Bonds
Barclays Bank PLC	$142,857,000
Citigroup Global Markets Limited	$142,857,000
Credit Suisse (Hong Kong) Limited	$142,857,000
DBS Bank Ltd.	$142,857,000
Deutsche Bank AG, Singapore Branch	$142,857,000
J.P. Morgan Securities plc	$142,858,000
Standard Chartered Bank	$142,857,000
Total	$1,000,000,000

The Subscription Agreement provides that the Joint Bookrunners will purchase all the Bonds if they purchase any of the Bonds. The Subscription Agreement entitles the Joint Global Coordinators and Joint Lead Managers on behalf of the Joint Bookrunners to terminate the Subscription Agreement in certain circumstances. The Parent Guarantor, the Subsidiary Guarantors and the Issuer, jointly and severally, have under the Subscription Agreement agreed to indemnify the Joint Bookrunners against certain liabilities. The Joint Bookrunners may offer and sell the Bonds through certain of their affiliates. The Joint Bookrunners or certain of their affiliates may purchase Bonds and be allocated Bonds for asset management and/or proprietary purposes but not with a view to distribution.

Neither the Parent Guarantor, the Subsidiary Guarantors or the Issuer, nor any person acting on behalf of any of them will, from the date of this Offering Circular until the date 30 days after the date of this Offering Circular, without the prior written consent of the Joint Bookrunners, issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) non-equity-linked debt securities issued or guaranteed (other than guarantees in respect of Indian Rupee denominated non-equity linked debt securities) by the Parent Guarantor, any Subsidiary Guarantor or the Issuer and having a maturity of more than one year from the date of issue.

The Bonds are a new issue of securities with no established trading market. Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST. In connection with this offering, the Stabilising Manager or any of its affiliates (or persons acting on behalf of the Stabilising Manager) may, to the extent permitted by laws and regulations, over-allot or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail for a limited time after the Closing Date. However, there is no assurance that the Stabilising Manager or any of its affiliates (or persons acting on behalf of the Stabilising Manager) will undertake any stabilisation action. Any stabilising action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Closing Date and 60 days after the date of the allotment of the Bonds. Any stabilisation action must be conducted by the Stabilising Manager or any of its affiliates (or persons acting on behalf of the Stabilising Manager or any of its affiliates) in accordance with all applicable laws and rules.

The Joint Bookrunners and their respective affiliates have, in the past, provided banking, investment banking and advisory services for the Company and the Group for which they have received customary fees and expenses. Any or all of the Joint Bookrunners and their respective affiliates may, from time to time, engage in transactions with and perform services for the Company and its subsidiaries and affiliates in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. It is expected that the Joint Bookrunners and their respective affiliates will continue to provide such services to, and enter into such transactions with, the Company and its subsidiaries and affiliates in the future.



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In connection with the offering of the Bonds, each Joint Bookrunner and/or its affiliates may act as an investor for its own account and may take up Bonds in the offering and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Company or its subsidiaries and affiliates or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering. Accordingly, references herein to the Bonds being offered should be read as including any offering of the Bonds to the Joint Bookrunners and/or their affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

It is expected that delivery of beneficial interests in the Bonds will be made through the facilities of DTC on or about 21 December 2020, which will be the eighth business day following the initial sale of the Bonds. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Bonds prior to the second business day before the delivery of the Bonds will be required, by virtue of the fact that the Bonds initially will settle on a delayed basis, to agree to a delayed settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Bonds who wish to make such trades should consult their advisers.

European Economic Area and the United Kingdom

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

- a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Hong Kong

Each Joint Bookrunner has represented and agreed that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds (except for Bonds which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("SFO")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

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India

The Bonds will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident in India. Each Joint Bookrunner has represented, warranted and agreed that this Offering Circular has not been and will not be registered as a prospectus or a statement in lieu of prospectus in respect of a public offer or an information memorandum or private placement offer cum application letter or any other offering material with the Registrar of Companies in India in accordance with the Indian Companies Act, 2013, as amended, and other applicable laws in India for the time being in force. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India or Indian stock exchange. This Offering Circular and the Bonds are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India.

Indonesia

Each Joint Bookrunner has represented and agreed that the offer of the Bonds shall not constitute a public offering under Law No. 8 of 1995 regarding Capital Markets. Under Indonesian law, a public offering means the offer of securities in Indonesia or to Indonesian citizens through mass media or to more than 100 Indonesian parties in Indonesia (foreign and/or Indonesian parties) or the sale of securities to more than 50 Indonesian parties in Indonesia (foreign and/or Indonesian parties) within certain values and period of time and the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in Indonesia, except as permitted by the Law 8 of 1995 regarding Capital Markets.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Joint Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other relevant laws and regulations of Japan.

Malaysia

Each Joint Bookrunner:

i. has acknowledged that the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase the Bonds may only be made exclusively:

   (1) at the primary level to (1) persons falling within Part I of Schedule 6 and Part I of Schedule 7 and Schedule 8 or Section 257(3) of the Capital Markets and Services Act 2007 ("CMSA"), read together with Schedule 9 or Section 257(3) of the CMSA; and

   (2) persons falling within the categories of excluded offers or invitation of securities and excluded offers or invitations of sukuk set out in section 13(5)(a) and section 13(5)(b) of the Labuan Islamic Financial Services and Securities Act 2010 ("LIFSSA"); and (2) at the secondary level to (1) persons falling within Part I of Schedule 6 or Section 229(1)(b) and Schedule 8 or Section 257(3) of the CMSA read together with Schedule 9 or Section 257(3) of the CMSA; and (2) persons falling within the categories of excluded offers or invitation of securities set out in section 13(5)(a) of the LIFSSA; and



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ii. has represented, warranted and agreed that it has not offered, sold or issued an invitation to purchase or subscribe and will not offer, sell or issue an invitation to purchase or subscribe, the Bonds, and that it has not circulated or distributed and will not circulate or distribute this Offering Circular or any other offering document or material relating to the Bonds, directly or indirectly, to persons or parties other than those described in paragraph (i)(1) above.

Mauritius

Each Joint Bookrunner has represented that:

- the Bonds shall not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Offering Circular, nor any offering material or information contained therein relating to the offer of the Bonds, shall be released or issued to the public in Mauritius or used in connection with any such offer. This Offering Circular shall not constitute an offer to sell the Bonds to the public in Mauritius.

- the Bonds may not be offered, distributed or sold, directly or indirectly, in Mauritius, except as permitted by the Securities Act 2005 of Mauritius.

Cyprus

Each Joint Bookrunner has represented and agreed that:

- it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Bonds, in each case directly or indirectly, and has not distributed and will not distribute or cause to be distributed in the Republic of Cyprus this Offering Circular or any document, circular, advertisement or other offering material, except under circumstances which will result in compliance with the Prospectus Regulation (Regulation 2017/1129/EU), as amended, and, to the extent that it applies following the entry into force of the Prospectus Regulation, the Cyprus Prospectus Law L.114(I)/2005, as amended (together, the "**Cyprus Prospectus Laws**"), and any other applicable laws and regulations in effect at the relevant time under the laws of the Republic of Cyprus;

- it has complied and will comply with all applicable provisions of the Cyprus Prospects Laws with respect to anything done by it in relation to the Bonds in, from or otherwise involving the Republic of Cyprus; and

- it has not and will not provide from within the Republic of Cyprus any "investment services" and/or "ancillary services" and/or perform any "investment activities" (as these are defined in the Investment Services and Activities and Regulated Markets Law, Law 87(I)/2017, as amended (the "**Investment Services Law**")), it has not and will not provide from outside Cyprus any "investment services" and/or "ancillary services" and/or perform any "investment activities" to or for the benefit of any persons resident, domiciled or located in Cyprus, or otherwise has not and will not do anything, including the provision and/or performance of any services or activities, which caused it or may cause it to fall within the scope of the Investment Services Law, or in relation to "financial instruments" as defined in the Investment Services Law, or if it provides "investment services" and/or "ancillary services" and/or perform any "investment activities" from outside the Republic of Cyprus it will be regulated accordingly from the relevant jurisdiction except under circumstances which will result in compliance with the Investment Services Law and any other applicable laws and regulations in effect at the relevant time.



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Singapore

Each Joint Bookrunner has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Bonds, whether directly or indirectly, to any person in Singapore other than:

- to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA;

- to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

- otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- where no consideration is or will be given for the transfer;

- where the transfer is by operation of law;

- as specified in Section 276(7) of the SFA; or

- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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United Kingdom

Each Joint Bookrunner has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

The Bonds and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Joint Bookrunner has represented that it has offered and sold the Bonds and the Guarantees, and agreed that it will offer and sell the Bonds and the Guarantees, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 of Regulation S or Rule 144A as set forth below. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds and the Guarantees, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Bookrunner has agreed that, at or prior to confirmation of sale of the Bonds and the Guarantees (other than a sale pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Bonds and the Guarantees from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The securities covered hereby have not been registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date of the offering, except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act".

Terms used in the foregoing paragraph have the meanings given to them by Regulation S.

Each Joint Bookrunner has represented and agreed that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act ("Regulation D")), nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Bonds and the Guarantees in the United States.

The Joint Bookrunners may directly or through their respective US broker-dealer affiliates arrange for the offer and resale of the Bonds and the Guarantees in the United States only to qualified institutional buyers in accordance with Rule 144A.

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SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND IND-AS

Vedanta Limited's Audited Financial Statements and Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements included herein are prepared and presented in accordance with Ind-AS. Certain differences exist between IFRS and Ind-AS which might be material to the financial information. The matters described below summarise certain differences between IFRS and Ind-AS that may be material. The Company and Vedanta Limited are responsible for preparing the summary below. Neither the Company nor Vedanta Limited has prepared a complete reconciliation of its consolidated financial statements and related footnote disclosures between IFRS and Ind-AS and has not quantified such differences. Accordingly, no assurance is provided that the following summary of differences between IFRS and Ind-AS is complete. In making an investment decision, investors must rely upon their own examination of the Company, Vedanta Limited, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and Ind-AS, and how those differences might affect the financial information herein.

Topic	IFRS	IND-AS
First time adoption	**1** IFRS 1 gives detailed guidance on preparation of the first IFRS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exceptions / optional exemptions from the full retrospective application.	**1** Ind-AS 101 gives detailed guidance on preparation of the first Ind-AS financial statements. To help overcome a number of practical challenges for a first-time adopter, there are certain mandatory exceptions/voluntary exemptions from the full retrospective application. Ind-AS 101 gives few additional voluntary exemptions/modifications as compared to IFRS. For example, (a) The first-time adopter shall account for the resulting change in the retained earnings as at the transition date except in certain specific instances where it requires adjustment in goodwill. In such specific instances where IFRS 1 allows adjustment in the goodwill as per para C4(c) of IFRS 1, whereas, under Ind-AS it can be adjusted with capital reserve to the extent such adjustment amount does not exceed the balance available in capital reserve. (b) Ind-AS 101 provides exemptions whereby an entity can continue using its Indian GAAP carrying value of all its PPE as deemed cost at transition date provided that there is no change in functional currency. It also gives an exemption whereby a company can continue using its accounting policy under previous GAAP for capitalisation / deferral of exchange differences arising on long term foreign currency monetary items recognised in financial statements for the period ending immediately before the beginning of the first Ind-AS financial reporting period.

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Topic	IFRS	IND-AS
	2 The IFRS 1 provides various examples of first IFRS financial statements. There is no statutory requirement under any legislation for compliance with IFRS.	**2** Paragraph 3 of Ind-AS 101 specifies that an entities first financial statements are the first annual financial statements in accordance with Ind-AS notified under the Companies Act 2013.
Presentation of financial statements	A complete set of financial statements under IFRS comprises:	A complete set of financial statements under Ind-AS comprises:
	1 Statement of financial position as at the end of the financial year.	**1** Balance sheet as at the end of the financial year.
	2 Statement of Profit and Loss, Other Comprehensive Income, changes in equity and cash flows for the period. For Statement of profit or loss and other comprehensive income for the financial year there is an option of presentation as single statement or two separate statements. Notes, comprising significant accounting policies and other explanatory information, comparative information in respect of the preceding period and statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements.	**2** Statement of Profit and Loss, changes in equity, Other Comprehensive Income and cash flows for the period. For Statement of profit or loss and other comprehensive income for the financial year Ind-AS allows only the single statement approach. Notes, comprising a summary of significant accounting policies and other explanatory information and a balance sheet as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.
	3 The words 'authorisation of the financial statements for issue' have been used in the context of financial statements considered for the purpose of events after the reporting period.	**3** The words 'approval of the financial statements for issue' have been used in the context of financial statements considered for the purpose of events after the reporting period.
	4 The words 'fair presentation' is used.	**4** The words 'true and fair view' has been used.
	5 There is option to individual entities to follow different terminology for titles of financial statements.	**5** Ind-AS removes the alternatives by giving one terminology to be used by all entities.
	6 IFRS permits the periodicity for example 52 weeks for preparation of financial statements.	**6** Ind-AS does not permit periodicity such as 52 weeks for preparation of financial statements.
	7 IFRS requires an entity to prepare an analysis of expenses recognised in profit of loss using a classification based on either their nature or their function.	**7** Ind-AS requites only nature wise classification of expenses.
	8 As per IAS 1, when an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach.	**8** As per Ind-AS, long term loan arrangement need not be classified as current on account of breach of material provision, for which the lender has agreed to waive before approval of financial statements for issue.



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Topic	IFRS	IND-AS
		9 In addition to above, Ind AS compliant Schedule III of the Companies Act, 2013 prescribes the format for presentation of balance sheet, statement of profit and loss and statement of changes in equity which companies need to follow.
Statement of Cash Flows	**1** In case of other than financial entities, IAS 7 gives an option to classify the interest paid and interest and dividend received as item of operating cash flows.	**1** Ind-AS mentions that it is more appropriate that interest paid and interest and dividend received is classified as item of financing activity and investing activity, respectively.
	2 IFRS gives an option to classify the dividend paid as an item of operating activity.	**2** Ind-AS mentions that it is more appropriate that dividend paid is classified as a part of financing activity only.
Business Combinations . .	**1** IFRS excludes from its scope business combinations of entities under common control.	**1** Ind-AS gives guidance for business combinations of entities under common control.
	2 IFRS requires bargain purchase gain arising on business combination to be recognised in profit or loss.	**2** Ind-AS requires bargain purchase gain arising on business combination to be recognised in other comprehensive income and accumulated in equity as capital reserve, unless there is no clear evidence for the underlying reason for classification of the business combination as a bargain purchase, in which case it shall be recognised directly in equity as capital reserve.
Operating segments	This IFRS is applicable to listed entities or entities in process of listing only.	This Ind-AS is applicable as per Companies Act 2013 and Rules.
Related party disclosures.	**1** In IFRS no provisions are specified for disclosures which conflict with the confidentiality requirements of statue/regulations.	**1** In Ind-AS, disclosures which conflict with the confidentiality requirements of statue/regulations are not required to be made since accounting standard cannot override legal/regulatory requirements.
	2 IAS 24 defines close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: (a) that person's children and spouse or domestic partner; (b) children of that person's spouse or domestic partner; and (c) dependents of that person or that person's spouse or domestic partner.	**2** Ind-AS 24 defines close members of the family a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including: (a) that person's children, spouse or domestic partner, brother, sister, father and mother; (b) children of that person's spouse or domestic partner; and (c) dependants of that person or that person's spouse or domestic partner.
Government Grant	**1** IFRS gives an option to present grants related to assets, including nonmonetary grants at their fair value in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.	**1** Prior to amendment of Ind-AS 20 Accounting for Government Grants and Disclosure of Government Assistance, Ind-AS required presentation of grants related to assets in balance sheet only by setting up the grant as deferred income. The option to present grants by deduction of the grant in arriving at the carrying amount of asset was not available under Ind-AS. On 20 September 2018, Ind-AS 20 has been amended to align with IAS 20 and hence currently there is no difference between Ind-AS and IFRS.

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Topic	IFRS	IND-AS
Inventories	In case of function wise classification inventory expense is recognised as cost of sales whereas in case of nature wise classification the inventory expense is recognised by making reference as 'changes in inventories of finished goods and work in progress' and raw materials consumed in profit and loss statement.	Ind-AS allows only nature wise classification of inventory expense.
Separate Financial Statements	**1** IFRS requires to disclose the reason for preparing separate financial statements if not required by law.	**1** As the Companies Act 2013 mandates preparation of separate financial statements, Ind-AS has been modified to remove such requirements.
	2 IFRS allows entity to use the equity method to account for investments in subsidiaries, joint ventures and associates in their Separate Financial Statements.	**2** Ind-AS does not permit use of equity method as it is not a measurable basis like cost and fair value but is a manner of consolidation and therefore would lead to inconsistent accounting conceptually.
Leases	IFRS 16 provides that if lessee applies fair value model in IAS 40 to its investment property, it shall apply that fair value model to the right-of use assets that meet the definition of investment property. It requires to classify cash payments for interest portion of lease liability applying requirements of IAS 7, Statement of Cash Flows. IAS 7 provides option of treating interest paid as operating or financing activity.	Since Ind-AS 40, Investment Property, does not permit the use of fair value model (paragraph 34 has been deleted in Ind-AS 116). Paragraph 50(b) has been modified in Ind-AS 116 to specify that cash payments for interest portion of lease liability will be classified as financing activities applying Ind-AS 7. Ind-AS takes effect from 1 April 2019.
Investment property	Investment property is measured initially at cost. Transaction costs are included in the initial measurement. Investment property can subsequently be measured using the cost or the fair value model, with changes in fair value recognised in profit or loss.	Investment property are to be measured using the cost model. Fair value model is not permitted. Detailed disclosures pertaining to fair value have to be given.
Revenue from Contracts with Customers	IFRS 15 provides that all types of penalties which may be levied in the performance of a contract should be considered in the nature of variable consideration for recognising revenue.	Ind-AS 115 has been amended to provide that penalties shall be accounted for as per the substance of the contract. Where the penalty is inherent in the determination of transaction price, it shall form part of the variable consideration, otherwise the same should not be considered for determining the consideration and the transaction price shall be considered as fixed.

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Topic	IFRS	IND-AS
Depreciation (Depletion) of Oil & Gas producing facilities	All expenditures carried within each field are amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period, generally on a field-by-field basis or group of fields which are reliant on common infrastructure. Commercial reserves are either proven or proven and probable oil and gas reserves, which are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs required to access the commercial reserves.	Guidance Note on Accounting for Oil and Gas Producing Activities (for entities to whom Ind-AS is applicable) issued by the Institute of Chartered Accountants of India (ICAI) establishes principles for accounting for Oil and Gas producing activities. All expenditures carried within each field are amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of depletable reserves at the end of the period plus the production in the period, generally on a field-by-field basis or group of fields which are reliant on common infrastructure. Depletable reserves are proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs.

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LEGAL MATTERS

Certain legal matters with respect to the Bonds will be passed upon for the Issuer and the Guarantors by Linklaters Singapore Pte. Ltd. as to matters of English law and US federal securities law. Certain legal matters with respect to the Bonds will be passed upon for the Joint Bookrunners by Latham & Watkins LLP as to matters of English law and US federal securities law. Certain legal matters with respect to the Bonds will be passed upon for the Joint Bookrunners by Khaitan & Co as to matters of Indian law. Certain legal matters with respect to the Bonds will be passed upon for the Joint Bookrunners by BLC Roberts & Associates as to matters of Mauritian law. Certain legal matters with respect to the Bonds will be passed upon for the Issuer and the Guarantors by Pittas & Koullouros LLC as to matters of Cyprus law.



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INDEPENDENT AUDITORS

The Audited Financial Statements included elsewhere in this Offering Circular have been audited by Ernst & Young LLP, independent auditors, as stated in their reports included elsewhere in this Offering Circular. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England & Wales.

The audit reports of Ernst & Young LLP, with respect to the Company's Audited Financial Statements in accordance with guidance issued by The Institute of Chartered Accountants in England and Wales, include the following limitations: "This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed".

In accordance with section 516 of the Companies Act, Ernst & Young LLP notified the Company on 7 October 2020 that they will not be seeking reappointment as the auditor of the Company. With effect from such date, Ernst & Young LLP ceased to be the independent auditors of the Company. In accordance with section 519(3B) of the Companies Act, Ernst & Young LLP has confirmed that there were no reasons and no matters which should be brought to the attention of the members or creditors of the Company, in connection with them ceasing to hold office. On 20 November 2020, the Company appointed MHA MacIntyre Hudson, an independent member of *Baker Tilly International*, as the independent auditors of the Company.

Vedanta Limited's Audited Financial Statements included elsewhere in this Offering Circular have been audited by S.R. Batliboi & Co. LLP as stated in their reports included elsewhere in this Offering Circular. Vedanta Limited's Unaudited Consolidated Condensed Interim Financial Statements included elsewhere in this Offering Circular have been reviewed on a limited review basis by S.R. Batliboi & Co. LLP as stated in their reports included elsewhere in this Offering Circular. S.R. Batliboi & Co. LLP is registered with the Institute of Chartered Accountants of India.

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EXPERTS

The information included in this Offering Circular regarding Ore Reserves is based on estimates determined by Vedanta.

- The Mineral Resources and Ore Reserves of KCM's Konkola, Nchanga and Nampundwe mines were prepared as of 31 March 2019 by SRK Consulting (UK) and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in Annex C of this Offering Circular. The Mineral Resources and Ore Reserves as reported for KCM's Konkola, Nchanga and Nampundwe mines were prepared as of 31 March 2019 are not current and are reported solely as a statement of historical fact. Accordingly, these estimates may be significantly different to that reported herein if these were assessed as at 31 March 2020.

- The Mineral Resources of CMT's copper mines are derived from management estimates as of 31 March 2020 and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in Annex C of this Offering Circular.

- The Mineral Resources and Ore Reserves of HZL's mines were audited as of 31 March 2020 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in Annex C of this Offering Circular.

- The Mineral Resources and Ore Reserves of Black Mountain Mining's Black Mountain mine were audited as of 31 March 2020 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in Annex C of this Offering Circular.

- The Mineral Resources and Ore Reserves of Black Mountain Mining's Gamsberg mines were audited as of 31 March 2020 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in Annex C of this Offering Circular.

- The Mineral Resources and Ore Reserves of Skorpion were audited as of 31 March 2020 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in Annex C of this Offering Circular.

- The Mineral Resources and Ore Reserves of BALCO's Bauxite mines were audited as of 31 March 2020 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in Annex C of this Offering Circular.

- The Mineral Resources and Ore Reserves of the iron ore mines of Vedanta Limited and its subsidiary, SRL, were audited as of 31 March 2020 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012).



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DeGolyer and MacNaughton have independently estimated the information included in this Offering Circular regarding the proved, probable, and possible reserves and contingent resources of Vedanta Limited as of 31 March 2020 according to the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation Engineers. DeGolyer and MacNaughton has independently estimated the information included in this Offering Circular regarding the proved, probable, and possible reserves and contingent resources of the Company's oil and gas assets in Rajasthan as of 31 March 2020 according to the PRMS approved in March 2007 and revised in June 2018 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists & Engineers.

The information included in this Offering Circular regarding the proved, probable and possible oil, condensate, and sales gas reserves and the contingent and prospective resources owned by Vedanta Limited in India is based on estimates determined by Vedanta Limited.



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DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

Definitions

The following definitions apply throughout this Offering Circular unless the context requires otherwise:

"**ADSs**"	American Depositary Shares
"**affiliate**"	a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified person. A person shall be deemed to control another person if such first person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of such other person, whether through the ownership of voting securities, by contract or otherwise
"**Agency Agreement**"	the Agency agreement to be dated on or about the Closing Date among the Issuer, the Guarantors, the Trustee and the Paying Agent
"**Agarwal family**"	Messrs. Anil Agarwal, Dwarka Prasad Agarwal and Agnivesh Agarwal, any of their parents, spouses, children, siblings and their children of Vedanta, and the families of any such person
"**Air Act**"	Air (Prevention and Control of Pollution) Act, 1981 of India, as amended
"**aluminium business**"	the business of Vedanta comprising the aluminium operations as further described in "*Business — Description of the Businesses — Aluminium Business*"
"**Amalgamation and Reorganisation Scheme**"	the reorganisation transaction that took place in 2013 which involved a series of transactions including amongst others: (a) the merger of Sterlite with and into SGL (which was subsequently renamed Sesa Sterlite Limited) through the issue of SGL shares to Sterlite shareholders (other than MALCO) on a three for five basis resulting in the issue of approximately 1,945 million SGL shares to Sterlite shareholders; (b) the sale of MALCO's power business to Vedanta Aluminium Limited for a cash consideration of Rs. 1,500 million; (c) the merger or MALCO with and into SGL through the issue of SGL shares to the shareholders of MALCO on a seven for ten basis, resulting in the issue of approximately 78.7 million SGL shares to the shareholders of MALCO and consequent cancellation of MALCO's holding in Sterlite; (d) the merger of Sterlite Energy Limited with and into SGL for no consideration; (e) the merger of Vedanta Aluminium Limited's business with and into SGL for no consideration; and (f) though a separate but concurrent amalgamation under Indian and Mauritian law, the merger of Ekaterina Limited with and into SGL rendering Vedanta Aluminium Limited to be a wholly-owned subsidiary of Sesa Sterlite Limited
"**Audited Financial Statements**"	the audited consolidated financial statements for the Company as of and for Fiscal Years 2019 and 2020
"**APTEL**"	Appellate Tribunal for Electricity
"**associated undertakings**"	has the meaning ascribed to it under Part 36 of the Companies Act
"**AT&C**"	Aggregate Technical and Commercial
"**Aurubis**"	The Aurubis Group

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"**BALCO**"	Bharat Aluminium Company Limited, a company incorporated in India
"**Bankruptcy Code**"	The Insolvency and Bankruptcy Code, 2016 of India, as amended
"**BCD**"	Basic customs duty
"**BDC**"	Base Development Costs
"**BHP Billiton**"	BHP Billiton Limited
"**Black Mountain Mining**"	Black Mountain Mining Pty Ltd
"**Bloomberg**"	Bloomberg L.P.
"**Board**"	the Board of Directors of the Company
"**Bondholders**"	Holders of the Bonds
"**BSE**"	BSE Limited
"**CAGR**"	Compound annual growth rate
"**Cairn**"	Oil and Gas business of Vedanta Limited
"**Cairn Energy**"	Cairn Energy plc, a company incorporated in England & Wales
"**Cairn Energy Group**"	Cairn Energy and its subsidiaries
"**CCEA**"	Cabinet Committee on Economic Affairs
"**CEA**"	the Central Electricity Authority of India
"**CEC**"	Copperbelt Energy Corporation PLC, a public company in Lusaka, Zambia
"**CEHL**"	Cairn Energy Hydrocarbons Limited
"**CIHL**"	Cairn India Holdings Limited
"**Chalco**"	Aluminium Corporation of China Limited
"**CIS**"	Commonwealth of Independent States
"**Clearstream**"	Clearstream Banking S.A.
"**CMSA**"	Capital Markets and Services Act 2007
"**CMT**"	Copper Mines of Tasmania Pty Ltd, a company incorporated in Tasmania, Australia
"**Coal India**"	Coal India Limited, the government-owned coal monopoly in India
"**Codelco**"	Corporación Nacional del Cobre
"**Command Petroleum**"	Command Petroleum (India) Pty Ltd.
"**Companies Act**"	the United Kingdom Companies Act 2006, as amended
"**Company Bonds**"	the 2021 Bonds, the 2022 Bonds, the 2023 Bonds I and the 2024 Bonds
"**Competition Act**"	Competition Act, 2002, as amended
"**Conclave**"	Conclave PTC Limited, the trustee of the Trust
"**copper business**"	the business of Vedanta comprising the copper operations as further described in the section entitled "*Business — Description of the Businesses — Copper Business*"

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"**COVID-19**"	the outbreak of a novel strain or coronavirus (i.e. Coronavirus Disease 2019 (COVID-19)) which first emerged in Wuhan City, Hubei province, the People's Republic of China in late 2019
"**CPCB**"	Central Pollution Control Board
"**CRO**"	Chingola Refractory Ore
"**CSMP**"	Coal Mines (Special Provisions) Act, 2015
"**CUHL**"	Cairn UK Holdings Limited, a company incorporated in England and Wales
"**DA**"	Development Area
"**DDT**"	Dividend distribution tax
"**Delisting Regulations**"	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
"**DGH**"	Directorate General of Hydrocarbons
"**Directors**"	the Executive Directors and Non-Executive Directors
"**DSF**"	Discovered Small Fields
"**DTAs**"	Agreements for the Avoidance of Double Taxation
"**DTC**"	The Depositary Trust Company
"**DMG**"	Directorate of Mines and Geology
"**EC**"	Environmental Clearance
"**ECB**"	external commercial borrowings
"**EIA**"	Energy Information Administration
"**Equity Shares**"	all fully paid up equity shares of Vedanta Limited
"**ESL**"	Electrosteel Steels Limited
"**ETB**"	Environmental and terminal benefits
"**EU**"	the European Union as established by the Treaty on European Union
"**Euroclear**"	Euroclear Bank SA/NV
"**Exchange Act**"	United States Securities Exchange Act of 1934, as amended
"**Executive Directors**"	Anil Agarwal and Navin Agarwal
"**Factories Act**"	Factories Act, 1948, as amended, of India
"**Fiscal Year**"	the financial year ended or ending 31 March of that year
"**Freeport-McMoran**"	Freeport McMoran Copper and Gold Corporation
"**FSMA**"	the United Kingdom Financial Services and Markets Act 2000, as amended
"**GDP**"	gross domestic product
"**Global Certificates**"	the Restricted Global Certificates and the Unrestricted Global Certificates

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"**GOI**"	Government of India
"**GRIDCO**"	Grid Corporation of Odisha Limited, a nominee of the State Government of Odisha
"**Group**"	Vedanta and its subsidiaries on a consolidated basis
"**GSPCB**"	Goa State Pollution Control Board
"**GST**"	Goods and Service Tax
"**Guarantors**"	the Company and the Subsidiary Guarantors
"**Guaranteed Bonds**"	the 2023 Bonds II and the 2026 Bonds
"**HELP**"	Hydrocarbon Exploration and Licensing Policy
"**Hindalco**"	Hindalco Industries Limited
"**HWMTM Rules 2016**"	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
"**HZL**"	Hindustan Zinc Limited, a company incorporated in India
"**IAS**"	International Accounting Standards
"**IEA**"	International Energy Agency
"**IFRS**"	International Financial Reporting Standards
"**ILZDA**"	India Lead Zinc Development Association
"**Income Tax Act**"	Income Tax Act, 1961, as amended of India
"**INDAL**"	Indian Aluminium Company Limited
"**India**"	Republic of India
"**Indian Takeover Code**"	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
"**Industrial Relations Code**"	The Industrial Relations Code, 2020, as amended
"**Industry Guide 7**"	Industry Guide 7 — Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations issued by the Commission
"**IOCL**"	Indian Oil Corporation Limited
"**iron ore business**"	the business of Vedanta comprising the iron ore operations as further described in "*Business — Description of the Businesses — Iron Ore Business*"
"**IRS**"	US Internal Revenue Service
"**ISO**"	International Standards Organisation. ISO 14001 refers to the international standard for environmental management systems published by the ISO in 1996
"**IST**"	India Standard Time
"**Issuer**"	Vedanta Resources Finance II plc
"**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners**"	Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse (Hong Kong) Limited, DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc and Standard Chartered Bank

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"**JPY**"	Japanese Yen
"**JSPCB**"	Jharkhand State Pollution Control Board
"**Kapasan Project**"	the implementation of a 100,000 tpa greenfield zinc smelter plan at Kapasan, State of Rajasthan, by HZL under the terms of SOVL's shareholders' agreement
"**KCM**"	Konkola Copper Mines plc, a company incorporated in Zambia
"**KDMP**"	Konkola Deep Mining Project
"**LIBOR**"	London Interbank Offering Rate
"**Lisheen**"	Lisheen Mine Partnership and its subsidiaries
"**LME**"	the London Metal Exchange Limited
"**LML**"	the four large-scale mining licences granted to KCM by the Republic of Zambia on 31 March 2000, each of which has a term of 25 years
"**LOB**"	Lower Ore Body, a stratigraphic horizon for mineralisation
"**MALCO**"	Madras Aluminium Company Limited a company incorporated in India
"**MBA Fields**"	the Mangala, Bhagyam and Aishwariya fields located in the Rajasthan Block
"**MCL**"	Mahanadi Coalfields Limited
"**MCLR**"	Marginal Cost of Funds based Lending Rate
"**MCD Rules**"	Mineral Conservation and Development Rules, 1988, as amended, of India
"**MEL**"	MALCO Energy Limited
"**Mitsui**"	Mitsui & Co.
"**MLAA**"	Mineral Laws (Amendment) Act dated 13 March 2020
"**MMDR Act**"	Mines and Minerals (Development and Regulations) Act, 1957 of India, as amended
"**MoEF**"	Ministry of Environment and Forest of the GOI
"**Monte Cello**"	Monte Cello BV, a company incorporated in The Netherlands
"**Moody's**"	Moody's Investors Service, Inc.
"**MoP**"	Ministry of Power of the GOI
"**MoPNG**"	Ministry of Petroleum and Natural Gas of the GOI
"**MPT**"	Mangala Processing Terminal
"**MPT Concession Agreement**"	An agreement entered into on 22 September 2016 between Goa Sea Port Private Limited and the Mormugao Port Trust, to operate the berth on a build-finance-operate transfer basis for 30 years
"**NCLAT**"	National Company Law Appellate Tribunal
"**NCLT**"	National Company Law Tribunal
"**NDMC**"	New Domestic Manufacturing Companies

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"**NELP**"	New Exploration Licencing Policy
"**NGT**"	National Green Tribunal
"**NMDC**"	National Mineral Development Corporation
"**NMP 2008**"	National Mineral Policy of 2008
"**NMP 2019**"	National Mineral Policy of 2019
"**No. 1 shaft**"	the mining operations by underground methods focussing on the shaft system of the Kirila Bombwe South ore body
"**No. 3 shaft**"	the mining operations by underground methods focussing on the shaft system of the Kirila Bombwe North ore body
"**Non-Executive Directors**"	Geoffrey Green, Deepak Parekh, Ravi Rajagopal and Edward Story
"**Noon Buying Rate**"	the noon buying rate in New York City for cable transfer of such foreign currency as certified for customs purposes by the Federal Reserve Bank of New York
"**NSE**"	the National Stock Exchange of India Limited
"**NTPC**"	National Thermal Power Corporation Limited
"**NYSE**"	New York Stock Exchange
"**OALP**"	Open Acreage Licensing Policy
"**OERC**"	Odisha Electricity Regulatory Commission
"**OHSAS**"	Occupational Health and Safety Assessment Series
"**OIDA Cess**"	Indian Oil Industry (Development) Act 1974, as amended
"**OMCL**"	Odisha Mining Corporation Limited
"**OMCs**"	Oil marketing companies
"**ONGC**"	The Oil and Natural Gas Corporation Limited
"**OPEC**"	Organisation of the Petroleum Exporting Countries
"**Ordinary Shares**"	ordinary shares of $0.10 each in the Company
"**Parent Guarantor**"	the Company
"**PGCIL**"	Power Grid Corporation India Limited
"**Phase II**"	the second phase of development of the Rajasthan Block, including the development of Bhagyam and Aishwariya fields and the construction and installation of the Salaya to Bhogat section of the Pipeline
"**Platts**"	Platts, McGraw Hill Financial, a global provider of energy, petrochemicals, metals and agriculture information, including benchmark price assessments for commodity markets
"**Paying Agent**"	Citibank, N.A., London Branch
"**PNG Rules**"	Petroleum and Natural Gas Rules, 1959, as amended
"**PPAs**"	power purchase agreements
"**Pre-NELP**"	Pre-New Exploration Licencing Policy

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"**PRMS**"	Petroleum Resources Management System
"**PSEB**"	Punjab State Electricity Board
"**PSERC**"	Punjab State Electricity Regulatory Commission
"**PSPCL**"	Punjab State Power Corporation Ltd.
"**Public Shareholders**"	Public shareholders of Vedanta Limited (as defined under Delisting Regulations)
"**QIB**"	qualified institutional buyer within the meaning of Rule 144A
"**R-APDRP**"	Restructured Accelerated Power Development and Reforms Programme
"**Rajasthan Block**"	Block RJ-ON-90/1
"**Rajasthan Block PSC**"	The PSC between the GOI and a consortium consisting of ONGC, SIPD and Vedanta Limited in relation to the Rajasthan Block
"**Ravva Block**"	Block PKGM-1
"**Ravva PSC**"	the production sharing contract for the exploration, development and production of the Ravva Block
"**RBI**"	Reserve Bank of India
"**Registrar**"	Citigroup Global Markets Europe AG
"**Regulation S**"	Regulation S under the Securities Act
"**Regulation S Bonds**"	the Bonds which are offered and sold outside the United States to non-US persons in reliance on Regulation S
"**Restricted Global Certificates**"	the restricted global certificates in restricted form initially representing the Rule 144A Bonds
"**Rio Tinto**"	Rio Tinto plc
"**Rio Tinto Alcan**"	Rio Tinto Alcan Ltd.
"**Rule 144A**"	Rule 144A under the Securities Act
"**Rule 144A Bonds**"	the Bonds which are offered and sold in the United States to QIBs in reliance on Rule 144A
"**SEBI**"	Securities and Exchange Board of India
"**SEBs**"	State Electricity Boards in India
"**SEC**"	US Securities and Exchange Commission
"**Securities Act**"	United States Securities Act of 1933, as amended
"**Securities Act Legend**"	has the meaning as ascribed to in the Trust Deed
"**SEPCO**"	Shandong Electric Power Construction Corporation
"**SEZ**"	Special Economic Zone
"**SFA**"	Securities and Futures Act, Chapter 289 of Singapore
"**SFO**"	Securities and Futures Ordinance (Cap. 571) of Hong Kong
"**SGL**"	Sesa Goa Limited, a company incorporated in India



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"**SGX-ST**"	Singapore Exchange Securities Trading Limited
"**SHAKTI**"	Scheme for Harnessing and Allocating Koyala (Coal) Transparently in India
"**SIL**"	Sesa Industries Limited, a company incorporated in India, which was formerly the subsidiary of SGL, which has since amalgamated with SGL with effect from 14 February 2011 and the appointment date of 1 April 2005
"**SIPCOT**"	State Industries Promotion Corporation of Tamil Nadu
"**SIPD**"	Shell India Production Development B.V.
"**Skorpion**"	Skorpion Mining Company (Pty) Ltd and its subsidiaries
"**SOVL**"	Sterlite Opportunities and Ventures Limited, now merged with and into Sterlite
"**SRK UK**"	independent consulting firm SRK Consulting (UK) Limited
"**SRL**"	Sesa Resources Limited (previously known as V.S. Dempo & Co. Private Limited)
"**SSNP**"	Shenzhen Shandong Nuclear Power Construction Co. Limited
"**Sterlite**"	Sterlite Industries (India) Limited, now merged into Vedanta Limited
"**STL**"	Sterlite Technologies Limited, a company incorporated in India
"**Subsidiary Guarantors**"	Twin Star Holdings Ltd. and Welter Trading Limited
"**S&P**"	Standard & Poor's Ratings Services, a division of McGraw-Hill Companies, Inc.
"**Tata Petrodyne**"	Tata Petrodyne Limited
"**Tax Authorities**"	Indian Tax Authorities
"**TCM**"	Thalanga Copper Mines Pty Ltd, a company incorporated in Victoria, Australia
"**TLP**"	tailings leach plant
"**TNPCB**"	Tamil Nadu Pollution Control Board
"**Transfer Agent**"	Citibank, N.A., London Branch
"**TRO**"	Tax Recovery Officer
"**Trust**"	Anil Agarwal Discretionary Trust
"**Trust Deed**"	the trust deed to be dated on or about the Closing Date between the Issuer, the Guarantors and the entity acting as trustee or agent under the terms therein
"**Trustee**"	Citicorp International Limited
"**TSEHL**"	Twin Star Energy Holdings Limited, a company incorporated in Mauritius
"**UC RUSAL**"	United Company RUSAL Ltd.
"**TSPL**"	Talwandi Sabo Power Limited

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"**Unrestricted Global Certificates**"	the unrestricted global certificates in registered form initially representing the Regulation S Bonds
"**USGS**"	US Geological Survey, a science agency for the US Department of the Interior with a mission to provide for the provision of reliable scientific information to describe and understand the Earth; minimise loss of life and property from natural disasters; manage water, biological, energy, and Mineral Resources; and enhance and protect quality of life
"**VAT**"	State value added tax
"**Vedanta**"	Vedanta and its subsidiaries and "member of Vedanta" shall be construed accordingly
"**Vedanta EBITDA**"	the EBITDA of Vedanta
"**Vedanta Limited**" or "**VEDL**"	Vedanta Limited, a company incorporated in India
"**Vedanta Limited Group**"	Vedanta Limited and its subsidiaries
"**VEDL EBITDA**"	the EBITDA of Vedanta Limited
"**VGCB**"	Vizag General Cargo Berth Private Limited
"**Volcan**"	Volcan Investments Limited, a company incorporated in the Bahamas
"**VRHL**"	Vedanta Resources Holdings Limited, a company incorporated in England and Wales
"**VSL**"	Vedanta Star Limited
"**Water Act**"	Water (Prevention and Control of Pollution) Act, 1974 of India
"**Water Cess Act**"	Water (Prevention and Control of Pollution) Cess Act, 1977 of India
"**WCA**"	Workmen's Compensation Act, 1923 of India
"**WCL**"	Western Cluster Limited
"**Zambia**"	the Republic of Zambia
"**ZCI**"	Zambia Copper Investments Ltd, a company incorporated in Zambia
"**ZESCO**"	Zambia Electricity Supply Corporation Limited
"**zinc business**"	the business of Vedanta comprising the zinc operations as further described in "*Business — Description of the Businesses — Zinc Business*"

Terms and Definitions of the JORC Code (2012)

"**Ore Reserves**"	those portions of Mineral Resources that, after the application of all Modifying Factors, result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a technically and economically viable project, after taking account of material relevant Modifying Factors. Deriving an Ore Reserve without a mine design or mine plan through a process of factoring of the Mineral Resource is unacceptable.
"**Proved Ore Reserve**"	the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.

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"**Probable Ore Reserve**"	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
"**Mineral Resource**"	a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
"**Measured Mineral Resource**"	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
"**Indicated Mineral Resource**"	that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.
"**Inferred Mineral Resource**"	that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Glossary of Technical Terms

The following definitions shall apply to the technical terms used herein:

"**2D**"	two dimensional
"**2P**"	gross proved plus probable reserves
"**3D**"	three dimensional
"**4D**"	four dimensional
"**alloy**"	a compound of two or more metals
"**alumina**"	the calcined product from an alumina refinery containing at least 98% aluminium oxide (Al_2O_3)

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"**anode**"	the electrode by which current enters the cell. For copper refining, the impure copper is used as an anode. For zinc refining, lead anodes are used. For aluminium refining, a carbon anode is used
"**anode slime**"	a deposit of insoluble residue formed from the dissolution of the anode in commercial electrolysis. In copper refining, this slime contains the precious metals that are recovered from it
"**API**"	a specific gravity scale developed by the American Petroleum Institute for measuring the relative density of various petroleum liquids
"**AS**"	acid soluble (pertaining to copper)
"**ASP**"	alkaline surfactant polymer
"**assay**"	a test to determine the level of a particular element in a sample
"**asset capacity**"	the maximum throughput of fixed facilities such as a processing plant or material handling system, which can vary over the life of the facility from the initial nameplate capacity
"**boe**"	barrels of oil equivalent
"**boepd**"	barrels of oil equivalent per day
"**bopd**"	barrels of oil per day
"**bauxite**"	a general term for a rock composed of a mixture of hydrated aluminium oxides and hydroxides and generally contaminated with compounds of iron; it is the main ore from which aluminium is produced
"**Bayer process**"	this is the principal industrial means of refining bauxite to produce alumina. In the Bayer process, bauxite is washed with a hot solution of sodium hydroxide at 175°C (digestion). This converts the alumina to aluminium hydroxide which dissolves in the hydroxide solution. The other components of bauxite do not dissolve and are filtered from the solution as solid impurities (clarification). The mixture of solid impurities is called red mud, and presents a disposal problem. Next, the hydroxide solution is cooled, and the dissolved aluminium hydroxide precipitates out as a white, fluffy residue. When then heated to 1,050°C, the aluminium hydroxide decomposes to alumina (calcination), giving off water vapour in the process. A large amount of the alumina so produced is then subsequently smelted in order to produce aluminium
"**beneficiation**"	beneficiation is a variety of processes whereby minerals suitable for further processing or direct use are separated from extracted ore



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"**Blast Hole Mining method**"	this mining method involves the drilling of blast holes within an ore block in an upward and/or downward direction which are then filled with explosives. These explosives are set off in stages to break up the ore block in order to extract it from the mine. The broken ore is removed by loading and transportation equipment at the mine. The cavity in the ore block is filled with mill tailing and cement to maintain the stability of the mine
"**brownfield**"	development project to upgrade, modify or further develop an existing property
"**bwpd**"	barrels of water per day
"**calcined**"	to be heated to a high temperature, but below the melting or fusing point causing loss of moisture, reduction or oxidation or thermal decomposition (a chemical reaction where a single compound breaks up into two or more simpler compounds or elements when heated)
"**cathode**"	the cathode is the conductor through which electricity leaves the cell. For copper refining, the cathode is where the refined copper is deposited. For aluminium smelting, the cathode is known as the pot lining
"**cells**"	cells are the containers in which the electrolytic process for formation of metal takes place. For aluminium smelting, these are known as pots
"**concentrate**"	material which has been processed to increase the percentage of the valuable mineral to facilitate transportation and downstream processing
"**copper concentrate**"	a product of the flotation process with a copper content typically ranging between 24% and 40%
"**CPP**"	captive power plant
"**cut-off grade**"	the lowest grade of mineralised material considered economic to mine; cut-off grade is used in the calculation of the Ore Reserves for a given deposit
"**Darcy**"	a darcy unit, a unit to measure permeability
"**DCQ**"	daily contract quantity
"**debottlenecking**"	the removal of a constraint on production by increasing the productivity of one part of an operation
"**deposit**"	a deposit is a concentration (or occurrence) of material of possible economic interest, in or on the earth's crust, that may include mineralised material that cannot be estimated with sufficient confidence to be classified in the Inferred category. Portions of a deposit, that do not have reasonable and realistic prospects for eventual economic extraction are not included in a Mineral Resource



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"**Development**"	activities related to a mineral deposit commencing at the point economically recoverable reserves can reasonably be estimated to exist and generally continuing until commercial production begins
"**dmt**"	dry metric tonnes
"**dmtu**"	dry metric tonne unit. Iron ore prices are quoted in dmtu
"**DOC**"	declaration of commerciality
"**DORS II**"	Dynamic Ore Reserve System II; an in-house system developed to calculate the Nchanga underground reserves by applying the grade factor to the resource based on the percentage of ore drawn and forecasts of the grades to be mined
"**Draft**"	with respect to a ship's hull, the vertical distance between the waterline and the bottom of the hull (keel), with the thickness of the hull included
"**DTH**"	down the hole; a drilling method in all application segments including blasthole, water well, foundation, oil and gas, cooling systems, and drilling for heat exchange pumps
"**dwt**"	dead weight tonnes; refers to the maximum amount of tonnes of cargo a ship is able to carry
"**economic feasibility of the reserves**"	the degree on the other hand categorising the resources under economic, marginally economic and sub-economic according to the relationship between prices and extraction costs and technological exploitability
"**EOR**"	enhanced oil recovery
"**exploration**"	prospecting, sampling, mapping, drilling and other work involved in searching for ore
"**EUR**"	estimated ultimate recovery
"**g/t**"	grams per tonne
"**Fe**"	symbol for the chemical element, iron
"**FGD**"	flue gas desulphurization
"**flotation**"	a wet chemistry process by which particular minerals are induced to become attached to bubbles and to float, while other minerals sink
"**flue gas**"	gas that exits to the atmosphere via a flue, which is a pipe or channel for conveying exhaust gases from a fireplace, oven, furnace, boiler or steam generator
"**FOB**"	Free on Board
"**footwall**"	the rock which lies below the ore



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"**frame contracts**"	prospecting, sampling, mapping, drilling and other work involved in searching for ore
"**GAMI technology**"	technology from Guiyang Aluminium — Magnesium Design & Research Institute of China. In the GAMI technology, pots are cut into the circuit by taking complete power outage. This involves loss of production as well as regular operational disturbances to pot operation. Fuses are designed to bypass the line current, until the pot was cut into the circuit. After a calculated safe period of time, the fuses melted resulting in the pot coming into potline circuit. The GAMI technology potline has a capacity for producing initially 245,000 tpa aluminium
"**GBA**"	gas balancing agreement
"**GCV**"	Gross Calorific Value
"**Geostatistics**"	geostatistics is a branch of statistics used to predict probability distributions of ore grades for mining operations
"**grade**"	proportion (by weight) of the valuable element within the mineralised rock
"**greenfield**"	new development project on previously undeveloped land that is built from scratch
"**GW**"	gigawatt, a unit of electrical energy equal to 1 billion watts
"**HG**"	high grade; an international standard of grading for zinc ingots
"**hydrometallurgical**"	the treatment of metal or the separation of metal from ores and ore concentrates by liquid processes, such as leaching, extraction and precipitation to extract and recover metals from their ores
"**IPP**"	independent power plant
"**IsaProcess(TM)**"	an electrolytic refining process developed by MIM Holdings Ltd.'s Process Technologies
"**IsaSmelt(TM)**"	a lance-based intensive bath smelting technology developed by MIM Holdings Ltd.'s Process Technologies
"**ITAT**"	Income Tax Appellate Tribunal
"**JORC Code (2012)**"	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
"**Kcal/kg**"	thousands of calories per kilogramme, a measurement of energy per unit mass



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"**Koepe winder**"	a system where the winding drum is replaced by a large wheel or sheave. Both cages are connected to the same rope, which passes around some 200 degrees of the sheave in a groove of friction material. The Koepe sheave may be mounted on the ground adjacent to the headgear or in a tower over the shaft. The drive to the rope is the frictional resistance between the rope and the sheave. It requires the use of a balance rope. It is often used for hoisting heavy loads from deep shafts and has the advantage that the large inertia of the ordinary winding drum is avoided. The system has been widely used in Europe for many years, and some large projects in the UK are being equipped with winders of this type
"**km**"	kilometres
"**km^2**"	square kilometres
"**kt**"	kilotons
"**ktpa**"	kilotons per annum
"**ktpm**"	thousand tonnes per month
"**KV**"	kilovolts
"**kVA**"	kilovolt-ampere
"**kWh**"	kilowatt-hours
"**lb**"	imperial pound (mass) equivalent to 0.4536 kilograms
"**leaching**"	extracting a soluble metallic compound from an ore by selectively dissolving it in a suitable solvent
"**lead concentrate**"	product of the flotation process with a lead content typically ranging between 50% and 70%
"**life of mine**"	the remaining life of a mine in years calculated by deducting the scheduled production rates (i.e. the rate at which material will be removed from the mine, from the current defined reserves)
"**m^3**"	cubic metres
"**MAT**"	minimum alternate tax
"**metcoke**"	metallurgical coke which is produced by the carbonisation of coals or coal blends at temperatures up to 1,400 K (1,127 degrees Celsius) to produce a macroporous carbon material of high strength and relatively large lump size
"**mill**"	a plant in which ore is treated and metals are recovered or prepared for smelting; also a revolving drum used for the grinding of ores in preparation for treatment



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"**million oz**"	millions of ounces
"**mineral**"	a natural, inorganic, homogeneous material that can be expressed by a chemical formula
"**mineralisation**"	the process by which minerals are introduced into a rock. More generally, a term applied to accumulations of potentially economic or related minerals in quantities ranging from anomalous to economically recoverable
"**Million Units**"	Million kilo watt hours
"**mm**"	millimetres
"**mmbbls**"	million barrels
"**mmboe**"	million barrels of oil equivalent
"**mmbtu**"	million British thermal units
"**mmscfd**"	million standard cubic feet per day
"**mt**"	metric tonnes
"**mtpa**"	million tonnes per annum
"**MW**"	megawatt, a unit of electrical energy equal to one million watts
"**OIIP**"	oil initially in place
"**open-pit mine**"	a mine that is entirely on the surface. Also referred to as an open-cut or opencast mine
"**ore**"	a mineral or mineral aggregate containing precious or useful minerals in such quantities, grade and chemical combination to make extraction economic
"**overburden**"	waste material overlying ore in an open-pit mine
"**PFA**"	Primary Foundry Alloys
"**pH**"	potential of Hydrogen; a measure of the acidity or alkalinity of a solution
"**pig iron**"	pig iron is raw iron that is the immediate product of smelting iron ore with coke and limestone in a blast furnace
"**plant**"	fixed or moveable equipment required in the process of winning or processing the ore

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"**PLF**" or "**plant load factor**"	in relation to a given period, is expressed as the percentage of total kilowatt hours per unit (kWh) generated at generator terminals to installed capacity, expressed in kilowatts (kW) multiplied by number of hours in that period
"**ppm**"	parts per million (in relation to silver)
"**Properzi**"	technology for fabricating wire, sheets and ingots sold by Continuous Properzi S.p.A., Italy
"**Properzi CCR**"	Properzi Continuously Cast and Rolled; a copper rod technology from Continuous-Properzi S.p.A. to produce copper rods
"**PSC**"	production sharing contracts. These contracts are a common type of contract signed between a government and a resource extraction company (or group of companies) concerning how much of the resource (usually oil) extracted from the country each will receive
"**PSU**"	public sector undertaking
"**PTRR**"	post tax rate of return regime
"**PW**"	Prime Western; an international standard of grading for zinc ingots
"**Pyrometallurgical**"	pertaining to metallurgical operations that involve processing temperatures above ambient conditions, generally involving chemical reactions as distinct from metal casting substantially which involves only a physical transformation, such as, solidification
"**Rc**"	refining charge; the price paid by mining companies to smelters for refining the contained precious metals (and copper) in their concentrates to produce a payable metal. The Rc is based on the payable metal content (after deductions)
"**refining**"	the final process of upgrading of the metal quality, although for aluminium, it is the intermediate stage of converting bauxite to alumina
"**refining charge**"	the fees charged by a refinery for purifying crude metallic products
"**RLE**"	roast-leach-electro win; a process utilised in many hydrometallurgical zinc smelters whereby zinc concentrate is first roasted to remove the Sulphur content, which comes out in the form of Sulphur Dioxide gas, and then subjected to leaching and electrolysis
"**RoM**"	run of mine, which includes all material mined including the waste
"**SAG**"	semi-autogenous
"**SCF**"	slag cleaning furnace
"**SHG**"	Special High Grade; an international standard of grading for zinc ingots



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"**slag**"	the vitreous mass separated from the fused metals in the smelting process
"**SLOS**"	sub land open stopping
"**smelting**"	a thermal process whereby molten metal is liberated from a concentrate, with impurities separating into a lighter slag
"**SNIF degasser**"	a spinning nozzle inert flotation (SNIF) in-line degassing/filtration system for treatment of molten aluminium
"**spot market**"	a market in which commodities are bought and sold for cash and delivered immediately
"**spot price**"	the current price of a metal for immediate delivery
"**STOIIP**"	stock tank oil initially in place
"**stope**"	the underground excavation within the ore body where the main production takes place; depending on the ore body qualities, stopes can range from 5 kt to 2 mt
"**strip ratio**"	the number of units of waste material in a surface mine which must be removed in order to extract one unit of ore
"**sustaining capital expenditure**"	capital expenditure to maintain Vedanta's operating capacity
"**SX-EW**"	solvent extraction/electro winning
"**synchronise**"/ "**synchronisation**"	Synchronisation is the process of matching the speed and frequency of a generator or other source to a running network necessary to commence operations at an electricity-generating power plant
"**t**" or "**tonne**"	metric tonne equivalent to 2,204.62 lb or 1,000 kilograms
"**tailing dam**"	a low-lying depression used to confine tailings, the prime function of which is to allow enough time for heavy metals to settle out or for cyanide to be destroyed before water is discharged into the local watershed
"**Tc**"	treatment charge
"**TcRc**"	treatment charge and refining charge levied by smelters and refineries for the smelting and refining of copper concentrate from mines into copper metal
"**TCu**"	total copper
"**toll smelter**"	a smelter that is independent of the concentrate supplier and charges a fee for smelting the concentrate

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"**total production**"	that part of production at mines and operations in which subsidiaries of the Company have an interest; in this Offering Circular, unless expressly stated otherwise, production also refers to total production
"**total reserves**"	that part of the reserves from a mine in which subsidiaries of the Company have an interest; in this Offering Circular, unless expressly stated otherwise, reserves also refer to total reserves
"**tpa**"	tonnes per annum
"**Vertical Crater Retreat method**"	a comparatively new method of blast hole mining in which only large diameter in-the-hole drills are used to blast down horizontal slices of ore into an opening below the block of ore being mined
"**VSS technology**"	Vertical Stud Soderberg technology; a method of primary aluminium reduction using the Soderberg process in which the electrical current is introduced to self-baking anodes by steel rods, or studs, inserted into the top of a monolithic anode
"**Whittle 4X multi-element optimisation software**"	this software is used for strategic planning and provides information which is used to determine the life of an open pit mine. This software helps define the economically workable limits of an open pit mine and provides a template for the pit design. Using this template, the KCM Group is able to determine the quantity of waste that is required to be mined in order to extract a known quantity of copper ore
"**zinc concentrate**"	product of flotation process with a zinc content typically ranging between 45% and 60%

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IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached consent solicitation memorandum dated 13 December 2023 (the "**Consent Solicitation Memorandum**") whether received by email or as a result of electronic or other communication and you are therefore required to read this disclaimer carefully before accessing, reading or making any other use of the Consent Solicitation Memorandum. By accepting the email to which the Consent Solicitation Memorandum was attached or by accessing or reading the Consent Solicitation Memorandum, you shall be deemed to give the representations below and to agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from J.P. Morgan Securities plc and Standard Chartered Bank (together, the "**Solicitation Agents**") and/or Morrow Sodali Ltd (the "**Information and Tabulation Agent**"), Vedanta Resources Limited (the "**Company**"), Vedanta Resources Finance II Plc ("**VRF II**"), Twin Star Holdings Ltd. ("**Twin Star**") and/or Welter Trading Limited ("**Welter**", and together with Twin Star, the "**Subsidiary Guarantors**") as a result of such acceptance and access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meanings given to them in the Consent Solicitation Memorandum.

THE CONSENT SOLICITATION MEMORANDUM (WHICH EXPRESSION WHEN USED ON THESE PAGES INCLUDES THE CONSENT SOLICITATIONS) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU HAVE RECENTLY SOLD OR OTHERWISE TRANSFERRED ALL OR PART OF YOUR HOLDING OF THE SECURITIES TO WHICH IT RELATES, YOU SHOULD CONTACT THE INFORMATION AND TABULATION AGENT.

The Consent Solicitation Memorandum has been prepared by the Company, VRF II and the Subsidiary Guarantors, and is being provided to you, in addition to any other materials or information provided in connection with the Consent Solicitations, the Proposal or the Extraordinary Resolution in respect of each Series of Bonds, by the Information and Tabulation Agent on behalf of the Company, VRF II and the Subsidiary Guarantors. Each of the Solicitation Agents and the Information and Tabulation Agent are acting exclusively for the Company, VRF II and the Subsidiary Guarantors and no one else in connection with the Consent Solicitations, the Proposal or the Extraordinary Resolution in respect of each Series of Bonds and will not regard any other person (whether or not a recipient of the Consent Solicitation Memorandum) as a client. None of the Solicitation Agents or the Information and Tabulation Agent is responsible for providing advice in relation to any matters referred to in the Consent Solicitation Memorandum. None of the Solicitation Agents or the Information and Tabulation Agent or their affiliates (or their respective directors, employees, officers, consultants or agents) shall be responsible, liable or owe a duty of care to any recipient of the Consent Solicitation Memorandum or any other materials or information provided to such recipient in connection with the Consent Solicitations, the Proposal or the Extraordinary Resolution in respect of each Series of Bonds. In addition, each of the Solicitation Agents and the Information and Tabulation Agent are appointed by the Company, VRF II and the Subsidiary Guarantors and owe no duty to Cede & Co. as the Registered Holder of, and nominee of DTC for each of the 2024 Bonds I, the 2024 Bonds II and the 2025 Bonds or any Beneficial Owner of the Bonds.

None of the Solicitation Agents, the Trustee or the Information and Tabulation Agent (or their respective directors, officers, employees, representatives, affiliates or advisers) makes any representation or recommendation whatsoever regarding the Consent Solicitation Memorandum, or any document prepared in connection with it, the Proposal, the Extraordinary Resolution or the Consent Solicitation in respect of each

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Each Beneficial Owner of the Bonds should seek its own financial, legal, tax or other independent advice and is solely responsible for making its own independent appraisal of all matters as such Beneficial Owner of the Bonds deems appropriate (including those relating to the Consent Solicitations, the relevant Extraordinary Resolution and the applicable Proposal in respect of its Bonds), and each Beneficial Owner of the Bonds must make its own decision in respect of the Extraordinary Resolution in respect of its Bonds.

The delivery of this Consent Solicitation Memorandum shall not, under any circumstances, create any implication that the information contained herein is correct and/or current as of any time subsequent to the date of the Consent Solicitation Memorandum. The Consent Solicitation Memorandum is solely directed at the Beneficial Owners of the Bonds in those jurisdictions where the Consent Solicitation Memorandum may be lawfully directed to them.

Any individual or company whose Bonds are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such person if it wishes to participate in the Consent Solicitation in respect of such Bonds. In relation to the delivery or revocation of Consent Instructions or Ineligible Bondholder Instructions through the Clearing System, where applicable, Beneficial Owners of the Bonds should note the particular practice of the Clearing System, including any earlier deadlines by the Clearing System.

NOTHING IN THE CONSENT SOLICITATION MEMORANDUM OR THE ELECTRONIC TRANSMISSION THEREOF CONSTITUTES OR CONTEMPLATES AN OFFER OF, AN OFFER TO PURCHASE OR THE SOLICITATION OF AN OFFER TO SELL SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION. THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF "U.S. PERSONS" AS DEFINED IN REGULATION S OTHER THAN TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A, EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS.

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THIS CONSENT SOLICITATION MEMORANDUM HAS NOT BEEN AND WILL NOT BE CIRCULATED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO ANY PERSON OR TO THE PUBLIC IN INDIA WHICH WOULD CONSTITUTE AN ADVERTISEMENT, INVITATION, OFFER, OR SOLICITATION OF AN OFFER OF NOTES, RESULTING IN VIOLATION OF INDIAN LAWS. THIS CONSENT SOLICITATION MEMORANDUM

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HAS NOT BEEN AND WILL NOT BE REGISTERED, PRODUCED, PUBLISHED OR MADE AVAILABLE AS AN OFFER DOCUMENT (WHETHER AS A PROSPECTUS IN RESPECT OF A PUBLIC OFFER OR A GENERAL INFORMATION DOCUMENT OR A KEY INFORMATION DOCUMENT OR PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER OR OTHER OFFERING MATERIAL IN RESPECT OF ANY PRIVATE PLACEMENT, UNDER THE COMPANIES ACT, 2013 OR RULES FRAMED THEREUNDER, EACH AS AMENDED, OR THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED, OR ANY OTHER APPLICABLE INDIAN LAWS) WITH THE REGISTRAR OF COMPANIES IN INDIA, THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE RESERVE BANK OF INDIA OR ANY OTHER STATUTORY OR REGULATORY BODY OF LIKE NATURE IN INDIA, SAVE AND EXCEPT FOR ANY INFORMATION FROM ANY PART OF THIS CONSENT SOLICITATION MEMORANDUM WHICH IS (I) MANDATORILY REQUIRED TO BE DISCLOSED OR FILED IN INDIA UNDER APPLICABLE INDIAN LAWS, INCLUDING BUT NOT LIMITED TO PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS 2015 AND UNDER THE LISTING AGREEMENT WITH ANY INDIAN STOCK EXCHANGE PURSUANT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015, EACH AS AMENDED, AND THE RULES FRAMED THEREUNDER, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED; OR (II) PURSUANT TO THE SANCTION OF ANY REGULATORY AND ADJUDICATORY BODY IN INDIA. THIS CONSENT SOLICITATION MEMORANDUM HAS NOT BEEN AND WILL NOT BE REVIEWED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA OR ANY INDIAN STOCK EXCHANGE. THE NOTES WILL NOT BE AND HAS NOT BEEN OFFERED IN INDIA BY MEANS OF ANY DOCUMENT AND DOES NOT CONSTITUTE AN ADVERTISEMENT, INVITATION, OFFER OR SOLICITATION OF AN OFFER TO BUY BACK ANY NOTES IN VIOLATION OF APPLICABLE INDIAN LAWS.

Confirmation of your representation: The Consent Solicitation Memorandum was sent at your request and, by accessing the Consent Solicitation Memorandum, you shall be deemed to have represented to the Company, VRF II and the Subsidiary Guarantors, each of the Solicitation Agents, the Trustee and the Information and Tabulation Agent that:

(i) you are, or are acting on behalf of, a holder or a Beneficial Owner of:

(a) the U.S.$1,000,000,000 6.125% Bonds due 2024 (Regulation S Bonds – CUSIP: G9328DAP5, ISIN: USG9328DAP53, Common Code: 163545764) (Rule 144A Bonds – CUSIP: 92241TAM4, ISIN: US92241TAM45, Common Code: 163545721) issued by the Company;

(b) the U.S.$1,000,000,000 13.875% Bonds due 2024 (Regulation S Bonds – CUSIP: V9667MAA0, ISIN: USV9667MAA00, Common Code: 227224584) (Rule 144A Bonds – CUSIP: 92243XAD3, ISIN: US92243XAD30, Common Code: 227224495) issued by VRF II and guaranteed by the Company and the Subsidiary Guarantors; and/or

(c) the U.S.$1,200,000,000 8.95% Bonds due 2025 (Regulation S Bonds – CUSIP: G9T27HAD6, ISIN: USG9T27HAD62, Common Code: 230809038) (Rule 144A Bonds – CUSIP: 92243XAE1, ISIN: US92243XAE13, Common Code: 230809046) issued by VRF II and guaranteed by the Company and the Subsidiary Guarantors;

(ii) you shall not pass on the Consent Solicitation Memorandum to third parties or otherwise make the Consent Solicitation Memorandum publicly available;



(iii) you are not a person to or from whom it is unlawful to send the Consent Solicitation Memorandum or to solicit consents under the Consent Solicitations described in the Consent Solicitation Memorandum under applicable laws;

(iv) either: (a) you are a "Qualified Institutional Buyer" as defined in Rule 144A and are acting for your own account or for the account of another "Qualified Institutional Buyer", or (b) you are not located or resident in the United States and you are not acting for the account or benefit of, a "U.S. Person" as defined in Regulation S;

(v) you are not a Sanctions Restricted Person;

(vi) you consent to delivery of the Consent Solicitation Memorandum by electronic transmission; and

(vii) you have understood and agreed to the terms set forth in this disclaimer.

Any materials relating to the Consent Solicitations do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the Consent Solicitations be made by a licensed broker or dealer and any of the Solicitation Agents, or their respective affiliates, is such a licensed broker or dealer in that jurisdiction, the Consent Solicitations shall be deemed to be made by such Solicitation Agent or affiliate, as the case may be, on behalf of the Company, VRF II and/or the Subsidiary Guarantors in such jurisdiction where it is so licensed and the Consent Solicitations are not being made in any such jurisdiction where the Solicitation Agents or any of their respective affiliates is not so licensed.

The distribution of the Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Consent Solicitation Memorandum comes are required by the Company, VRF II and the Subsidiary Guarantors, the Solicitation Agents, the Trustee and the Information and Tabulation Agent to inform themselves about, and to observe, any such restrictions.

The Consent Solicitation Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, VRF II and the Subsidiary Guarantors, the Solicitation Agents, the Trustee and/or the Information and Tabulation Agent or any person who controls, or is a director, officer, employee, agent or affiliate of, any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Consent Solicitation Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Information and Tabulation Agent.

You are also reminded that the Consent Solicitation Memorandum has been delivered to you on the basis that you are a person into whose possession the Consent Solicitation Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or a resident and you may not, nor are you authorised to, deliver the Consent Solicitation Memorandum to any other person.



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt about any aspect of this Consent Solicitation Memorandum and/or the action you should take, you should consult immediately your stockbroker, bank manager, solicitor, accountant or appropriately authorised independent financial adviser. If you have recently sold or otherwise transferred all or any of your holding(s) of the Bonds referred to below, you should contact the Information and Tabulation Agent.

This Consent Solicitation Memorandum has been prepared by the Company, VRF II and the Subsidiary Guarantors and is addressed only to holders of the Bonds who are persons to whom it may otherwise be lawful to distribute it ("**relevant persons**"). It is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Consent Solicitation Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. This Consent Solicitation Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons.

Unless otherwise defined herein or the context otherwise requires, capitalised expressions used in this Consent Solicitation Memorandum shall have the meanings set out under "*Definitions*" herein.

Consent Solicitation Memorandum dated 13 December 2023

Proposal by

Vedanta Resources Limited (formerly known as Vedanta Resources plc), in its capacity as issuer
(a private company with limited liability incorporated under the laws of England and Wales)
to holders of the outstanding

U.S.$1,000,000,000 6.125% Bonds due 2024
(of which U.S.$950,900,000 is outstanding)
(Regulation S Bonds – CUSIP: G9328DAP5, ISIN: USG9328DAP53, Common Code: 163545764)
(Rule 144A Bonds – CUSIP: 92241TAM4, ISIN: US92241TAM45, Common Code: 163545721)
(the "**2024 Bonds I**")

Proposal by

Vedanta Resources Finance II Plc, in its capacity as issuer
(a public company with limited liability incorporated under the laws of England and Wales)
and

Vedanta Resources Limited, in its capacity as guarantor
(a private company with limited liability incorporated under the laws of England and Wales)

and

Twin Star Holdings Ltd., in its capacity as guarantor
(a company with limited liability incorporated under the laws of Mauritius)

and

Welter Trading Limited, in its capacity as guarantor
(a company with limited liability incorporated under the laws of Cyprus)

to holders of the outstanding

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U.S.$1,000,000,000 13.875% Bonds due 2024
(of which U.S.$1,000,000,000 is outstanding)
(Regulation S Bonds – CUSIP: V9667MAA0, ISIN: USV9667MAA00, Common Code: 227224584)
(Rule 144A Bonds – CUSIP: 92243XAD3, ISIN: US92243XAD30, Common Code: 227224495)
(the "**2024 Bonds II**")

U.S.$1,200,000,000 8.95% Bonds due 2025
(of which U.S.$1,200,000,000 is outstanding)
(Regulation S Bonds – CUSIP: G9T27HAD6, ISIN: USG9T27HAD62, Common Code: 230809038)
(Rule 144A Bonds – CUSIP: 92243XAE1, ISIN: US92243XAE13, Common Code: 230809046)
(the "**2025 Bonds**", and together with the 2024 Bonds I and the 2024 Bonds II, each referred to as a "**Series of Bonds**", and, together, the "**Bonds**"))

Vedanta Resources Limited (the "**Company**"), Vedanta Resources Finance II Plc ("**VRF II**"), Twin Star Holdings Ltd. ("**Twin Star**") and Welter Trading Limited ("**Welter**", and together with Twin Star, the "**Subsidiary Guarantors**") intend to convene separate Meetings of the holders of each Series of Bonds in respect of their respective Bonds to consider and, if thought fit, pass the relevant Extraordinary Resolution which will provide for certain amendments to the Terms and Conditions of, and certain waivers relating to, the relevant Series of Bonds (see "*Overview of the Consent Solicitations — The Proposal*").

The Consent Solicitations will commence on 13 December 2023 and will expire at 5:00 p.m. (EST) on 2 January 2024 (the "**Voting Deadline**") (the "**Consent Period**"). In order to be eligible for payment of the applicable Early Consent Fee, Eligible Bondholders must validly submit Consent Instructions in favour of the relevant Extraordinary Resolution to the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) by no later than 5:00 p.m. (EST) on 27 December 2023 (the "**Early Consent Deadline**"), unless the applicable Early Consent Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein. In order to be eligible for payment of the applicable Late Consent Fee, Eligible Bondholders must validly submit Consent Instructions in favour of the relevant Extraordinary Resolution to the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) after the Early Consent Deadline but by no later than the Voting Deadline, unless the applicable Voting Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein. If the applicable Early Consent Deadline and/or the applicable Voting Deadline for the Consent Solicitations is extended, the Company will publicly announce such extension, as soon as reasonably practicable after the applicable deadline, in accordance with the terms of this Consent Solicitation Memorandum.

Concurrent with these Consent Solicitations, the Company and VRF II are also seeking the approval of the holders of the 2026 Bonds (as defined herein) by way of an extraordinary resolution at a meeting of the holders of the 2026 Bonds to make certain amendments and waivers relating to the 2026 Bonds (the "**Concurrent Consent Solicitation**").

A relevant Extraordinary Resolution that is duly passed at the relevant Meeting or, as the case may be, adjourned Meeting, in respect of that Series of Bonds will be deemed effective, subject to:

(1) the quorum required for, and the requisite majority of votes cast at, the relevant Meeting are satisfied by Eligible Bondholders irrespective of any participation at such Meeting by Ineligible Bondholders (including the satisfaction of such condition at any adjourned Meeting) (the "**Eligibility Condition**");

(2) the relevant Extraordinary Resolution in respect of each other Series of Bonds (in the respective forms set out at Schedule 1 to 3 hereto) being duly passed at the relevant Meeting or, as the case may be, adjourned Meeting(s), the respective Eligibility Condition thereof being satisfied and there being no increase to the relevant Consent Fee, Ineligible Bondholder Payment or Upfront Principal Redemption from the amounts set out in herein;

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(3) the relevant extraordinary resolution in respect of the 2026 Bonds being duly passed at the relevant meeting or, as the case may be, adjourned meeting(s) (the "**Concurrent Consent Solicitation Condition**");

(4) the Company having signed one or more financing agreements, including the Private Credit Facility, and having submitted one or more drawdown request(s) thereunder, whereby the amount(s) to be drawn down thereunder (as notified pursuant to the drawdown request(s)) would be sufficient to pay, among others, the Consent Fee, the Ineligible Bondholder Payment and the Upfront Principal Redemption in respect of each Series of Bonds and any consent fee payable under the Concurrent Consent Solicitation, as the Company may determine in its sole and absolute discretion (the "**Financing Condition**"); and

(5) the Company having paid the applicable Consent Fee and Ineligible Bondholder Payment to the relevant Bondholders (as of the Record Date only) on the Settlement Date,

(together, the "**Consent Conditions**").

If the Consent Conditions are not satisfied by 29 January 2024 (the "Longstop Date"), the Consent Solicitations shall be terminated.

Description of the Bonds	ISIN	Common Code	CUSIP	Early Consent Fee	Late Consent Fee
U.S.$1,000,000,000 6.125% Bonds due 2024					
(Regulation S Bonds)	USG9328DAP53	163545764	G9328DAP5	U.S.$20.00 per U.S.$1,000 principal amount of Bonds	U.S.$2.50 per U.S.$1,000 principal amount of Bonds
(Rule 144A Bonds)	US92241TAM45	163545721	92241TAM4		
U.S.$1,000,000,000 13.875% Bonds due 2024					
(Regulation S Bonds)	USV9667MAA00	227224584	V9667MAA0	U.S.$20.00 per U.S.$1,000 principal amount of Bonds	U.S.$2.50 per U.S.$1,000 principal amount of Bonds
(Rule 144A Bonds)	US92243XAD30	227224495	92243XAD3		
U.S.$1,200,000,000 8.95% Bonds due 2025					
(Regulation S Bonds)	USG9T27HAD62	230809038	G9T27HAD6	U.S.$20.00 per U.S.$1,000 principal amount of Bonds	U.S.$2.50 per U.S.$1,000 principal amount of Bonds
(Rule 144A Bonds)	US92243XAE13	230809046	92243XAE1		

Record Date: 26 December 2023

Early Consent Deadline: 5:00 p.m. (EST) on 27 December 2023

Voting Deadline: 5:00 p.m. (EST) on 2 January 2024

Subject to the terms and conditions specified in this Consent Solicitation Memorandum, the other Consent Conditions being satisfied and the Amendment Documents being executed, Eligible Bondholders who have submitted (and have not validly withdrawn) a Consent Instruction in favour of the relevant Extraordinary Resolution (i) on or prior to the applicable Early Consent Deadline shall be entitled to receive the applicable Early Consent Fee, or (ii) after the applicable Early Consent Deadline but on or prior to the Voting Deadline, shall be entitled to receive the applicable Late Consent Fee.

Eligible Bondholders of a particular Series of Bonds will not be eligible to receive either the applicable Early Consent Fee or the applicable Late Consent Fee if they (i) appoint a proxy other than the Information and Tabulation Agent (or its nominee) to attend and vote at the relevant Meeting or are not represented at the relevant Meeting, (ii) attend the relevant Meeting in person, (iii) submit a Consent Instruction against or abstaining from the applicable Proposal or in favour of the relevant Extraordinary Resolution but after the Voting Deadline, or do not vote at all, (iv) revoke their Consent Instructions (in the limited circumstances permitted) before the relevant Meeting, or (v) are a Sanctions Restricted Person.

Ineligible Bondholders are not entitled to receive any Consent Fee. However, an Ineligible Bondholder, to the extent permitted by applicable laws and regulations, subject to the terms and conditions specified in this Consent



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Solicitation Memorandum, the other Consent Conditions being satisfied and the Amendment Documents being executed, is eligible to receive: (i) an amount equivalent to the Early Consent Fee (the "**Early Ineligible Bondholder Payment**"), subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution being received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) by no later than the Early Consent Deadline, unless the applicable Early Consent Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein; or (ii) an amount equivalent to the Late Consent Fee (the "**Late Ineligible Bondholder Payment**"), subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution being received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) after the Early Consent Deadline but by no later than the Voting Deadline, unless the applicable Voting Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein.

Where payable, the applicable Consent Fee and Ineligible Bondholder Payment shall be paid on the Settlement Date to the relevant DTC Direct Participant for payment to the cash account of each eligible Beneficial Owner (as of the Record Date only) in respect of the relevant Series of Bonds.

On the Upfront Redemption Date, subject to the terms and conditions specified in this Consent Solicitation Memorandum, the Consent Conditions being satisfied, the Amendment Documents being executed and effective, the Company intends to redeem each Series of Bonds an aggregate principal amount equal to:

- in the case of the 2024 Bonds I, 6% of the principal amount of 2024 Bonds I outstanding;
- in the case of the 2024 Bonds II, 53% of the principal amount of 2024 Bonds II outstanding; and
- in the case of the 2025 Bonds, 16% of the principal amount of 2025 Bonds outstanding,

in each case, at a redemption price equal to 100% of the principal amount of the relevant Series of Bonds being redeemed plus accrued and unpaid interest thereto to (but excluding) the Upfront Redemption Date (the "**Upfront Principal Redemption**"). The Upfront Principal Redemption will be to all Bondholders of the relevant Series of Bonds on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000.

The Company expects to announce its interim consolidated financial statements as of and for the six-months ended 30 September 2023 (the "**1H2024 Interim Financial Statements**") on or around 15 December 2023 which will be available on http://www.vedantaresources.com/Pages/FinancialReports.aspx or the website of SGX-ST on http://www.sgx.com. The 1H2024 Interim Financial Statements shall not be deemed to be part of this Consent Solicitation Memorandum and will not be incorporated by reference herein. Bondholders are advised to (a) review and consider the 1H2024 Interim Financial Statements before making any decision or taking any action with respect to the Consent Solicitations and (b) exercise caution to the extent they submit a Consent Instruction or an Ineligible Bondholder Instruction prior to the release of the 1H2024 Interim Financial Statements. Bondholders should note that Consent Instructions or Ineligible Bondholder Instructions are irrevocable (unless in the limited circumstances set out in "*Terms of the Consent Solicitations — Amendment of the Consent Solicitations and withdrawal rights*").

This Consent Solicitation Memorandum contains important information that should be read carefully before any decision is made with respect to the Consent Solicitation in respect of each Series of Bonds. Each person must make its own analysis and investigation regarding the Proposal and make its own voting decision, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such voting decision. If you are in doubt about any aspect of the Proposal and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or appropriately authorised independent financial adviser.



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Beneficial Owners of the Bonds having questions regarding this Consent Solicitation Memorandum may contact the Solicitation Agents at:

- J.P. Morgan Securities plc – attention Asia Syndicate Desk on +44 20 7742 5940 / +852 2800 8220 / +1 212 834 4533 or by e-mail at liability_management_asia@jpmorgan.com; or
- Standard Chartered Bank – attention Liability Management on +44 20 7885 5739 / +852 3983 8658 / +65 6557 8286 or by e-mail at liability_management@sc.com.

Questions or requests for assistance in connection with voting at the Meetings and/or the delivery of Consent Instructions may be directed to Morrow Sodali Ltd as the Information and Tabulation Agent in Hong Kong: +852 2319 4130; in London: +44 20 4513 6933; in Stamford: +1 203 658 9457 or by e-mail at vedanta@investor.morrowsodali.com.

Solicitation Agents

J.P. Morgan **Standard Chartered Bank**

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Subject to applicable law, the Meeting Provisions in respect of each Series of Bonds and as provided herein, the Company may, in its absolute discretion, re-open, extend, decline, waive any condition of and/or amend the relevant Consent Solicitation (including, but not limited to, waiving the Consent Conditions (other than the Financing Condition and payment of the Consent Fee and the Ineligible Bondholder Payment) applicable in respect of the Consent Solicitations, amending the relevant Consent Fee or the relevant Ineligible Bondholder Payment or extending the Early Consent Deadline or the Voting Deadline) in respect of each Series of Bonds. As described in this Consent Solicitation Memorandum (and subject to the limited exceptions set out herein), the communication of a vote in favour of or against the Extraordinary Resolution or to abstain from voting in respect of each Series of Bonds by an Eligible Bondholder of such Series of Bonds by submission of a Consent Instruction, or the submission of an Ineligible Bondholder Instruction by an Ineligible Bondholder shall be irrevocable and binding on such Eligible Bondholder or Ineligible Bondholder, as the case may be, except in the limited circumstances described herein.

This Consent Solicitation Memorandum has been prepared by the Company, VRF II and the Subsidiary Guarantors and is being provided to holders of the Bonds, in addition to any other materials or information provided in connection with the Consent Solicitations, the Proposal or the Extraordinary Resolution in respect of each Series of Bonds, on behalf of the Company and, where applicable, VRF II and the Subsidiary Guarantors. None of the Solicitation Agents, the Trustee or the Information and Tabulation Agent or their respective directors, officers, employees, representatives, affiliates or advisers shall be responsible, liable or owe a duty of care to any recipient of this Consent Solicitation Memorandum or any other materials or information provided to such recipient in connection with the Consent Solicitations, the Proposal or the Extraordinary Resolution in respect of any Series of Bonds.

None of the Solicitation Agents, the Trustee or the Information and Tabulation Agent or their respective directors, officers, employees, representatives, affiliates or advisers makes any representation or recommendation whatsoever regarding this Consent Solicitation Memorandum, or any document prepared in connection with it, the Proposal, the Extraordinary Resolution or the Consent Solicitation in respect of each Series of Bonds. None of the Solicitation Agents, the Trustee or the Information and Tabulation Agent or their respective directors, officers, employees, representatives, affiliates or advisers has independently verified, or assumes any responsibility for the accuracy or completeness of the information concerning the Proposal, the Extraordinary Resolution or the Consent Solicitation in respect of each Series of Bonds or of any other statements contained in this Consent Solicitation Memorandum or for any failure by the Company, VRF II and/or the Subsidiary Guarantors to disclose events that may have occurred and may affect the significance or accuracy of such information. None of the Solicitation Agents, the Trustee or the Information and Tabulation Agent expresses any views on the merits of the Consent Solicitations or makes any representation that all relevant information has been disclosed or that any disclosed information is accurate and not misleading. Each of the Solicitation Agents and the Information and Tabulation Agent are appointed by the Company, VRF II and the Subsidiary Guarantors and owe no duty to the Registered Holder (as holder of Bonds and legal owner) nor to any Beneficial Owner of the Bonds. None of the Solicitation Agents, the Trustee or the Information and Tabulation Agent is responsible for providing advice in relation to any matters referred to in this Consent Solicitation Memorandum.

Each Beneficial Owner of the Bonds should seek its own financial, legal, tax or other independent advice and is solely responsible for making its own independent appraisal of all matters as such Beneficial Owner of the Bonds deems appropriate (including those relating to the relevant Consent Solicitations, the relevant Extraordinary Resolution and the Proposal in respect of such Bonds), and each Beneficial Owner of the Bonds must make its own decision in respect of the Extraordinary Resolution in respect of such Bonds. Each Beneficial Owner of the Bonds receiving this Consent Solicitation Memorandum is deemed to acknowledge that such person has not relied on the Company, VRF II, the Subsidiary Guarantors, any of the Solicitation Agents, the Trustee or the Information and Tabulation Agent in connection with its decision on how or whether to vote in relation to the Extraordinary Resolution in respect of any Series of Bonds. If

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any Beneficial Owner of the Bonds is in any doubt about any aspect of the Proposal and/or the action it should take, it should consult its independent professional advisers.

This Consent Solicitation Memorandum does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Company, VRF II, the Subsidiary Guarantors or any other entity. The distribution of this Consent Solicitation Memorandum may nonetheless be restricted by law in certain jurisdictions. Persons into whose possession this Consent Solicitation Memorandum comes are required by the Company, VRF II, the Subsidiary Guarantors, each of the Solicitation Agents, the Trustee and the Information and Tabulation Agent to inform themselves about, and to observe, any such restrictions. This Consent Solicitation Memorandum does not constitute a solicitation in any circumstances in which such solicitation is unlawful. None of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee or the Information and Tabulation Agent nor their respective directors, officers, employees, representatives, affiliates or advisers will incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

This Consent Solicitation Memorandum has not been approved by the United States Securities and Exchange Commission or any federal, state or foreign securities commission or regulatory authority. No authority has passed upon the accuracy or adequacy of this Consent Solicitation Memorandum and it is unlawful and may be a criminal offense to make any representation to the contrary. Nothing in this Consent Solicitation Memorandum constitutes or contemplates an offer of, an offer to purchase or the solicitation of an offer to sell securities in the United States or any other jurisdiction. The Bonds have not been and will not be registered under the Securities Act, or any state securities laws. The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of "U.S. Persons" as defined in Regulation S, other than to "Qualified Institutional Buyers" as defined in Rule 144A, except pursuant to an exemption from such registration requirements.

This Consent Solicitation Memorandum contains "forward-looking statements" that are based on the Company's current expectations, assumptions, estimates and projections abut the Company. These forward-looking statements are subject to various risk and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipate", "believe", "estimate", "expect", "intend", "will", "project", "seek", "should" and similar expressions. These statements include, but not limited to, the discussions of the Company's business strategy and expectations concerning its market position, future operations, liquidity and capital resources. Such forward-looking statements involve risks and uncertainties, and that, although the Company believes that the assumptions on which such forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could be materially incorrect. In light of these and other uncertainties, you should not conclude that the Company will necessarily achieve any plans, objectives or projected results referred to in any of the forward-looking statements. Except as required by law, the Company does not undertake to release revisions of any of these forward-looking statements to reflect future events or circumstances.

In this Consent Solicitation Memorandum, unless otherwise specified, references to "**U.S.$**", "**$**", "**USD**" or "**U.S. dollars**" are to the lawful currency of the United States of America and references to "**INR**" or "**₹**" are to the lawful currency of the Republic of India.

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INDICATIVE TIMETABLE

Eligible Bondholders should take note of the important indicative dates and times set out in the timetable below in connection with the relevant Consent Solicitation in respect of each Series of Bonds. This timetable is subject to change and dates and times may be extended, re-opened or amended in accordance with the terms of the relevant Consent Solicitation, as described herein and the actual timetable may differ significantly from the timetable below.

All announcements will also be posted on the website operated by the Information and Tabulation Agent for purposes of the Consent Solicitations: http://projects.morrowsodali.com/Vedanta (the "**Consent Website**"), subject to eligibility confirmation and registration.

Event	Date	Description of Event
Launch Date	13 December 2023	Notice of each Meeting given to holders of the Bonds through DTC Direct Participants, Euroclear and Clearstream. This Consent Solicitation Memorandum is available to Eligible Bondholders via the Consent Website (free of charge): http://projects.morrowsodali.com/Vedanta, subject to eligibility confirmation and registration. This Consent Solicitation Memorandum and copies of the relevant Trust Deeds will also be made available to relevant Eligible Bondholders for inspection at the registered office of the Company (free of charge).
Publication of notices on the SGX-ST website, delivery of the notices to DTC Direct Participants, Euroclear and Clearstream and publication of the Consent Solicitation Memorandum and the notices on the Consent Website	13 December 2023	Delivery of the notices to DTC Direct Participants, Euroclear and Clearstream and the website of the SGX-ST and publication of the Consent Solicitation Memorandum and the notices on the Consent Website.
Publication of the 1H2024 Interim Financial Statements	On or around 15 December 2023	The Company expects to announce the 1H2024 Interim Financial Statements on http://www.vedantaresources.com/Pages/FinancialReports.aspx or the website of SGX-ST on http://www.sgx.com.
Record Date	26 December 2023	Only DTC Direct Participants that held a principal amount of the Bonds, as reflected in the records of the Clearing System, on this date will be entitled to submit a Form of Sub-Proxy.

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Event	Date	Description of Event
Early Consent Deadline	5:00 p.m. (EST), 27 December 2023	Latest time and date for delivery of Consent Instructions to the Information and Tabulation Agent, in relation to the relevant Meeting, in order for the relevant Eligible Bondholder to be eligible for payment of the Early Consent Fee and for delivery of Ineligible Bondholder Instructions to the Information and Tabulation Agent in order for the relevant Ineligible Bondholder to be eligible for payment of the Early Ineligible Bondholder Payment. Payments of the Early Consent Fee and the Early Ineligible Bondholder Payment are subject to the other Consent Conditions being satisfied and the Amendment Documents being executed.
Voting Deadline	5:00 p.m. (EST), 2 January 2024	Latest time and date for Eligible Bondholders to appoint the Information and Tabulation Agent (or its nominee) as proxy to attend the relevant Meeting and to vote in respect of the relevant Extraordinary Resolution, or to make other arrangements to attend or to be represented at the relevant Meeting, in each case in accordance with the relevant Meeting Provisions, the provisions of the relevant Trust Deed and the relevant Notice of Meeting. Eligible Bondholders who deliver the Consent Instructions in favour of the relevant Extraordinary Resolution to the Information and Tabulation Agent in relation to the relevant Meeting after the Early Consent Deadline but before the Voting Deadline shall be eligible for payment of the Late Consent Fee. Ineligible Bondholders who deliver the Ineligible Bondholder Instruction to the Information and Tabulation Agent after the Early Consent Deadline but before the Voting Deadline shall be eligible for payment of the Late Ineligible Bondholder Payment. Payment of the Late Consent Fee and the Late Ineligible Bondholder Payment will be subject to the other Consent Conditions being satisfied and the Amendment Documents being executed.

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Event	Date	Description of Event
Meeting of the holders of 2024 Bonds I	9:00 a.m. (Singapore time), 4 January 2024	Time and date of the Meeting in respect of the 2024 Bonds I, at which the holders of 2024 Bonds I will vote in relation to the Extraordinary Resolution.
Meeting of the holders of 2024 Bonds II	9:15 a.m. (Singapore time), 4 January 2024	Time and date of the Meeting in respect of the 2024 Bonds II, at which the holders of 2024 Bonds II will vote in relation to the Extraordinary Resolution. The Meeting in respect of the 2024 Bonds II will not commence until the Meeting of the holders of 2024 Bonds I is completed. Consequently, the 2024 Bonds II Meeting may commence later than the time stated.
Meeting of the holders of 2025 Bonds	9:30 a.m. (Singapore time), 4 January 2024	Time and date of the Meeting in respect of the 2025 Bonds, at which the holders of the 2025 Bonds will vote in relation to the Extraordinary Resolution. The Meeting in respect of the 2025 Bonds will not commence until the Meeting of the holders of 2024 Bonds II is completed. Consequently, the 2025 Bonds Meeting may commence later than the time stated.

Events following the relevant Meeting

(A) If the Extraordinary Resolution in respect of a Series of Bonds is passed at the relevant Meeting:

Event	Date	Description of Event
Announcement of results of the relevant Meeting	As soon as reasonably practicable after the relevant Meeting.	Announcement of the results of the relevant Meeting.
Delivery of notice of results to DTC Direct Participants, Euroclear and Clearstream and publication of such notice on the website of the SGX-ST	As soon as reasonably practicable after the relevant Meeting.	Delivery of notice of the results of the relevant Meeting to DTC Direct Participants, Euroclear and Clearstream and publication of such notice on the Consent Website and the website of the SGX-ST.
Amendment Date	As soon as reasonably practicable after the Consent Conditions, other than the payment of the Consent Fee and the	If the relevant Meeting is quorate and validly held, the Extraordinary Resolution in respect of the relevant Series of Bonds is passed and the Consent Conditions, other than the payment of the Consent Fee and the Ineligible Bondholder Payment, are

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Event	Date	Description of Event
	Ineligible Bondholder Payment, are satisfied.	satisfied, execution of the relevant Amendment Documents.
Settlement Date	Expected to be as soon as possible following the Amendment Date and, in any case, no later than the Longstop Date.	If the Amendment Documents are executed, payment of: (a) the applicable Consent Fee to the relevant Eligible Bondholders (as of the Record Date only) of the relevant Series of Bonds who have delivered their Consent Instructions to the Information and Tabulation Agent in favour of the relevant Extraordinary Resolution at or prior to the Early Consent Deadline or the Voting Deadline, as the case may be, and who have not withdrawn such Consent Instructions; and (b) the applicable Ineligible Bondholder Payment to the relevant Ineligible Bondholders (as of the Record Date only) of the relevant Series of Bonds who have delivered their Ineligible Bondholder Instructions to the Information and Tabulation Agent at or prior to the Early Consent Deadline or the Voting Deadline, as the case may be, and who have not withdrawn such Ineligible Bondholder Instructions, in both cases, other than where any such Eligible Bondholder or Ineligible Bondholder is a Sanctions Restricted Person. The Extraordinary Resolution and the Amendment Document(s) in respect of the relevant Series of Bonds will take effect on the Settlement Date.
Upfront Redemption Date	Expected to be as soon as possible following the Settlement Date and, in any case, no later than 7 February 2024.	If the Extraordinary Resolution and the Amendment Document(s) in respect of the relevant Series of Bonds are effective, Upfront Principal Redemption of each Series of Bonds.

(B) If there is no quorum at the relevant Meeting or the quorum is achieved and the Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, an adjourned Meeting will be held on 18 January 2024. If the Extraordinary Resolution in respect of a Series of Bonds is passed at the relevant adjourned Meeting:



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Event	Date	Description of Event
Announcement of results of the relevant adjourned Meeting	As soon as reasonably practicable after the relevant adjourned Meeting.	Announcement of the results of the relevant adjourned Meeting.
Delivery of notice of results to DTC Direct Participants, Euroclear and Clearstream and publication of such notice on the website of the SGX-ST	As soon as reasonably practicable after the relevant adjourned Meeting.	Delivery of notice of the results of the relevant adjourned Meeting to DTC Direct Participants, Euroclear and Clearstream and publication of such notice on the Consent Website and the website of the SGX-ST.
Amendment Date	As soon as reasonably practicable after the Consent Conditions, other than the payment of the Consent Fee and the Ineligible Bondholder Payment, are satisfied.	If the relevant adjourned Meeting is quorate and validly held, the Extraordinary Resolution in respect of the relevant Series of Bonds is passed and the Consent Conditions, other than the payment of the Consent Fee and the Ineligible Bondholder Payment, are satisfied, execution of the relevant Amendment Documents.
Settlement Date	Expected to be as soon as possible following the Amendment Date and, in any case, no later than the Longstop Date.	If the Amendment Documents are executed, payment of: (a) the applicable Consent Fee to the relevant Eligible Bondholders (as of the Record Date only) of the relevant Series of Bonds who have delivered their Consent Instructions to the Information and Tabulation Agent in favour of the relevant Extraordinary Resolution at or prior to the Early Consent Deadline or the Voting Deadline, as the case may be, and who have not withdrawn such Consent Instructions; and (b) the applicable Ineligible Bondholder Payment to the relevant Ineligible Bondholders (as of the Record Date only) of the relevant Series of Bonds who have delivered their Ineligible Bondholder Instructions to the Information and Tabulation Agent at or prior to the Early Consent Deadline or the Voting Deadline, as the case may be, and who have not withdrawn such Ineligible Bondholder Instructions, in both cases, other than where any such Eligible Bondholder or Ineligible Bondholder is a Sanctions Restricted Person. The Extraordinary Resolution and the Amendment Document(s) in respect of the

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Event	Date	Description of Event
		relevant Series of Bonds will take effect on the Settlement Date.
Upfront Redemption Date	Expected to be as soon as possible following the Settlement Date and, in any case, no later than 7 February 2024.	If the Extraordinary Resolution and the Amendment Document(s) in respect of the relevant Series of Bonds are effective, Upfront Principal Redemption of each Series of Bonds.

(C) If the Extraordinary Resolution in respect of a Series of Bonds is not passed at the relevant Meeting or adjourned Meeting, or if the Extraordinary Resolution in respect of a Series of Bonds is passed at the relevant adjourned Meeting but the Consent Conditions are not satisfied, the Amendment Documents will not be executed, no Consent Fee and no Ineligible Bondholder Payment will be paid in respect of any Series of Bonds and no Upfront Principal Redemption will be made in respect of any Series of Bonds.

BONDHOLDERS SHOULD NOTE THAT PAYMENT OF THE APPLICABLE CONSENT FEE OR THE APPLICABLE INELIGIBLE BONDHOLDER PAYMENT ON THE SETTLEMENT DATE ARE CONDITIONAL ON THE OTHER CONSENT CONDITIONS BEING SATISFIED AND THE AMENDMENT DOCUMENTS BEING EXECUTED, AND THE UPFRONT PRINCIPAL REDEMPTION ON THE UPFRONT REDEMPTION DATE ARE CONDITIONAL ON THE CONSENT CONDITIONS BEING SATISFIED AND THE AMENDMENT DOCUMENTS BEING EXECUTED AND EFFECTIVE. IF THE CONSENT CONDITIONS ARE NOT SATISFIED BY THE LONGSTOP DATE, THE CONSENT SOLICITATIONS SHALL BE TERMINATED.

All of the above dates are subject to earlier deadlines that may be specified by DTC Direct Participants, Euroclear and Clearstream or any intermediary. *Beneficial Owners of the Bonds held via Euroclear or Clearstream, who are not direct participants of DTC, must contact their custodian to arrange for their direct participants in the Clearing System through which they hold Bonds to submit the electronic acceptance and to instruct the Clearing System to instruct the relevant Bonds in accordance with the procedures of the Clearing System and the deadlines required by the Clearing System.*

Euroclear or Clearstream may impose additional deadlines in order to properly process such instructions. As part of instructing through Euroclear or Clearstream, you should be aware of and comply with any such deadlines.

Beneficial Owners of the Bonds are advised to check with any bank, securities broker, DTC Direct Participant, Clearing System or other intermediary through which they hold their Bonds as to whether such intermediary applies different deadlines for any of the events specified above, and then to adhere to such deadlines if such deadlines are prior to the deadlines set out above.

Concurrent Consent Solicitation

Concurrent with these Consent Solicitations, the Company and VRF II are also carrying out the Concurrent Consent Solicitation. See "*Overview of the Consent Solicitations — Concurrent Consent Solicitation*" for further details.

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DEFINITIONS

In this Consent Solicitation Memorandum, the following words and expressions have, unless the context otherwise requires, the meanings set out opposite them below. Words and expressions not defined below have, unless the context otherwise requires, the meanings given to them in the Trust Deed in respect of each Series of Bonds.

2024 Bonds I	U.S.$1,000,000,000 6.125% Bonds due 2024 (Regulation S Bonds – CUSIP: G9328DAP5, ISIN: USG9328DAP53, Common Code: 163545764) (Rule 144A Bonds – CUSIP: 92241TAM4, ISIN: US92241TAM45, Common Code: 163545721) issued by the Company.
2024 Bonds II	U.S.$1,000,000,000 13.875% Bonds due 2024 (Regulation S Bonds – CUSIP: V9667MAA0, ISIN: USV9667MAA00, Common Code: 227224584) (Rule 144A Bonds – CUSIP: 92243XAD3, ISIN: US92243XAD30, Common Code: 227224495) issued by VRF II and guaranteed by the Company and the Subsidiary Guarantors.
2025 Bonds	U.S.$1,200,000,000 8.95% Bonds due 2025 (Regulation S Bonds – CUSIP: G9T27HAD6, ISIN: USG9T27HAD62, Common Code: 230809038) (Rule 144A Bonds – CUSIP: 92243XAE1, ISIN: US92243XAE13, Common Code: 230809046) issued by VRF II and guaranteed by the Company and the Subsidiary Guarantors.
2026 Bonds	U.S.$600,000,000 9.25% Bonds due 2026 (Regulation S Bonds – CUSIP: G9T27HAA2, ISIN: USG9T27HAA24, Common Code: 198421677) (Rule 144A Bonds – CUSIP: 92243XAA9, ISIN: US92243XAA90, Common Code: 198421413) issued by VRF II and guaranteed by the Company
Agency Agreement	The agency agreement dated 9 August 2017 between the Company, the Trustee and the agents named therein in respect of the 2024 Bonds I.
Amendment Date	The date on which the Amendment Documents are executed, which date is expected to be as soon as reasonably practicable after the Consent Conditions, other than the payment of the Consent Fee and the Ineligible Bondholder Payment, are satisfied. For the avoidance of doubt, the Amendment Documents will each take effect on the Settlement Date.
Amendment Documents	(i) In respect of the 2024 Bonds I, the amended and restated trust deed (the form of which is set out in Part II of Annex A of Schedule I) expressed to amend the relevant Trust Deed and the amended and restated agency agreement (the form of which is set out in Part II of Annex A of Schedule I) expressed to amend the relevant Agency

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	Agreement and, in each case, to be executed by the Company and the Subsidiary Guarantors; (ii) In respect of the 2024 Bonds II, the amended and restated trust deed (the form of which is set out in Part II of Annex A of Schedule II) expressed to amend the relevant Trust Deed to be executed by the Company, VRF II and the Subsidiary Guarantors; and (iii) In respect of the 2025 Bonds, the amended and restated trust deed (the form of which is set out in Part II of Annex A of Schedule III) expressed to amend the relevant Trust Deed to be executed by the Company, VRF II and the Subsidiary Guarantors.
Beneficial Owner of the Bonds or **Beneficial Owner**	A person who is the beneficial owner of a particular principal amount of any Series of Bonds (i) as shown in the records of DTC or any DTC Direct Participant or (ii) holding any Bonds, directly or indirectly, through a broker, dealer, bank, custodian, trust company or other nominee who in turn holds any Bonds through a DTC Direct Participant.
Bondholder	The Registered Holder, a DTC Direct Participant or a Beneficial Owner of the Bonds.
Bonds	The 2024 Bonds I, the 2024 Bonds II and the 2025 Bonds.
Business Day	A day (not being a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the cities of London (United Kingdom) and New York (United States of America) and on which DTC is operating.
Clearing System	DTC, Euroclear, Clearstream.
Clearstream	Clearstream Banking S.A.
Code	The Internal Revenue Code of 1986, as amended.
Company	Vedanta Resources Limited (formerly known as Vedanta Resources plc) (Legal Entity Identifier: 2138007MYEKPEAZQTW83).
Concurrent Consent Solicitation	The consent solicitation, concurrent with these Consent Solicitations, by the Company and VRF II seeking the approval of the holders of the 2026 Bonds by way of an extraordinary resolution at a meeting of the holders of the 2026 Bonds to make certain amendments and waivers relating to the 2026 Bonds.
Consent Conditions	A relevant Extraordinary Resolution that is duly passed at the relevant Meeting or, as the case may be, adjourned Meeting, in respect of that Series of Bonds will be deemed effective, subject to: (i) the quorum required for, and the requisite majority of votes cast at, the relevant Meeting are satisfied by

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	Eligible Bondholders irrespective of any participation at such Meeting by Ineligible Bondholders (including the satisfaction of such condition at any adjourned Meeting) (the "**Eligibility Condition**");
	(ii) the relevant Extraordinary Resolution in respect of each other Series of Bonds (in the respective forms set out at Schedule 1 to 3 hereto) being duly passed at the relevant Meeting or, as the case may be, adjourned Meeting(s), the respective Eligibility Condition thereof being satisfied and there being no increase to the relevant Consent Fee, Ineligible Bondholder Payment or Upfront Principal Redemption from the amounts originally set out in herein;
	(iii) the relevant extraordinary resolution in respect of the 2026 Bonds being duly passed at the relevant meeting or, as the case may be, adjourned meeting(s) (the "**Concurrent Consent Solicitation Condition**");
	(iv) the Company having signed one or more financing agreements, including the Private Credit Facility, and having submitted one or more drawdown request(s) thereunder, whereby the amount(s) to be drawn down thereunder (as notified pursuant to the drawdown request(s)) would be sufficient to pay, among others, the Consent Fee, the Ineligible Bondholder Payment and the Upfront Principal Redemption in respect of each Series of Bonds and any consent fee payable under the Concurrent Consent Solicitation, as the Company may determine in its sole and absolute discretion (the "**Financing Condition**"); and
	(v) the Company having paid the applicable Consent Fee and Ineligible Bondholder Payment to the relevant Bondholders (as of the Record Date only) on the Settlement Date.
Consent Fee	Early Consent Fee or Late Consent Fee, in respect of each Series of Bonds.
Consent Instruction(s)	A Form of Sub-Proxy with respect to each Series of Bonds, delivered by the DTC Direct Participant to the Information and Tabulation Agent.
Consent Period	The period from, and including, the date of this Consent Solicitation Memorandum to, and including, the Voting Deadline, as such period may be extended by the Company from time to time subject to applicable law, the relevant Meeting Provisions in respect of each Series of Bonds and as provided herein.
Consent Solicitation	The invitation to each of the Eligible Bondholders in respect of each Series of Bonds to vote in respect of the relevant Extraordinary Resolution in respect of all or some only of their

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	respective Bonds by submitting Consent Instructions at or prior to the Voting Deadline, and all such invitations, the "**Consent Solicitations**".
Consent Website	http://projects.morrowsodali.com/Vedanta, the website set up by the Information and Tabulation Agent for the purpose of the Consent Solicitations, the access to which is subject to eligibility confirmation and registration.
Demerger Scheme	The composite scheme of arrangement between Vedanta Limited, Vedanta Aluminium Metal Limited, Talwandi Sabo Power Limited, Malco Energy Limited, Vedanta Base Metals Limited, Vedanta Iron and Steel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, approved by the board of directors of Vedanta Limited on 29 September 2023 and filed (seeking no objection letter) with BSE Limited and National Stock Exchange of India Limited on 20 October 2023, respectively.
DTC Direct Participant	Each person who is shown in the records of DTC as a holder of an interest in the Bonds on the Record Date.
DTC	The Depository Trust Company.
Early Consent Fee	U.S.$20.00 per U.S.$1,000 principal amount in respect of the 2024 Bonds I. U.S.$20.00 per U.S.$1,000 principal amount in respect of the 2024 Bonds II. U.S.$20.00 per U.S.$1,000 principal amount in respect of the 2025 Bonds. *Please also see the sections entitled "Certain U.S. Federal Income Tax Considerations".*
Early Consent Deadline	5:00 p.m. (EST) on 27 December 2023, subject to extension at the discretion of the Company until such later date and time as the Company may determine.
Early Ineligible Bondholder Payment	To the extent permitted by applicable laws and regulations and subject to the terms of this Consent Solicitation Memorandum, an amount equivalent to the Early Consent Fee payable to an Ineligible Bondholder, being an amount equal to: • U.S.$20.00 per U.S.$1,000 principal amount in respect of the 2024 Bonds I; • U.S.$20.00 per U.S.$1,000 principal amount in respect of the 2024 Bonds II; and • U.S.$20.00 per U.S.$1,000 principal amount in respect of the 2025 Bonds,

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	in each case, subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution that is received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) by no later than the Early Consent Deadline, unless the applicable Early Consent Deadline is extended or terminated earlier by the Company in its sole discretion subject to applicable law, the relevant Meeting Provisions and as provided herein. *Please also see the sections entitled "Certain U.S. Federal Income Tax Considerations".*
Eligible Bondholder	A Bondholder who is (a) located and resident outside the United States and is not a "U.S. person" as defined in Regulation S or (b) located and resident in the United States who is a "Qualified Institutional Buyer" as defined in Rule 144A.
Euroclear	Euroclear Bank SA/NV.
Extraordinary Resolution	In respect of each Series of Bonds, the extraordinary resolution to be proposed at the relevant Meeting, as further described under the heading "*Overview of the Consent Solicitations — The Proposal*" and which is to be proposed, considered and voted upon at the relevant Meeting (as set out in the relevant Notice of Meeting), and such extraordinary resolutions together, the "**Extraordinary Resolutions**".
Form of Sub-Proxy	A properly completed form of sub-proxy (in the form set out in Schedule 4 to this Consent Solicitation Memorandum) signed by a person who is shown in the records of DTC as a DTC Direct Participant at the Record Date in relation to the relevant Series of Bonds to procure that the votes attributable to the relevant Series of Bonds should be cast at the relevant Meeting (including any adjourned Meeting thereof) in respect of the relevant Extraordinary Resolution, as applicable, and delivered by the relevant DTC Direct Participant by sending a pdf version by e-mail to the Information and Tabulation Agent at its e-mail address set forth in this Consent Solicitation Memorandum, which sub-proxy shall appoint the Information and Tabulation Agent (or one of more of its employees nominated by it) or any other person as sub-proxy in respect of the relevant Series of Bonds in relation to the relevant Meeting, and all such forms of sub-proxy together, "Forms of Sub-Proxy".
Ineligible Bondholder	A Bondholder that is not an Eligible Bondholder.
Ineligible Bondholder Instruction	The instruction which must be submitted by (or on behalf of) Ineligible Bondholders via a validly completed Form of Sub-Proxy in order for Ineligible Bondholders to receive an Ineligible Bondholder Payment.

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Ineligible Bondholder Payment	Early Ineligible Bondholder Payment or Late Ineligible Bondholder Payment in respect of each Series of Bonds.
Information and Tabulation Agent	Morrow Sodali Ltd.
IRS	Internal Revenue Service.
Late Consent Fee	U.S.$2.50 per U.S.$1,000 principal amount in respect of the 2024 Bonds I. U.S.$2.50 per U.S.$1,000 principal amount in respect of the 2024 Bonds II. U.S.$2.50 per U.S.$1,000 principal amount in respect of the 2025 Bonds. *Please also see the sections entitled "Certain U.S. Federal Income Tax Considerations".*
Late Ineligible Bondholder Payment	To the extent permitted by applicable laws and regulations and subject to the terms of this Consent Solicitation Memorandum, an amount equivalent to the Late Consent Fee payable to an Ineligible Bondholder, being an amount equal to: • U.S.$2.50 per U.S.$1,000 principal amount in respect of the 2024 Bonds I; • U.S.$2.50 per U.S.$1,000 principal amount in respect of the 2024 Bonds II; and • U.S.$2.50 per U.S.$1,000 principal amount in respect of the 2025 Bonds, in each case, subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution that is received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) after the Early Consent Deadline but by no later than the Voting Deadline, unless the applicable Voting Deadline is extended or terminated earlier by the Company in its sole discretion subject to applicable law, the relevant Meeting Provisions and as provided herein. *Please also see the sections entitled "Certain U.S. Federal Income Tax Considerations".*
Longstop Date	29 January 2024.
Meeting	In respect of each Series of Bonds, the meeting (or, if applicable, the adjourned meeting) of the holders of Bonds of the relevant Series of Bonds to consider and, if thought fit, pass the relevant Extraordinary Resolution as set out in Schedules 1 to 3 hereto and as described under the heading "*Overview of the Consent Solicitations — The Proposal*", and all such meetings, the "**Meetings**".

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Meeting Provisions	The provisions for meetings of holders of Bonds referred to in the Terms and Conditions in respect of the relevant Series of Bonds and set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the relevant Trust Deed.
Notice of Meeting	In respect of each Series of Bonds, the notice of the Meeting of the holders of Bonds of the relevant Series of Bonds in the form set out in "*Form of Notice of Meeting*" in Schedules 1 to 3, as applicable, hereto.
Principal Paying Agent	Citibank, N.A., London Branch, a banking corporation organised and existing under the laws of the State of New York with limited liability.
Private Credit Facility	The U.S.$1,250,000,000 facilities agreement between, among others, Vedanta Resources Investments Limited and Vedanta Holding Mauritius II Limited as borrowers, Vedanta Resources Limited, Vedanta UK Holdings Limited, Twin Star Holdings Ltd. and Welter Trading Limited as guarantors, Standard Chartered Bank as arranger, Madison Pacific Trust Limited as agent and security agent, and the original lenders named therein.
Proposal	The proposal relating to each Series of Bonds as set out herein in the section entitled "*Overview of the Consent Solicitations — The Proposal*", which includes: (i) certain amendments to the relevant Terms and Conditions and (to the extent applicable) the relevant Trust Deed and the relevant Agency Agreement; and (ii) waivers to comply with certain covenants of the Bonds for the purposes of any transaction relating to the Proposed Demerger, for each Series of Bonds, each as further set out in paragraph (1) of the respective Extraordinary Resolutions.
Proposed Demerger	The proposed demerger announced by Vedanta Limited, an indirect subsidiary of the Company listed on the BSE Limited and the National Stock Exchange of India Limited, to demerge its business units into independent companies, namely: Vedanta Aluminium Metal Limited, Malco Energy Limited, Talwandi Sabo Power Limited, Vedanta Iron and Steel Limited and Vedanta Base Metals Limited pursuant to the implementation of the Demerger Scheme.
Record Date	26 December 2023, being the date, in respect of each Series of Bonds, on which DTC is expected to appoint DTC Direct Participants as its proxies under an omnibus proxy in respect of the principal amount of the relevant Series of Bonds shown on its records as being held by them. In accordance with Schedule 4 (*Provisions for Meetings of Bondholders*) of the respective Trust Deeds for each Series of Bonds, the Record Date should be no more than 10 days prior to the date of the relevant Meeting.

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Registered Holder	Cede & Co. as the nominee of DTC in respect of each Series of Bonds.
Sanctions Authority	(i) The United States government; (ii) the United Nations; (iii) the European Union (or any of its member states including, without limitation, the United Kingdom); (iv) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or (v) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury of the United Kingdom.
Sanctions Restricted Person	An individual or entity (a "**person**"): (i) that is, or is directly or indirectly owned or controlled by a person that is, described or designated in (a) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: *https://www.treasury.gov/ofac/downloads/sdnlist.pdf*), (b) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: *https://www.treasury.gov/ofac/downloads/fse/fselist.pdf*) or (c) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at:*https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en*); or (ii) that is otherwise the subject or target of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: *https://home.treasury.gov/policy-issues/financial-sanctions/consolidated-sanctions-list/sectoral-sanctions-identifications-ssi-list*) (the "**SSI List**"), (b) Annexes III, IV, V and VI of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes.
SEC	Securities and Exchange Commission.

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Series of Bonds	Each of the 2024 Bonds I, the 2024 Bonds II and/or the 2025 Bonds.
Settlement Date	The date on which the Company pays the applicable Consent Fee and the applicable Ineligible Bondholder Payment in respect of each Series of Bonds, which date is expected to be as soon as possible following the Amendment Date and, in any case, no later than the Longstop Date.
SGX-ST	The Singapore Exchange Securities Trading Limited.
Solicitation Agents	J.P. Morgan Securities plc and Standard Chartered Bank.
Subsidiary Guarantors	Twin Star Holdings Ltd. and Welter Trading Limited.
Terms and Conditions	The terms and conditions of the relevant Series of Bonds contained in the relevant Trust Deed.
Trust Deeds	The trust deed dated 9 August 2017 as supplemented by the supplemental trust deed dated 30 June 2020 and the second supplemental trust deed dated 2 February 2021, each between the Company and the Trustee in respect of the 2024 Bonds I, the trust deed dated 21 December 2020 as supplemented by the supplemental trust deed dated 2 February 2021, each between the Company, VRF II, the Subsidiary Guarantors and the Trustee in respect of the 2024 Bonds II, and the trust deed dated 11 March 2021 between the Company, VRF II, the Subsidiary Guarantors and the Trustee in respect of the 2025 Bonds (each, a "**Trust Deed**").
Trustee	Citicorp International Limited, as trustee in respect of each Series of Bonds.
Upfront Principal Redemption	The redemption of each Series of Bonds in an aggregate principal amount equal to: (i) in the case of the 2024 Bonds I, 6% of the principal amount of 2024 Bonds I outstanding; (ii) in the case of the 2024 Bonds II, 53% of the principal amount of 2024 Bonds II outstanding; and (iii) in the case of the 2025 Bonds, 16% of the principal amount of 2025 Bonds outstanding, in each case, at a redemption price equal to 100% of the principal amount of the relevant Series of Bonds being redeemed plus accrued and unpaid interest thereto to (but excluding) the Upfront Redemption Date. The Upfront Principal Redemption will be to all Bondholders of the relevant Series of Bonds on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000.
Upfront Redemption Date	The date on which the Company makes the Upfront Principal Redemption in respect of each Series of Bonds, which date is

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	expected to be as soon as possible following the Settlement Date and, in any case, no later than 7 February 2024.
U.S. Holder	A Beneficial Owner of a Series of Bonds that is, for U.S. federal income tax purposes, (i) an individual that is a citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.
Vedanta Group	The Company, together with its subsidiaries.
Voting Deadline	5:00 p.m. (EST) on 2 January 2024, subject to extension at the discretion of the Company until such later date and time as the Company may determine.
VRF II	Vedanta Resources Finance II Plc (Legal Entity Identifier: 8945002DGA3BBXO3N634).

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OVERVIEW OF THE CONSENT SOLICITATIONS

Background

The main purpose of the Consent Solicitations is to: (1) extend the debt maturity profile of the Company, together with its subsidiaries (the "**Vedanta Group**"), thereby improving its capital structure and overall financial position, (2) amend certain covenants and seek certain waivers to allow the Vedanta Group to accommodate the existing indebtedness (including, without limitation, private credit facilities) with a higher average cost of debt, (3) amend certain terms of the Series of Bonds in order to improve the credit package of these Bonds to incentivise Bondholders to consent to the proposed amendments highlighted earlier and (4) amend certain covenants and seek certain waivers to account for the Proposed Demerger (as defined below) (see "*— Proposed Demerger of Vedanta Limited*").

Proposed Demerger of Vedanta Limited

On 29 September 2023, Vedanta Limited, an indirect subsidiary of the Company listed on the BSE Limited and the National Stock Exchange of India Limited, announced its plan to demerge its business units into independent companies (the "**Proposed Demerger**"), namely: Vedanta Aluminium Metal Limited, Malco Energy Limited, Talwandi Sabo Power Limited, Vedanta Iron and Steel Limited and Vedanta Base Metals Limited. Pursuant to the announcement of the Proposed Demerger, the composite scheme of arrangement between Vedanta Limited, Vedanta Aluminium Metal Limited, Talwandi Sabo Power Limited, Malco Energy Limited, Vedanta Base Metals Limited, Vedanta Iron and Steel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, was approved by the board of directors of Vedanta Limited on 29 September 2023 and filed (seeking no objection letter) with BSE Limited and National Stock Exchange of India Limited on 20 October 2023, respectively. The Proposed Demerger aims to simplify Vedanta Group's corporate structure with sector focussed independent businesses and to provide opportunities to global investors, including sovereign wealth funds, retail investors and strategic investors, with direct investment opportunities in each sector focused company linked to India's remarkable growth story through Vedanta Group's assets.

The Proposal

The terms and conditions of each Consent Solicitation are described below under the heading "*Terms of the Consent Solicitations*".

For the reasons described above under "*— Background*", the Company is seeking approval of the Bondholders in respect of each Series of Bonds by way of Extraordinary Resolution at a Meeting of the Bondholders of such Series of Bonds, pursuant to the relevant Terms and Conditions and the relevant Meeting Provisions: (i) to make certain amendments to the relevant Terms and Conditions and (to the extent applicable) the relevant Trust Deed and the relevant Agency Agreement; and (ii) to provide waivers to comply with certain covenants of the Bonds for the purposes of any transaction relating to the Proposed Demerger, for each Series of Bonds (the "**Proposal**"), each as further described in paragraph (1) of the Extraordinary Resolution contained in the Notice of Meeting for each Series of Bonds, the relevant form of which is set out in Schedules 1 to 3 to this Consent Solicitation Memorandum.

In particular, the Company is seeking the following:

In respect of the 2024 Bonds I

1. The amendments as set out in Annex A of Schedule 1;

2. On the Upfront Redemption Date, the redemption of an aggregate principal amount equal to 6% of the principal amount of 2024 Bonds I outstanding at a redemption price equal to 100% of the principal amount of the 2024 Bonds I being redeemed plus accrued and unpaid interest thereto from (and including) the last Interest Payment Date (as defined in the Terms and Conditions) to (but excluding) the Upfront Redemption Date. The Upfront Principal Redemption will be paid to all

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Bondholders on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000; and

3. The irrevocable and unconditional waiver of any requirement to comply with the Terms and Conditions of the 2024 Bonds I for the purposes of any transaction relating to the Proposed Demerger, including any transfer of assets or liabilities contemplated in connection therewith.

In respect of the 2024 Bonds II

1. The amendments as set out in Annex A of Schedule 2;

2. On the Upfront Redemption Date, the redemption of an aggregate principal amount equal to 53% of the principal amount of 2024 Bonds II outstanding at a redemption price equal to 100% of the principal amount of the 2024 Bonds II being redeemed plus accrued and unpaid interest thereto from (and including) the last Interest Payment Date (as defined in the Terms and Conditions) to (but excluding) the Upfront Redemption Date. The Upfront Principal Redemption will be paid to all Bondholders on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000; and

3. The irrevocable and unconditional waiver of any requirement to comply with the Terms and Conditions of the 2024 Bonds II for the purposes of any transaction relating to the Proposed Demerger, including any transfer of assets or liabilities contemplated in connection therewith.

In respect of the 2025 Bonds

1. The amendments as set out in Annex A of Schedule 3;

2. On the Upfront Redemption Date, the redemption of an aggregate principal amount equal to 16% of the principal amount of 2025 Bonds outstanding at a redemption price equal to 100% of the principal amount of the 2025 Bonds being redeemed plus accrued and unpaid interest thereto from (and including) the last Interest Payment Date (as defined in the Terms and Conditions) to (but excluding) the Upfront Redemption Date. The Upfront Principal Redemption will be paid to all Bondholders on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000; and

3. The irrevocable and unconditional waiver of any requirement to comply with the Terms and Conditions of the 2025 Bonds for the purposes of any transaction relating to the Proposed Demerger, including any transfer of assets or liabilities contemplated in connection therewith.

Each Bondholder should read the relevant Notice of Meeting in full.

If the Extraordinary Resolution in respect of a Series of Bonds is passed, (subject to the Consent Conditions having been satisfied) effective and implemented, the Proposal will be binding on the Registered Holder (as holder and legal owner of such Series of Bonds), and all Beneficial Owners of such Series of Bonds, including those Beneficial Owners of such Series of Bonds voting against the Proposal or those who do not vote at all.

Copies of the Trust Deeds will be available at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) from the date of this Consent Solicitation Memorandum up to and including the date of the Meetings (or the adjourned Meetings) (and, in each case, for 15 minutes prior thereto).

Consent Fee

Subject to (i) the relevant Meeting being quorate and validly held, (ii) the Extraordinary Resolution in respect of the relevant Series of Bonds being passed at the relevant Meeting (see "— *Quorum, Majority and Eligibility Condition*" below), (iii) the other Consent Conditions being satisfied, and (iv) the relevant

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Amendment Documents being executed, the Company will pay the applicable Consent Fee to each Eligible Bondholder of the relevant Series of Bonds (other than where such Eligible Bondholder is a Sanctions Restricted Person) who has delivered, or has arranged to have delivered on its behalf, a valid Consent Instruction in favour of the relevant Extraordinary Resolution which has been received by the Information and Tabulation Agent, in the case of payment of Early Consent Fee, at or prior to the Early Consent Deadline, or, in the case of payment of Late Consent Fee, after the Early Consent Deadline but at or prior to the Voting Deadline, and who has not revoked such Consent Instruction in the limited circumstances in which revocation is permitted. The applicable Consent Fee shall be paid on the Settlement Date to the relevant DTC Direct Participant for payment to the cash account of each relevant Eligible Bondholder (as of the Record Date only) in respect of the relevant Series of Bonds.

For the avoidance of doubt, Eligible Bondholders will only be eligible to receive the applicable Consent Fee if they (i) are not a Sanctions Restricted Person and (ii) submit a Consent Instruction in favour of the Extraordinary Resolution which is received by the Information and Tabulation Agent, in the case of payment of Early Consent Fee, at or prior to the Early Consent Deadline, or, in the case of payment of Late Consent Fee, after the Early Consent Deadline but at or prior to the Voting Deadline, and which is not subsequently validly revoked in the limited circumstances in which revocation is permitted in accordance with the terms of this Consent Solicitation Memorandum.

The applicable Consent Fee will be paid as consideration for the relevant Eligible Bondholder's agreement to the relevant Extraordinary Resolution, and is subject to the Extraordinary Resolution in respect of the relevant Series of Bonds being passed, the other Consent Conditions having been satisfied and the execution of the relevant Amendment Documents. Accordingly, no Consent Fee shall be payable to any Eligible Bondholder to the extent that the Extraordinary Resolution in respect of the relevant Series of Bonds is not duly passed at the relevant Meeting or, as the case may be, adjourned Meeting, the Consent Conditions have not been satisfied and/or the relevant Amendment Documents are not executed.

Eligible Bondholders who submit their Consent Instructions in favour of the Extraordinary Resolution after the Early Consent Deadline will not be eligible to receive the Early Consent Fee, but will be eligible to receive the Late Consent Fee. Eligible Bondholders will not be eligible to receive either the Early Consent Fee or the Late Consent Fee if they (i) appoint a proxy other than the Information and Tabulation Agent (or its nominee) to attend and vote at the relevant Meeting or are not represented at the relevant Meeting, (ii) attend the relevant Meeting in person, (iii) submit a Consent Instruction against or abstaining from the relevant Extraordinary Resolution or in favour of the Extraordinary Resolution but after the Voting Deadline, or do not vote at all, (iv) revoke their Consent Instructions (in the limited circumstances permitted) before the relevant Meeting, or (v) are a Sanctions Restricted Person. The provisions of this paragraph are without prejudice to the right of a Beneficial Owner of the Bonds under the relevant Terms and Conditions, the relevant Meeting Provisions and the relevant Trust Deed in respect of such Bonds to arrange for the appointment of a sub-proxy entitling them or their nominee to attend and vote at the relevant Meeting in accordance with the provisions of the relevant Terms and Conditions, the relevant Meeting Provisions, the relevant Trust Deed and the relevant Notice of Meeting (as contained herein).

Eligible Bondholders are urged to deliver valid Consent Instructions in accordance with the procedures described in this Consent Solicitation Memorandum (including, where applicable, through the Clearing System in accordance with the procedures of, and within the time limits specified by, the Clearing System) for receipt by the Information and Tabulation Agent by no later than the Voting Deadline (or, in order for the relevant Eligible Bondholder to be eligible for the Early Consent Fee, by no later than the Early Consent Deadline).



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Ineligible Bondholders and Ineligible Bondholder Payments

Ineligible Bondholders are not entitled to receive any Consent Fee. However, to the extent permitted by applicable laws and regulations, subject to (i) the relevant Meeting being quorate and validly held, (ii) the Extraordinary Resolution in respect of the relevant Series of Bonds being passed at the relevant Meeting (see "— *Quorum, Majority and Eligibility Condition*" below), (iii) the other Consent Conditions being satisfied, and (iv) the relevant Amendment Documents being executed, the Company will pay the applicable Ineligible Bondholder Payment on the Settlement Date to each Ineligible Bondholder of the relevant Series of Bonds (other than where such Ineligible Bondholder is a Sanctions Restricted Person) who has delivered, or has arranged to have delivered on its behalf, a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution which has been received by the Information and Tabulation Agent, in the case of payment of Early Ineligible Bondholder Payment, at or prior to the Early Consent Deadline, or, in the case of payment of Late Ineligible Bondholder Payment, after the Early Consent Deadline but at or prior to the Voting Deadline, and who has not revoked such Ineligible Bondholder Instruction in the limited circumstances in which revocation is permitted. The applicable Ineligible Bondholder Payment shall be paid on the Settlement Date to the relevant DTC Direct Participant for payment to the cash account of each relevant Ineligible Bondholder (as of the Record Date only) in respect of the relevant Series of Bonds.

Ineligible Bondholders who submit their Ineligible Bondholder Instructions in favour of the Extraordinary Resolution after the Early Consent Deadline will not be eligible to receive the Early Ineligible Bondholder Payment, but will be eligible to receive the Late Ineligible Bondholder Payment.

Upfront Principal Redemption

On the Upfront Redemption Date, subject to (i) the relevant Meeting being quorate and validly held, (ii) the Extraordinary Resolution in respect of the relevant Series of Bonds being passed at the relevant Meeting (see "— *Quorum, Majority and Eligibility Condition*" below), (iii) the Consent Conditions being satisfied, and (iv) the relevant Amendment Documents being executed and effective, the Company intends to redeem each Series of Bonds an aggregate principal amount equal to:

- in the case of the 2024 Bonds I, 6% of the principal amount of 2024 Bonds I outstanding;
- in the case of the 2024 Bonds II, 53% of the principal amount of 2024 Bonds II outstanding; and
- in the case of the 2025 Bonds, 16% of the principal amount of 2025 Bonds outstanding,

in each case, at a redemption price equal to 100% of the principal amount of the relevant Series of Bonds being redeemed plus accrued and unpaid interest thereto to (but excluding) the Upfront Redemption Date. The Upfront Principal Redemption will be to all Bondholders of the relevant Series of Bonds on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000.

Quorum, Majority and Eligibility Condition

The quorum required for, and the requisite majority of votes cast at, the Meeting (including any adjourned Meeting) will need to be satisfied by Eligible Bondholders of such Series, irrespective of any participation at such Meeting by Ineligible Bondholders, for the Proposal in the relevant Extraordinary Resolution to be implemented.

The Meeting of the holders of Bonds in respect of each Series of Bonds shall be entitled to pass the Extraordinary Resolution in respect of such Series of Bonds if two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding in respect of such Series of Bonds are present, and the relevant Extraordinary Resolution shall be passed if a majority of not less than two-thirds of the votes cast at the Meeting are in favour of the Extraordinary Resolution.

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In the case that two or more persons holding or representing not less than two-thirds in principal amount of the relevant Series of Bonds for the time being outstanding are not present within 15 minutes from the time initially fixed for the relevant Meeting, an adjourned Meeting will be convened to be held on 18 January 2024. In the case that the Extraordinary Resolution is passed at an initial Meeting but the Eligibility Condition is not satisfied, it is a term of the Extraordinary Resolution that the Meeting shall be adjourned on the same basis as for a Meeting where the necessary quorum is not obtained. In such event, the relevant Extraordinary Resolution shall be proposed again at such adjourned Meeting to be held on 18 January 2024 for the purposes of determining whether it can be passed irrespective of any participation by Ineligible Bondholders at such adjourned Meeting and, if so, whether the Eligibility Condition will be satisfied in such circumstances. The quorum at any such adjourned Meeting will be two or more persons holding or representing in aggregate not less than one-third in outstanding principal amount of the Bonds of such series. To be passed at the Meeting (or any adjourned Meeting) the Extraordinary Resolution requires a majority in favour consisting of not less than two-thirds of the votes cast at such Meeting (or adjourned Meeting).

If the Extraordinary Resolution is passed but the Eligibility Condition is not satisfied at the adjourned Meeting (i.e., the quorum required for, and the requisite majority of votes cast at, such adjourned Meeting are satisfied by Eligible Bondholders of such Series irrespective of any participation at the adjourned Meeting by Ineligible Bondholders), the Extraordinary Resolution will not be effective and implemented.

For the purposes of determining whether the requisites of quorum and majority of votes referred to above are complied with, the Information and Tabulation Agent will attend and vote at the relevant Meeting in accordance with the Consent Instructions delivered by the Eligible Bondholders in the manner contemplated in this Consent Solicitation Memorandum.

If a quorum is not present within 15 minutes at any adjourned Meeting or the necessary quorum is satisfied at an adjourned Meeting and the Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, such adjourned Meeting in respect of the relevant Series of Bonds shall, if the Trustee, the Company and (in the case of the 2024 Bonds II and the 2025 Bonds only) and the Subsidiary Guarantors agree, be dissolved.

Concurrent Consent Solicitation

Concurrent with these Consent Solicitations, the Company and VRF II are also seeking the approval of the holders of the 2026 Bonds by way of an extraordinary resolution at a meeting of the holders of the 2026 Bonds to make certain amendments and waivers relating to the 2026 Bonds (the "**Concurrent Consent Solicitation**"). A separate consent solicitation memorandum and notice of meeting in respect of the Concurrent Consent Solicitation has been prepared by the Company and VRF II for the holders of the 2026 Bonds. The effectiveness of the Extraordinary Resolution in respect of each Series of Bonds is subject to, among others, the satisfaction of the Concurrent Consent Solicitation Condition.

Financing Condition

The consummation of the Consent Solicitations is conditional upon the Company having signed one or more financing agreements, including the Private Credit Facility, and having submitted one or more drawdown request(s) thereunder, whereby the amount(s) to be drawn down thereunder (as notified pursuant to the drawdown request(s)) would be sufficient to pay, among others, the Consent Fee, the Ineligible Bondholder Payment and the Upfront Principal Redemption in respect of each Series of Bonds and any consent fee payable under the Concurrent Consent Solicitation, as the Company may determine in its sole and absolute discretion.

As of the date of this Consent Solicitation Memorandum, the Company is in the process of obtaining certain consents and waivers from lenders under its various financing agreements with respect to existing and potential breaches of representations and covenants under such financing agreements, including, without



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limitation, in relation to the provision of guarantees by the Subsidiary Guarantors (including the subsidiary guarantees proposed to be provided under the 2024 Bonds I), as well as related events of default. The Company has already executed the required formal documentation in respect of some consents and waivers and is in discussions with the remaining lenders to finalise and sign formal documentation in respect of the remaining consents and waivers.

Certain of these waivers and consents are condition precedents to the drawdown under the Private Credit Facility and required for the effectiveness and implementation of the Extraordinary Resolutions. Therefore, if such consents and waivers are not obtained, the Private Credit Facility will not be drawn down and the Financing Condition will not be satisfied and the Consent Solicitations will be terminated. In addition, if the Company fails to obtain such consents and waivers, the relevant lenders could declare the Company to be in default under the terms of its financing agreements and accelerate the maturity and/or enforce security thereunder, which would in turn trigger an event of default under the Bonds. Although the Company has, in the past, successfully obtained covenant waivers from its lenders, there can be no assurance that it will be able to obtain the required consents and waivers with respect to the aforementioned existing or potential breaches.

Announcements

Unless stated otherwise, all announcements in connection with the Consent Solicitations will be made by the Company through DTC Direct Participants, Euroclear and Clearstream and through the Consent Website and the website of SGX-ST. Significant delays may be experienced in respect of notices delivered to DTC Direct Participants, Euroclear and Clearstream and holders of the Bonds are urged, therefore, to contact the Solicitation Agents or the Information and Tabulation Agent for the announcements during the course of the Consent Solicitations, the contact details for which are on the last page of this Consent Solicitation Memorandum.

Meeting of Holders of Bonds

The form of each Notice of Meeting is set out in Schedules 1 to 3 hereto. The Meeting in respect of each Series of Bonds will be held on:

1. 4 January 2024 at: 9:00 a.m. (Singapore time) in respect of the 2024 Bonds I;

2. 4 January 2024 at: 9:15 a.m. (Singapore time) in respect of the 2024 Bonds II; and

3. 4 January 2024 at: 9:30 a.m. (Singapore time) in respect of the 2025 Bonds.

The Notice of Meeting in respect of each Series of Bonds will be delivered to all holders of Bonds of such Series of Bonds in DTC in accordance with the Terms and Conditions of such Series of Bonds.

Beneficial Owners of the Bonds wishing to attend and vote at, or to nominate a person of their choosing (other than the Information and Tabulation Agent) to attend and vote at, the relevant Meeting must provide the full name, address and passport/ID card number of the person attending the meeting in person in their Form of Sub-Proxy by the Voting Deadline or by any earlier deadline set by DTC Direct Participants, Euroclear and Clearstream, in each case in accordance with the procedures set out in the relevant Terms and Conditions, the relevant Meeting Provisions, the relevant Trust Deed and the relevant Notice of Meeting in respect of such Series of Bonds.

The Trustee may prescribe further or alternative regulations regarding the holding of the relevant Meeting, which may include providing access to the relevant Meeting by conference or video call. In such circumstances, those Bondholders who have indicated that they wish to attend the meeting in person will be provided with further details about access to the relevant Meeting. Bondholders who have requested that their votes be cast in accordance with a valid Consent Instruction submitted prior to the Voting

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Deadline will not be affected by these alternative regulations and will not be requested to take any further action.



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TAX CONSIDERATIONS

In view of the number of different jurisdictions where tax laws may apply to a Beneficial Owner of the Bonds, except as provided in the discussion of "*Certain U.S. Federal Income Tax Considerations*", this Consent Solicitation Memorandum does not discuss the tax consequences to Eligible Bondholders of the receipt of the Consent Fee or the tax consequences to Ineligible Bondholders of the receipt of the Ineligible Bondholder Payment pursuant to the relevant Consent Solicitation. Each Beneficial Owner of the Bonds is urged to consult its own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to it. Beneficial Owners of the Bonds are solely liable for any taxes and similar or related payments imposed on them under the laws of any applicable jurisdiction as a result of their receipt of the Consent Fee or the Ineligible Bondholder Payment, as the case may be, and Beneficial Owners of the Bonds should therefore take their own tax advice accordingly.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences with respect to the Consent Solicitation that may be relevant to certain holders. This summary deals only with U.S. Holders (as defined below) that hold a Series of Bonds as capital assets. The discussion does not cover all aspects of U.S. federal income taxation relating to the Consent Solicitation that may be relevant to, or the actual tax effect that any of the matters described herein will have on particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of holders subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that hold the Bonds as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors subject to special tax accounting rules as a result of any item of gross income with respect to the Bonds being taken into account in an applicable financial statement, U.S. citizens or lawful permanent residents living abroad or U.S. Holders whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Series of Bonds that is, for U.S. federal income tax purposes, (i) an individual that is a citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of an entity or arrangement treated as a partnership, or a partner in such partnership, for U.S. federal income tax purposes that holds a Series of Bonds will depend on the status of the partner and the activities of the partnership. Investors that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the Consent Solicitation.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the "**IRS**") and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL HOLDERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE CONSENT SOLICITATION.

Tax Consequences of the Adoption of the Extraordinary Resolutions and the Payment of the Consent Fee or the Ineligible Bondholder Payment

In respect of each Series of Bonds, the U.S. federal income tax consequences of the adoption of the applicable Extraordinary Resolution and the payment of the Consent Fee or the Ineligible Bondholder Payment, as applicable, for U.S. Holders will depend upon whether those transactions are treated (either individually or in the aggregate) as a "significant modification" of such Series of Bonds that results in a deemed exchange of the existing Series of Bonds for a "new" Series of Bonds. In general, for U.S. federal income tax purposes, a significant modification occurs if, based on all the facts and circumstances and

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taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are economically significant. The Treasury regulations provide that a modification of a debt instrument that adds, deletes or alters customary accounting or financial covenants is not a significant modification. The Treasury regulations do not, however, define "customary accounting or financial covenants." Further, a change in the timing of payments on a debt instrument is a significant modification if the change in timing of payments results in the material deferral of scheduled payments either through an extension of the final maturity or through deferral of payments due prior to maturity. The materiality of the deferral depends on all the facts and circumstances, including the length of the deferral, the original term of the instrument, the amounts of the payments that are deferred, and the time period between the modification and the actual deferral of payments. Pursuant to a safe harbor rule, a deferral of a scheduled payment for a period equal to the lesser of fifty percent of the original term of the instrument and five years from the original due date of the first payment that is deferred is not treated as a material deferral. Additionally, a change in yield of a debt instrument is a significant modification if the yield of the modified instrument varies from the yield on the unmodified instrument (determined as of the date of the modification) by more than the greater of (i) 25 basis points or (ii) five percent of the annual yield on the unmodified instrument. For purposes of determining the yield on the modified instrument, any payments made as consideration for the modification (such as the Consent Fee or the Ineligible Bondholder Payment) must be taken into account. Additionally, in determining whether there is a significant modification, two or more modifications of a debt instrument occurring over any period of time generally constitute a significant modification if, had they been done as a single change, the change would have resulted in a significant modification. For purposes of testing for a change in yield, only modifications occurring within the five-year period ending on the date of current modification are taken into account.

Although the matter is not free from doubt, based on the foregoing rules, the Company intends to treat the adoption of the Extraordinary Resolutions and the payment of the Consent Fee or the Ineligible Bondholder Payment, as applicable, as a significant modification of each Series of Bonds for U.S. federal income tax purposes (and the remainder of this discussion assumes that they will be treated in this manner). Under this approach, the modifications of each Series of Bonds will result in a deemed exchange of such Series of Bonds for a new debt instrument for U.S. federal income tax purposes, and U.S. Holders will be treated as if they exchanged the existing Bonds (the "**Deemed Old Bonds**") for new debt instruments (the "**Deemed New Bonds**"). The foregoing characterization of the adoption of the Extraordinary Resolutions and the payment of the Consent Fee or the Ineligible Bondholder Payment is not binding upon the IRS, and the IRS might assert that a different characterization should apply. U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax consequences to them of the adoption of the Extraordinary Resolutions and the payment of the Consent Fee or the Ineligible Bondholder Payment.

Deemed Exchange

A U.S. Holder will generally recognize gain or loss equal to the difference, if any, between the amount realized on the deemed exchange and the U.S. Holder's adjusted tax basis in the Deemed Old Bonds on the date of the deemed exchange, unless the deemed exchange qualifies as a recapitalization for U.S. federal income tax purposes, as described below under "— *Recapitalization*". To the extent it is required to do so, the Company intends to take the position that any deemed exchange of each Series of Bonds would not qualify as a recapitalization for U.S. federal income tax purposes. Except as specifically described below under "—*Recapitalization*", the remainder of this discussion assumes that any such deemed exchange would not so qualify. A U.S. Holder's adjusted tax basis in a Deemed Old Bond generally will be its cost increased by the amount of any market discount with respect to the Deemed Old Bond that has previously been taken into income by the U.S. Holder and reduced by the amount of any amortizable bond premium previously deducted with respect to the Deemed Old Bond. The amount realized by such a U.S. Holder on the deemed exchange will be equal to the sum of (i) the issue price (determined as described below) of the Deemed New Bonds and (ii) the amount of the Consent Fee or the

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Ineligible Bondholder Payment, as applicable (subject to the discussion below under "*—Consent Fee and Ineligible Bondholder Payment*"), less any amount attributable to the accrued but unpaid interest on the Deemed Old Bonds, which will be taxable as such (as described below under "*—Accrued Interest Payment*").

A U.S. Holder's initial tax basis in the Deemed New Bonds will be equal to their issue price, and a U.S. Holder will have a new holding period in the Deemed New Bonds commencing the day after the deemed exchange. If a substantial amount of Deemed New Bonds of a Series of Bonds is treated as publicly traded for U.S. federal income tax purposes (e.g., traded on an established securities market) on the date of the deemed exchange, the issue price of the Deemed New Bonds of that Series of Bonds for the purposes of determining the amount realized on the exchange should be their fair market value on such date. The Company expects that the Deemed New Bonds of each Series of Bonds will be treated as publicly traded for U.S. federal income tax purposes, and, thus, the Deemed New Bonds of each Series of Bonds will have an issue price equal to their fair market value on the date of the exchange. If the Company determines that the Deemed New Bonds of a Series of Bonds are publicly traded for U.S. federal income tax purposes, it will make that determination as well as a determination of the fair market value of the Deemed New Bonds of that Series of Bonds available to holders in a commercially reasonable fashion, including by electronic publication, within 90 days of adoption of the Extraordinary Resolution.

As described in more detail below, the Deemed New Bonds generally will be treated as issued with OID if the "stated redemption price at maturity" exceeds the issue price of the Deemed New Bonds (as described above) by more than a statutorily defined de minimis amount, which the Company expects will be the case. The OID rules are described in more detail below.

Any gain or loss a U.S. Holder recognizes as a result of the deemed exchange generally will be capital gain or loss (except, as described below, to the extent of market discount) and will be long-term capital gain or loss if the U.S. Holder's holding period for the Deemed Old Bonds is more than one year as of the date of the deemed exchange. Non-corporate U.S. Holders are generally subject to reduced rates of taxation on long-term capital gain. The deductibility of capital losses is subject to limitations.

Market Discount

If a U.S. Holder acquired the Deemed Old Bonds with market discount prior to the deemed exchange, any gain recognized on the deemed exchange of Deemed Old Bonds for Deemed New Bonds will be treated as ordinary income to the extent of any market discount on the Deemed Old Bonds that has accrued during the period that the U.S. Holder held the Deemed Old Bonds and that has not previously been included in income by the U.S. Holder. A Deemed Old Bond generally will be treated as purchased at a market discount if the stated principal amount of the Deemed Old Bond exceeded the amount for which the U.S. Holder purchased the Deemed Old Bond by at least 0.25 percent of the Deemed Old Bond's stated principal amount multiplied by the number of complete years from the date the U.S. Holder acquired the Deemed Old Bond to the Deemed Old Bond's maturity. Market discount accrues on a straight-line basis, unless such U.S. Holder elected to accrue the market discount under a constant-yield method. U.S. Holders who acquired their Bonds at a discount other than at original issuance should consult their tax advisors regarding the possible application of the market discount rules to a deemed exchange of the Bonds.

Accrued Interest Payment

The amounts attributable to accrued and unpaid interest on a Deemed Old Bond will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such U.S. Holder's method of accounting for U.S. federal income tax purposes (or, if earlier, the date of the deemed exchange). Interest paid on the Deemed Old Bonds constitutes income from sources outside the United States. A U.S. Holder's receipt of cash allocable to interest that was previously included in income generally will not result in income.

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Recapitalization

In order for a deemed exchange of the Bonds for U.S. federal income tax purposes to qualify as a recapitalization, both the Deemed Old Bonds and the Deemed New Bonds must be treated as "securities" under the relevant provisions of the Code. Neither the Code nor the U.S. Treasury regulations define the term security. Whether a debt instrument is a security is based on all of the facts and circumstances. To the extent it is required to do so, the Company intends to take the position that any deemed exchange of the Bonds would not qualify as a recapitalization for U.S. federal income tax purposes, but in the event that the IRS were to successfully assert that the deemed exchange of the Bonds is a tax-free recapitalization, the U.S. federal income tax consequences to U.S. Holders of such deemed exchange could be materially different from the consequences described above under "— *Deemed Exchange*". Due to the inherently factual nature of the determination, U.S. Holders are urged to consult their own tax advisors regarding the classification of the Bonds as securities and the determination of whether the deemed exchange of the Bonds would qualify as a recapitalization for U.S. federal income tax purposes.

Consent Fee and Ineligible Bondholder Payment

The tax treatment of the receipt of the Consent Fee or the Ineligible Bondholder Payment, as applicable, by a U.S. Holder is subject to uncertainty. The Company believes that the receipt of the Consent Fee or the Ineligible Bondholder Payment should be treated as part of the consideration received by the relevant U.S. Holder in the deemed exchange. There can be no assurance, however, that the IRS will agree with such treatment. If treated as part of the total consideration received in the deemed exchange, the U.S. Holder would be subject to tax in the manner described in the discussion above under "— *Deemed Exchange*". It is also possible, however, that the Consent Fee or the Ineligible Bondholder Payment, as applicable, would be treated as a separate fee for consenting to the Extraordinary Resolution rather than as additional consideration for the Bond, in which case the Consent Fee or the Ineligible Bondholder Payment would be subject to tax as ordinary income. U.S. Holders are encouraged to consult their tax advisors as to the proper treatment of the Consent Fee or the Ineligible Bondholder Payment, as applicable, and the source of any payment thereof.

Tax Consequences of Holding and Disposing of the Deemed New Bonds

Payments of Interest

General. Payments of stated interest on a Deemed New Bond (including the amount of any withholding taxes and any additional amounts paid with respect thereto) will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder's method of accounting for U.S. federal income tax purposes. Interest (and any additional amounts) paid by the Company on the Deemed New Bonds and OID, if any, accrued with respect to the Deemed New Bonds constitutes income from sources outside the United States. U.S. Holders should consult their tax advisors as to the foreign tax credit implications of interest paid or accrued on the Deemed New Bonds, and of non-U.S. taxes (if any) imposed on such interest.

Original Issue Discount. If the "stated redemption price at maturity" exceeds the "issue price" of a Deemed New Bond by more than a de minimis amount (as described below), the Deemed New Bond will be considered to have been issued at an original discount for U.S. federal income tax purposes. Generally, the "stated redemption price at maturity" of a Deemed New Bond will equal the sum of all payments required to be made under the Deemed New Bond other than payments of "qualified stated interest". In general, "qualified stated interest" is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually during the entire term of the Deemed New Bond and equal to the outstanding principal balance of the Deemed New Bond multiplied by a single fixed rate of interest. If the difference between a Deemed New Bond's stated redemption price at maturity and its issue price is less than a de minimis amount, i.e., ¼ of 1 percent of the stated redemption price at maturity multiplied by the number of complete years to maturity from the issue date, then the Deemed New Bond will not be considered to have OID. U.S. Holders of Deemed New Bonds with less than a de minimis amount of OID must include the de

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minimis OID in income, as capital gain, on a *pro rata* basis as principal payments are made on the Deemed New Bond. U.S. Holders will be required to include OID that is not de minimis in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received. The amount of OID includible in income by a U.S. Holder of a Deemed New Bond is the sum of the daily portions of OID with respect to the Deemed New Bond for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Deemed New Bond ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Deemed New Bond may be of any length selected by the U.S. Holder and may vary in length over the term of the Deemed New Bond as long as (i) no accrual period is longer than one year; and (ii) each scheduled payment of interest or principal on the Deemed New Bond occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Deemed New Bond's adjusted issue price at the beginning of the accrual period and the Deemed New Bond's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of interest on the Deemed New Bond allocable to the accrual period. The "adjusted issue price" of a Deemed New Bond at the beginning of any accrual period is the issue price of the Deemed New Bond increased by the amount of accrued OID for each prior accrual period and decreased by the amount of any payment from the Company (other than qualified stated interest) that was paid during prior accrual periods.

Sale or Other Taxable Disposition of the Deemed New Bonds

A U.S. Holder generally will recognize a gain or loss on the sale or other taxable disposition of a Deemed New Bond equal to the difference between the amount realized on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis in the Deemed New Bond. A U.S. Holder's adjusted tax basis in a Deemed New Bond generally will be its U.S. dollar cost increased by the amount of OID, if any, included in the U.S. Holder's gross income and decreased by any payment received from the Company other than a payment of qualified stated interest. The amount realized does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of a Deemed New Bond will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Deemed New Bond wis more than one year. Gain or loss realized by a U.S. Holder on the sale or other taxable disposition of a Deemed New Bond generally will be U.S. source. U.S. Holders should consult their tax advisors as to the foreign tax credit and other U.S. federal income tax implications of non-U.S. taxes (if any) imposed on the sale or other taxable disposition of Deemed New Bonds.

Foreign Financial Asset Reporting

Certain U.S. Holders that own certain foreign financial assets, including debt of foreign entities, with an aggregate value in excess of U.S.$50,000 on the last day of the taxable year or U.S.$75,000 at any time during the taxable year may be required to file an information report with respect to such assets with their tax returns. Failure to comply with this requirement may result in the imposition of substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. U.S. Holders are urged to consult their tax advisors regarding the application of these reporting requirements to their ownership of the Deemed New Bonds.

Backup Withholding and Information Reporting

Payments of the Consent Fee or the Ineligible Bondholder Payment, as applicable, as well as payments of principal and interest (including accruals of OID, if any) and the proceeds of a sale or other taxable disposition of the Deemed New Bonds will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding may apply to these payments (including payments of accrued OID) if the U.S. Holder fails to provide an accurate taxpayer identification number or

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certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

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RISK FACTORS

Beneficial Owners of the Bonds should carefully consider, in addition to the other information contained in this Consent Solicitation Memorandum, the following:

The Company is currently in breach of certain provisions under its various financing agreements and is in the process of obtaining waivers.

The Company is currently in breach of certain provisions, such as undertakings with respect to no encumbrances and no other business, under its various financing agreements. As of the date of this Consent Solicitation Memorandum, the Company is in the process of obtaining certain consents and waivers from lenders in respect of these financing agreements. The obtaining of these consents and waivers is a condition precedent to the draw down to the Private Credit Facility, without which the Financing Condition will not be satisfied. The Company has already executed the required formal documentation in respect of some consents and waivers and is in discussions with the remaining lenders to finalise and sign formal documentation in respect of the remaining consents and waivers.

Although the Company has, in the past, successfully obtained covenant waivers from its lenders, there can be no assurance that it will be able to obtain the required consents and waivers with respect to the aforementioned existing or potential breaches. If the Company fails to obtain such consents and waivers, the relevant lenders could declare the Company to be in default under the terms of its financing agreements and accelerate the maturity and/or enforce security thereunder, which would in turn trigger an event of default under the Bonds.

The consummation of the Consent Solicitations is subject to the satisfaction of the Financing Condition.

There can be no assurance that the Financing Condition (which includes the obtaining of certain consents and waivers from lenders under the Company's various financing agreement) will be met or that the Company will be able to obtain any alternative financing arrangement to satisfy the Financing Condition (as determined in its sole discretion). In addition, if the consents and waivers under the relevant financing agreements are not obtained, the Extraordinary Resolutions cannot be effective or implemented. If the Financing Condition is not met, the Consent Conditions would not be satisfied and therefore no Consent Fee or Ineligible Bondholder Payment shall be payable by the Company and no Upfront Principal Redemption will be made.

The effectiveness of the Extraordinary Resolution in respect of each Series of Bonds is subject to the satisfaction of the Consent Conditions, which may not be satisfied immediately satisfied on the date of the Meeting or, as the case may be, adjourned Meeting or may not be satisfied at all.

The effectiveness of the Extraordinary Resolution in respect of each Series of Bonds is subject to the satisfaction of the Consent Conditions, which may not be immediately satisfied on the date of the Meeting or, as the case may be, adjourned Meeting. In such circumstances, the Company may continue to hold and rely on such Extraordinary Resolutions passed (but not yet effective) until it satisfies the Consent Conditions, subject to the Longstop Date. For example, as the effectiveness of the Extraordinary Resolution in respect of each Series of Bonds is subject to Concurrent Consent Solicitation Condition, any amendment, adjournment of meeting, re-launch, etc. on the Concurrent Consent Solicitation may delay the satisfaction of the Concurrent Consent Solicitation Condition, and therefore the effectiveness and implementation of the Extraordinary Resolutions. Accordingly, the Consent Fee and the Ineligible Bondholder Payment may not be paid, and the Upfront Principal Redemption may not be made, until the Longstop Date.

The Consent Conditions also requires the passing of the Extraordinary Resolution of each Series of Bonds (in the respective forms set out at Schedule 1 to 3 hereto) at the relevant Meeting or adjourned Meeting

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and the satisfaction of the Eligibility Condition thereof. If the Extraordinary Resolution in respect of any Series of Bonds is not duly passed at the relevant Meeting(s) or, as the case may be, at the relevant adjourned Meeting(s) or if the Extraordinary Resolution in respect of any Series of Bonds is not effective due to the non-satisfaction of the Eligibility Condition, then the Consent Conditions are not satisfied, and the Amendment Documents will not be executed.

If any of the Consent Conditions is not satisfied, then the Amendment Documents will not be executed, no Consent Fee or Ineligible Bondholder Payment will be payable, and no Upfront Principal Redemption will be made by the Company.

Risks in the event the Proposal is approved.

If the Extraordinary Resolution is passed and the Consent Conditions are satisfied, Beneficial Owners of the Bonds shall not receive payment of any principal (other than the relevant Upfront Principal Redemption) until the amended maturity date or the amortisation dates of that Series of Bonds, as amended, unless redeemed earlier by the relevant issuer pursuant to the terms thereunder. In addition, the extension of maturity dates of the Bonds pursuant to the Proposal will also subject the Bondholders' portfolio to a prolonged credit exposure to the Vedanta Group. There can be no assurance that the Vedanta Group will be able to improve its liquidity position and overall financial condition or obtain refinancings or other financings to repay the Bonds by the end of the extended maturity dates on a timely basis, or at all. There can also be no assurance that adverse market conditions will not further impact Vedanta Group's operations, ability to repay the Bonds, overall liquidity position and financial condition.

Additionally, non-consenting Bondholders will not be eligible to receive any Consent Fee or any Ineligible Bondholder Payment even though the Proposal is implemented upon the execution and delivery of the Amendment Documents but will still receive the Upfront Principal Redemption.

The proposed transactions described herein may result in a deemed exchange of each Series of Bonds for deemed new bonds for U.S. federal income tax purposes, with the new bonds deemed issued under such exchange treated as issued with original issue discount for U.S. federal income tax purposes.

In respect of each Series of Bonds, the adoption of the applicable Extraordinary Resolution and the payment of the Consent Fee or the Ineligible Bondholder Payment, as applicable, may be treated as a "significant modification" of such Series of Bonds for U.S. federal income tax purposes that results in a deemed exchange of the existing Series of Bonds for a "new" Series of Bonds. Such deemed new Series of Bonds may be issued with original issue discount for U.S. federal income tax purposes ("**OID**"). The deemed new Series of Bonds will be considered to be issued with OID if the stated principal amount of the Bonds exceeds the issue price of such Bonds (as determined for U.S. federal income tax purposes and as described under "*Certain U.S. Federal Income Tax Considerations — Tax Consequences of the Adoption of the Extraordinary Resolutions and the Payment of the Consent Fee or the Ineligible Bondholder Payment"* above) by an amount equal to or more than a statutorily defined de minimis amount. In such event, investors that hold such Bonds that are subject to U.S. federal income taxation generally will be required to include OID in their gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash payments attributable to such income, using the constant yield method. See "*Certain U.S. Federal Income Tax Considerations*".

Beneficial Owners of the Bonds who do not participate in the Consent Solicitations may attempt to challenge the progress or consummation of the Consent Solicitations by seeking an injunction or pursuing other legal remedies.

The Company, VRF II and the Subsidiary Guarantors, may be subject to efforts by certain creditors opposed to the Proposal to enjoin or otherwise prevent the consummation of the Consent Solicitations. Neither the Company, VRF II nor the Subsidiary Guarantors can assure investors that non-consenting Bondholders or other creditors of Company, VRF II or the Subsidiary Guarantors will not take other actions

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that may, or that a court will not, enjoin, impede or delay the Consent Solicitations or that the Consent Solicitations may not be delayed or terminated due to such creditor intervention.

The credit rating(s) of the Company and/or the Bonds may decline or be withdrawn.

There is a risk that the credit rating(s) of the Company and/or the Bonds may change as a result of the Proposal or for any other reason. No assurance can be given that the credit rating(s) of the Company and/or the Bonds will remain for any given period of time or that such credit rating(s) will not be changed or withdrawn by the relevant rating agencies if, in their judgement, the Proposal or any other circumstance in the future so warrant, or if a different methodology is applied to derive such credit rating(s). Any change or withdrawal of the credit rating(s) of the Company and/or the Bonds could adversely impact the market price and the liquidity of the Bonds.

The Upfront Principal Redemption is subject to rounding down and the minimum denomination of the relevant Series of Bonds.

The Upfront Principal Redemption will be made on a *pro rata* basis to all Bondholders, subject to rounding down and the minimum denomination of U.S.$200,000 (see "*Overview of the Consent Solicitations — Upfront Principal Redemption" herein*). Accordingly, no Upfront Principal Redemption will be made in respect of any principal amount which would result in such holder's remaining holding to be less than U.S.$200,000.

No assurance that the Consent Solicitations will be completed.

The Company has the right to terminate or withdraw the Consent Solicitations at any time prior to the Voting Deadline. In that case, the Consent Solicitations will not proceed, no Consent Fee or Ineligible Bondholder Payment will be due to any Bondholder and no Upfront Principal Redemption will be made.

Limited ability to revoke instructions.

Forms of Sub-Proxy submitted at or prior to the Voting Deadline will be irrevocable from the time submitted, except in the limited circumstances described herein. As such, a Bondholder will only be able to withdraw its vote on the relevant Extraordinary Resolution in limited circumstances.

Responsibility for complying with the procedures of the Consent Solicitations.

Beneficial Owners of the Bonds are solely responsible for complying with all of the procedures for submitting Consent Instructions (or Ineligible Bondholder Instructions, as the case may be). None of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee or the Information and Tabulation Agent assumes any responsibility for informing Beneficial Owners of the Bonds of irregularities with respect to Consent Instructions (or Ineligible Bondholder Instructions, as the case may be).

Responsibility for information on the Company, VRF II, the Subsidiary Guarantors and the Bonds.

Beneficial Owners of the Bonds are responsible for independently investigating the position of the Company, VRF II, the Subsidiary Guarantors, and the nature of the Bonds. None of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents or the Information and Tabulation Agent assumes any responsibility for informing holders of Bonds as to the position of the Company, VRF II, the Subsidiary Guarantors, the nature of the Bonds and/or the effects of the Proposal in relation to the Bonds in connection with this Consent Solicitation Memorandum.

Future actions in respect of the Bonds.

The Company reserves the right to take one or more future actions at any time in respect of the Bonds. This includes, without limitation, the purchase from time to time of Bonds in the open market, in privately negotiated transactions, through tender offers or otherwise as per the terms of the amended Terms and Conditions. Any future purchases by the Company will depend on various factors existing at that time.



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There can be no assurance as to which, if any, of those alternatives (or combinations thereof) the Company will choose to pursue in the future and when such alternatives might be pursued.

Binding effect of the Extraordinary Resolutions.

If the Extraordinary Resolution in respect of a Series of Bonds is passed, effective and implemented and the Consent Conditions have been satisfied, all Beneficial Owners of the Bonds of such Series of Bonds will be bound by the terms of the Proposal whether they have voted in favour of the relevant Extraordinary Resolution.

Tax consequences; responsibility to consult advisors.

Beneficial Owners should consult their own tax, accounting, financial, legal and other advisers regarding the suitability of the tax, accounting and other consequences of participating or declining to participate in the relevant Consent Solicitation to them and/or the implementation of the Proposal. Each Beneficial Owner must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, whether participation in the relevant Consent Solicitation is fully consistent with its objectives and condition, complies and is fully consistent with all internal policies, guidelines and restrictions applicable to it and is a fit, proper and suitable action for it to take. Beneficial Owners are solely liable for any taxes and similar or related payments imposed under the laws of any applicable jurisdiction and have no recourse to the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee or the Information and Tabulation Agent with respect to any such taxes or related payments arising in connection with the Proposal or the relevant Consent Solicitation.

Forms of Sub-Proxy or votes submitted or cast by Sanctions Restricted Persons will not be accepted.

A Beneficial Owner or any DTC Direct Participant who is a Sanctions Restricted Person may not participate in the relevant Consent Solicitation. No vote in respect of any Extraordinary Resolution pursuant to a Form of Sub-Proxy submitted by a Sanctions Restricted Person will be accepted or counted and such Sanctions Restricted Person will not be eligible to receive the applicable Consent Fee or the applicable Ineligible Bondholder Payment in any circumstances, notwithstanding the delivery (and non-withdrawal or revocation) of a Form of Sub-Proxy by it in respect of the relevant Extraordinary Resolution on or before the Early Consent Deadline or Voting Deadline, as the case may be.

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TERMS OF THE CONSENT SOLICITATIONS

The terms provided herein are applicable to each Consent Solicitation in respect of each Series of Bonds and should be read accordingly.

Subject as provided herein, the Company hereby invites each Eligible Bondholder to submit a Consent Instruction in respect of the relevant Extraordinary Resolution in respect of its Bonds or to otherwise attend, be represented at the relevant Meeting and vote in respect of the Proposal at such Meeting in accordance with the relevant Meeting Provisions.

Beneficial Owners of the Bonds who need assistance with respect to the procedures for participating in the Consent Solicitation should contact the Information and Tabulation Agent, the contact details for which are on the last page of this Consent Solicitation Memorandum.

Beneficial Owners of the Bonds are advised to check with any bank, securities broker or other intermediary through which they hold Bonds whether such intermediary would require receipt of instructions to participate in, or revoke (in the limited circumstances in which revocation is permitted) their Consent Instruction, before the deadlines and within the periods specified in this Consent Solicitation Memorandum. The deadlines set by DTC Direct Participants, Euroclear and Clearstream and any intermediaries for the submission of Consent Instructions or Ineligible Bondholder Instructions may also be earlier than the relevant deadlines specified in this Consent Solicitation Memorandum.

1 The Consent Solicitations

(1) A Beneficial Owner of the Bonds may submit a Consent Instruction or an Ineligible Bondholder Instruction in respect of the relevant Extraordinary Resolution and appoint the Information and Tabulation Agent (or its nominee) or any other person (including himself/herself) as proxy to attend the Meeting (or an adjourned Meeting) in respect of the relevant Series of Bonds in accordance with this Consent Solicitation Memorandum, the relevant Terms and Conditions, the relevant Meeting Provisions and the relevant Trust Deed and vote in respect of the relevant Extraordinary Resolution, on the terms and conditions set out in this Consent Solicitation Memorandum, in respect of all or some of the outstanding Bonds held by it, by submitting or arranging for the submission of a Form of Sub-Proxy in respect of the Bonds. Eligible Bondholders may submit a Consent Instruction at any time at or prior to the Voting Deadline (or at or prior to the Early Consent Deadline in order to be eligible for the Consent Fee), or until such later date and time as the Company may determine, subject always to applicable law, the provisions of the relevant Meeting Provisions and the provisions of paragraph 11 (*Amendment, extension, termination and subsequent invitations*) below. In order to be eligible for the Early Consent Fee or the Late Consent Fee, Forms of Sub-Proxy appointing the Information and Tabulation Agent to vote in favour of the Extraordinary Resolution must be received by the Information and Tabulation Agent and not revoked in the limited circumstances in which revocation is permitted by no later than the Early Consent Deadline or the Voting Deadline, as the case may be, respectively.

(2) Following the expiry of the Consent Period, the Company may re-open any Consent Solicitation, each as further described in paragraph 11 (*Amendment, extension, termination and subsequent invitations*) below.

(3) Eligible Bondholders may only submit Consent Instructions in principal amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof with respect to each Series of Bonds.

(4) **Consent Fee:** Subject to (i) the relevant Meeting being quorate and validly held, (ii) the Extraordinary Resolution in respect of the relevant Series of Bonds being passed at the relevant Meeting (see "*Overview of the Consent Solicitations — Quorum, Majority and Eligibility Condition*" herein), (iii) the other Consent Conditions being satisfied, and (iv) the relevant Amendment

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Documents being executed, the Company will pay the Early Consent Fee or the Late Consent Fee to each Eligible Bondholder of the relevant Series of Bonds (other than where such Eligible Bondholder is a Sanctions Restricted Person) who has delivered, or has arranged to have delivered on its behalf a Form of Sub-Proxy appointing the Information and Tabulation Agent as proxy to vote in favour of the relevant Extraordinary Resolution which is received by the Information and Tabulation Agent at or prior to (in the case of the Early Consent Fee) the Early Consent Deadline or (in the case of the Late Consent Fee) after the Early Consent Deadline but at or prior to the Voting Deadline and in each such case who has not revoked such Consent Instruction (in the limited circumstances in which revocation is permitted).

The Consent Fee will be paid as consideration for the relevant Eligible Bondholder's agreement to the relevant Extraordinary Resolution and is subject to the satisfaction of the Consent Conditions and the execution of the relevant Amendment Documents. Accordingly, no Consent Fee shall be payable to any Eligible Bondholder to the extent that the Extraordinary Resolution in respect of its Series of Bonds is not duly passed at the relevant Meeting or, as the case may be, adjourned Meeting, the Consent Conditions are not satisfied and/or the relevant Amendment Documents are not executed.

Eligible Bondholders who submit their Consent Instructions in favour of the Extraordinary Resolution after the Early Consent Deadline will not be eligible to receive the Early Consent Fee, but will be eligible to receive the Late Consent Fee. Eligible Bondholders will not be eligible to receive either the Early Consent Fee or the Late Consent Fee if they (i) appoint a proxy other than the Information and Tabulation Agent (or its nominee) to attend and vote at the relevant Meeting or are not represented at the relevant Meeting, (ii) attend the relevant Meeting in person, (iii) submit a Consent Instruction against or abstaining from the relevant Extraordinary Resolution or in favour of the Extraordinary Resolution but after the Voting Deadline, or do not vote at all, (iv) revoke their Consent Instructions (in the limited circumstances permitted) before the relevant Meeting, or (v) are a Sanctions Restricted Person. The provisions of this paragraph are without prejudice to the right of a Beneficial Owner of the Bonds under the relevant Terms and Conditions, the relevant Meeting Provisions and the relevant Trust Deed in respect of such Bonds to arrange for the appointment of a sub-proxy entitling them or their nominee to attend and vote at the relevant Meeting in accordance with the provisions of the relevant Terms and Conditions, the relevant Meeting Provisions, the relevant Trust Deed and the relevant Notice of Meeting (as contained herein).

Ineligible Bondholders are not entitled to receive any Consent Fee.

(5) **Ineligible Bondholder Instructions:** To the extent permitted by applicable laws and regulations, subject to (i) the relevant Meeting being quorate and validly held, (ii) the Extraordinary Resolution in respect of the relevant Series of Bonds being passed at the relevant Meeting (see "*Overview of the Consent Solicitations — Quorum, Majority and Eligibility Condition*" herein), (iii) the other Consent Conditions being satisfied, and (iv) the relevant Amendment Documents being executed, the Company will pay the applicable Ineligible Bondholder Payment on the Settlement Date to each Ineligible Bondholder of the relevant Series of Bonds (other than where such Ineligible Bondholder is a Sanctions Restricted Person) who has delivered, or has arranged to have delivered on its behalf, a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution which has been received by the Information and Tabulation Agent, in the case of payment of Early Ineligible Bondholder Payment, at or prior to the Early Consent Deadline, or, in the case of payment of Late Ineligible Bondholder Payment, after the Early Consent Deadline but at or prior to the Voting Deadline, and who has not revoked such Ineligible Bondholder Instruction (in the limited circumstances in which revocation is permitted).

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No Ineligible Bondholder Payment shall be payable to any Ineligible Bondholder to the extent that the Extraordinary Resolution in respect of its Series of Bonds is not duly passed at the relevant Meeting or, as the case may be, adjourned Meeting, the Consent Conditions are not satisfied and/or the relevant Amendment Documents are not executed.

(6) **Upfront Principal Redemption:** On the Upfront Redemption Date, subject to (i) the relevant Meeting being quorate and validly held, (ii) the Extraordinary Resolution in respect of the relevant Series of Bonds being passed at the relevant Meeting (see "*Overview of the Consent Solicitations — Quorum, Majority and Eligibility Condition*" herein), (iii) the Consent Conditions being satisfied, and (iv) the relevant Amendment Documents being executed and effective, the Company intends to redeem each Series of Bonds in an aggregate principal amount equal to: (a) in the case of the 2024 Bonds I, 6% of the principal amount of 2024 Bonds I outstanding; (b) in the case of the 2024 Bonds II, 53% of the principal amount of 2024 Bonds II outstanding; and (c) in the case of the 2025 Bonds, 16% of the principal amount of 2025 Bonds outstanding, in each case, at a redemption price equal to 100% of the principal amount of the relevant Series of Bonds being redeemed plus accrued and unpaid interest thereto to (but excluding) the Upfront Redemption Date. See "*Overview of the Consent Solicitations — Upfront Principal Redemption*" herein.

2 Consent Instructions

Holders of the Bonds wishing to vote either for or against the relevant Extraordinary Resolution or to abstain from voting must vote via a Form of Sub-Proxy.

3 General

A Bondholder may vote in respect of the relevant Extraordinary Resolution and appoint the Information and Tabulation Agent as its sub-proxy with respect to a Form of Sub-Proxy in relation to the Bonds to attend the relevant Meeting (and any adjourned Meeting thereof) and vote on the relevant Extraordinary Resolution, on the terms and conditions set out in this Consent Solicitation Memorandum, in respect of all or some only of the outstanding Bonds held by it, by submitting or arranging for the submission of a duly completed and valid Form of Sub-Proxy with respect to the Bonds in the manner specified herein. Bondholders may submit a Form of Sub-Proxy at any time at or prior to the Voting Deadline, or until such later date and time as the Company may determine, subject always to applicable law, the relevant Meeting Provisions and the provisions of "*Amendment of the Consent Solicitations and Withdrawal Rights*" below.

4 Form of Sub-Proxy

(1) Form of Sub-Proxy

(a) A Bondholder, via any DTC Direct Participant, must clearly state in its Form of Sub-Proxy the aggregate principal amount of the Bonds in respect of which it wishes the Information and Tabulation Agent (or its nominee) or any other person as sub-proxy to vote in respect of the relevant Extraordinary Resolution.

(b) A Bondholder, via any DTC Direct Participant, must clearly state in its Form of Sub-Proxy if it is an Eligible Bondholder or an Ineligible Bondholder.

(c) Each Form of Sub-Proxy may appoint the Information and Tabulation Agent (or its nominee) as its sub-proxy to attend the relevant Meeting (and any relevant adjourned Meeting) and to vote in favour or against the Extraordinary Resolution, or to abstain from voting in respect of the Bonds which are the subject of the Form of Sub-Proxy and in accordance with the terms of the Consent Solicitation. Subject to sub-paragraph 4(1)(d) below, the authorisations, instructions and requests in this sub-paragraph 4(1) are irrevocable.

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Each Form of Sub-Proxy may alternatively appoint any other person (including the Bondholder himself) as sub-proxy to attend the relevant Meeting (and any relevant adjourned Meeting) and to vote in favour or against in respect of the relevant Extraordinary Resolution, or to abstain from voting in respect of the Bonds which are the subject of the Form of Sub-Proxy and in accordance with the terms of the Consent Solicitation. The full name, address and passport/ID card number of the person attending will need to be provided in the Form of Sub-Proxy and the identity of the person attending the relevant Meeting will be verified before the relevant Meeting commences. Bondholders should note that any Form of Sub-Proxy appointing any person other than the Information and Tabulation Agent as sub-proxy will not result in the relevant Eligible Bondholder being entitled to the Consent Fee or any Ineligible Bondholder being entitled to the Ineligible Bondholder Payment, even if the other conditions to eligibility for the Consent Fee or the Ineligible Bondholder Payment are met.

(2) Form of Sub-Proxy Execution Requirements

(a) In order for a Form of Sub-Proxy to be effective, it must be properly executed by a DTC Direct Participant and received by the Information and Tabulation Agent at or prior to the Voting Deadline (or the Early Consent Deadline if it is to render the Bondholder in respect of the Bonds which are the subject to such Form of Sub-Proxy eligible for the Early Consent Fee or the Early Ineligible Bondholder Payment in respect thereto, if payable).

(b) Each DTC Direct Participant wishing to submit a Form of Sub-Proxy must complete, sign and date the Form of Sub-Proxy in accordance with the instructions set forth herein and therein, have the signature thereon medallion guaranteed and e-mail the sub-proxy to the Information and Tabulation Agent using the following email address: vedanta@investor.morrowsodali.com. Such email delivery will be deemed made only when the executed Form of Sub-Proxy is actually received by the Information and Tabulation Agent. A signature guarantee must be by a recognised participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchanges Medallion Program (each, an "**Eligible Institution**").

5 Procedures in respect of the Clearing System

(a) For the purposes of each Series of Bonds, each DTC Direct Participant holding a principal amount of the Bonds, as reflected in the records of DTC, as at the Record Date will be considered to be a Bondholder upon DTC granting an omnibus proxy authorising such DTC Direct Participants to vote at the relevant Meeting (including any adjourned Meeting) (by delivering a Form of Sub-Proxy to the Information and Tabulation Agent).

(b) The Record Date is expected to be fixed as the time and date for the determination of the Bondholders entitled to vote at the relevant Meeting. The delivery of a Form of Sub-Proxy will not affect a Bondholder's right to sell or transfer any of the Bonds, and a sale or transfer of any Bonds after the Record Date will not have the effect of revoking a Form of Sub-Proxy properly delivered by any Bondholder. Therefore, each properly delivered Form of Sub-Proxy will remain valid notwithstanding any sale or transfer of any Bonds to which such Form of Sub-Proxy relates after the Record Date.

(c) A DTC Direct Participant, duly authorised by an omnibus proxy from DTC, may by submitting a duly completed Form of Sub-Proxy to the Information and Tabulation Agent, in the manner specified herein, before the Voting Deadline, appoint the Information and Tabulation Agent (or one or more of its employees nominated by it) or any other person as its sub-proxy to act on his or its behalf in connection with the relevant Meeting and any relevant adjourned Meeting.

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(d) Any such sub-proxy so appointed pursuant to the Form of Sub-Proxy shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant Meeting (or any relevant adjourned Meeting), to be the holder of the Bonds to which such appointment relates, and the relevant Registered Bondholder shall be deemed for such purposes not to be the holder.

(e) Only DTC Direct Participants may submit a Form of Sub-Proxy. Beneficial Owners who are not DTC Direct Participants must contact their broker, dealer, bank, custodian, trust company, nominee or other intermediary to arrange for the DTC Direct Participant through which they hold Bonds to submit a Form of Sub-Proxy on their behalf to be received by the Information and Tabulation Agent at or prior to the Voting Deadline in order to be eligible for the Late Consent Fee or the Late Ineligible Bondholder Payment, or, in order to be eligible for the Early Consent Fee or the Early Ineligible Bondholder Payment, at or prior to the Early Consent Deadline. The Beneficial Owners of the Bonds that are held in the name of a broker, dealer, bank, custodian, trust company, nominee or other intermediary should contact such entity sufficiently in advance of the Voting Deadline (or, as applicable, the Early Consent Deadline) if they wish to vote on the relevant Extraordinary Resolution, to check whether such intermediary will apply different deadlines for participation to those set out in this Consent Solicitation Memorandum and, if so, they should follow those deadlines.

(f) A DTC Direct Participant or Beneficial Owner wishing to participate in the relevant Consent Solicitation must submit, or arrange to have submitted on its behalf, at or prior to the Voting Deadline in order to be eligible for the Late Consent Fee or the Late Ineligible Bondholder Payment, or, in order to be eligible for the Early Consent Fee or the Early Ineligible Bondholder Payment, at or prior to the Early Consent Deadline, a duly completed Form of Sub-Proxy to the Information and Tabulation Agent in the manner specified herein.

(g) Each Beneficial Owner or DTC Direct Participant appointing the Information and Tabulation Agent as its sub-proxy acknowledges and agrees that submitting a Form of Sub-Proxy constitutes its written consent to vote on the relevant Extraordinary Resolution, and that such consent shall form part of the form of sub-proxy, appointing the Information and Tabulation Agent or an employee nominated by it as sub-proxy to attend, and to cast the votes corresponding to the Bonds which are the subject of the Form of Sub-Proxy in accordance therewith at, the relevant Meeting.

(h) The delivery of Form of Sub-Proxy by a DTC Direct Participant will be deemed to have occurred upon receipt by the Information and Tabulation Agent.

(i) DTC Direct Participants who have submitted a Form of Sub-Proxy in respect of the Bonds should not transfer their holdings of such Bonds prior to the Record Date. Forms of Sub-Proxy submitted prior to the Record Date will be counted notwithstanding transfers after the Record Date. However, if a sub-proxy issued by a DTC Direct Participant is in respect of an aggregate principal amount of the Bonds (alone or when aggregated with any sub-proxy previously issued by the relevant DTC Direct Participant and not validly withdrawn) exceeding that shown to be held by it on the Record Date under the omnibus proxy issued by DTC on the Record Date, any such sub-proxy will be discounted and such DTC Direct Participant (and the relevant Beneficial Owners) will not receive the Consent Fee or the Ineligible Bondholder Payment in relation to such sub-proxy for which they may otherwise have been eligible.

(j) DTC Direct Participants or Beneficial Owners who wish to attend and vote at the relevant Meeting or appoint someone else to do so should issue, or (if an Eligible Bondholder that is a Beneficial Owner) request that the relevant DTC Direct Participant issue, a Form of Sub-Proxy naming either it or such other person in accordance with the voting and quorum procedures set out in the relevant parts of Schedules 1 to 3 contained herein. Such Bondholders, DTC Direct Participants or Beneficial Owners will not be eligible to receive the Consent Fee.

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(k) If a DTC Direct Participant delivers a Form of Sub-Proxy or an Ineligible Bondholder Instruction without payment instructions, or with incomplete payment instructions, such DTC Direct Participant will not be entitled to the Consent Fee with respect to such Form of Sub-Proxy or the Ineligible Bondholder Payment with respect to such Ineligible Bondholder Instruction.

(l) A Form of Sub-Proxy must be medallion guaranteed and delivered to the Information and Tabulation Agent.

(m) To be able to receive the relevant Consent Fee or the relevant Ineligible Bondholder Payment, as the case maybe, DTC Direct Participants are required to submit, to the Information and Tabulation Agent a scanned copy, along with the Form of Sub-Proxy, of their duly completed W-8 Form or W-9 Form (as applicable) from the Internal Revenue Service ("**IRS**"), at or prior to the Voting Deadline. In the event that a DTC Direct Participant does not present the duly completed W-8 Form or W-9 Form (as applicable) with their Form of Sub-Proxy, while their vote in accordance with the Form of Sub-Proxy shall remain valid, they would not be able to receive the relevant Consent Fee or the relevant Ineligible Bondholder Payment until the Information and Tabulation Agent has receipt of their duly completed W-8 Form or W-9 Form.

(n) All of the above dates are subject to earlier deadlines that may be specified by DTC Direct Participants, Euroclear and Clearstream or any intermediary. Beneficial Owners of the Bonds held via Euroclear or Clearstream, who are not direct participants of DTC, must contact their custodian to arrange for their direct participants in the Clearing System through which they hold Bonds to submit the electronic acceptance and to instruct the Clearing System to instruct the relevant Bonds in accordance with the procedures of the Clearing System and the deadlines required by the Clearing System.

(o) By submitting an instruction through Euroclear or Clearstream, direct participants are deemed to authorise Euroclear or Clearstream to disclose their identity, the principal amount of the Bonds with respect to which the relevant Beneficial Owners of the Bonds deliver an instruction and Euroclear or Clearstream account details to each of the Information and Tabulation Agent, the Trustee, the Company, VRF II and the Subsidiary Guarantors.

(p) Euroclear or Clearstream may impose additional deadlines in order to properly process such instructions. As part of instructing through Euroclear or Clearstream, you should be aware of and comply with any such deadlines.

6 No Other Means of Delivering Forms of Sub-Proxy

Forms of Sub-Proxy should not be delivered to the Company, VRF II, the Subsidiary Guarantors, the Principal Paying Agent or the Solicitation Agents. Holders of the Bonds wishing to vote either for or against the relevant Extraordinary Resolution or to abstain from voting in respect of the Bonds must vote via a Form of Sub-Proxy.

7 Form and Content of Forms of Sub-Proxy

Forms of Sub-Proxy should clearly specify whether the Bondholder wishes to:

(a) vote in favour of the relevant Extraordinary Resolution; or

(b) vote against the relevant Extraordinary Resolution; or

(c) abstain from voting in respect of the relevant Series of Bonds;

(d) appoint the Information and Tabulation Agent (or its nominee) or any other person as sub-proxy; or

(e) take no action in respect of the relevant Extraordinary Resolution.

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Bondholders may only submit Forms of Sub-Proxy in principal amounts of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof in respect of each Series of Bonds.

8 Bonds held for the benefit of the Company

Bonds held by any person (including but not limited to the Company or any subsidiary of the Company) for the benefit of the Company or any subsidiary of the Company and which have not been cancelled shall be deemed not to be outstanding.

9 Acceptance of Forms of Sub-Proxy

Upon the terms and subject to the conditions contained in the relevant Meeting Provisions and applicable law, the Company will accept all relevant Forms of Sub-Proxy validly given and all votes cast at the relevant Meeting representing such Forms of Sub-Proxy.

10 Attending and Voting at the Meeting

(1) Holders may attend the Meeting for the 2024 Bonds I in person at 9:00 a.m. (Singapore time) on 4 January 2024 at the offices of Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145;

(2) Holders may attend the Meeting for the 2024 Bonds II in person at 9:15 a.m. (Singapore time) on 4 January 2024 at the offices of Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145; and

(3) Holders may attend the Meeting for the 2025 Bonds in person at 9:30 a.m. (Singapore time) on 4 January 2024 at the offices of Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145,

provided, in each case, they have delivered a Form of Sub-Proxy confirming their attendance (including full name, address and passport/ID card details of the attendee).

For the avoidance of doubt, Beneficial Owners of the Bonds will not be eligible for the Consent Fee or the Ineligible Bondholder Payment if they attend the relevant Meeting in person.

The Trustee may prescribe further or alternative regulations regarding the holding of the relevant Meeting, which may include providing access to the relevant Meeting by conference or video call. In such circumstances, those Bondholders who have indicated that they wish to attend the relevant Meeting in person will be provided with further details about access to the relevant Meeting. Bondholders who have requested that their votes be cast in accordance with a valid Consent Instruction submitted prior to the Voting Deadline will not be affected by these alternative regulations and will not be requested to take any further action.

11 Amendment, extension, termination and subsequent invitations

(1) Subject to paragraph 12 (*Amendment of the Consent Solicitations and withdrawal rights*) below, but notwithstanding any other provision of any Consent Solicitation, the Company may, subject to applicable laws and the terms of the relevant Trust Deed, at any time prior to the Voting Deadline, amend the Early Consent Deadline, the Voting Deadline, the Early Consent Fee, the Late Consent Fee, the Early Ineligible Bondholder Payment and/or the Late Ineligible Bondholder Payment. For the avoidance of doubt, the Company may in this regard, increase the applicable Consent Fee in respect of one or more Series of Bonds but not all. The Company may also, subject to applicable laws and the provisions of the relevant Meeting Provisions amend, decline and/or waive any condition of any Consent Solicitation (including, but not limited to, waiving the Consent Conditions

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(other than the Financing Condition and payment of the Consent Fee and the Ineligible Bondholder Payment) applicable in respect of the Consent Solicitations), at its sole discretion subject to applicable law, the relevant Meeting Provisions in respect of the relevant Series of Bonds and as provided herein. In addition, the Company may, subject to applicable laws and the provisions of the relevant Meeting Provisions, re-open any Consent Solicitation, following the expiry of the Consent Period, for such period(s) as it may in its discretion decide. The Company will notify the relevant holders of the Bonds and Beneficial Owners of the Bonds of any such amendment, extension, re-opening, waivers of any condition of, or termination of, any Consent Solicitation as soon as is reasonably practicable thereafter in accordance with "*Overview of the Consent Solicitations — Announcements*". The Company may, if it deems it appropriate, and shall where required by applicable law, permit the relevant Eligible Bondholders to withdraw Consent Instructions during any such extension or re-opening of the relevant Consent Solicitation.

(2) The Company may, subject to paragraph 12 (*Amendment of the Consent Solicitations and withdrawal rights*) below, at any time prior to the Voting Deadline, make a new invitation to holders of the Bonds to vote in respect of the relevant Extraordinary Resolution and to Beneficial Owners of the Bonds to submit a Consent Instruction in respect thereto on such terms as it may determine. The Company will notify the relevant holders of the Bonds and Beneficial Owners of the Bonds of any such new invitation as soon as is reasonably practicable thereafter in accordance with "*Overview of the Consent Solicitations — Announcements*".

(3) If the Consent Conditions are not satisfied by the Longstop Date, the Consent Solicitations shall be terminated.

12 Amendment of the Consent Solicitations and withdrawal rights

Subject to applicable law and the relevant Meeting Provisions, if:

(1) the Company announces a decrease in the Early Consent Fee, the Late Consent Fee, Early Ineligible Bondholder Payment, the Late Ineligible Bondholder Payment or amends the terms of a Consent Solicitation in any other way which, in the Company's sole opinion, acting in accordance with applicable law and the provisions of the relevant Meeting Provisions, is materially prejudicial to Beneficial Owners of the Bonds who have already submitted Consent Instructions in respect of the relevant Consent Solicitation or Ineligible Bondholders who have already submitted Ineligible Bondholder Instructions; or

(2) the Company makes a new invitation to Beneficial Owners of the Bonds to vote in respect of the relevant Extraordinary Resolution on terms which, in the Company's sole opinion, acting in accordance with applicable law and the provisions of the relevant Meeting Provisions, are materially less beneficial for the Beneficial Owners of the Bonds,

then the Company will extend any Consent Solicitation for a period deemed by the Company to be adequate, acting in accordance with applicable law and the relevant Meeting Provisions, to permit Beneficial Owners of the Bonds to deliver or revoke their Consent Instruction or Ineligible Bondholder Instruction, as the case may be, and, whether such notice is given before or after the Voting Deadline, such Beneficial Owners of the Bonds shall thereupon be entitled, for the period so determined by the Company to be appropriate, acting in accordance with applicable law and the relevant Meeting Provisions, to withdraw any Consent Instruction or Ineligible Bondholder Instruction, as the case may be, given by them, in accordance with the procedure set out in paragraph 13 below. When considering whether a matter is, or is not, materially less beneficial for Beneficial Owners of the Bonds, the Company shall not be obliged to have regard to the individual circumstances of particular Beneficial Owners of the Bonds.

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13 Revocation of instructions

In the limited circumstances in which revocation is permitted, as described in "*Amendment of the Consent Solicitations and withdrawal rights*" above, holders of the Bonds who have delivered Forms of Sub-Proxy at or prior to the Voting Deadline may exercise any right to revoke such instruction by submitting a written revocation instruction to the Information and Tabulation Agent.

Any Bondholder that revokes its Form of Sub-Proxy and does not subsequently validly vote in favour of the relevant Extraordinary Resolution via a Form of Sub-Proxy (not revoked) prior to the Early Consent Deadline or the Voting Deadline will not be entitled to receive the relevant Consent Fee or the relevant Ineligible Bondholder Payment, respectively, provided that, for avoidance of doubt, if a Bondholder revokes its Form of Sub-Proxy at or prior to the Early Consent Deadline, and subsequently validly votes in favour of the relevant Extraordinary Resolution via a Form of Sub-Proxy (not revoked) after the Early Consent Deadline but at or prior to the Voting Deadline, such Bondholder shall not be entitled to receive the Early Consent Fee or the Early Ineligible Bondholder Payment, as the case may be, but shall be entitled to receive the Late Consent Fee or the Late Ineligible Bondholder Payment, as the case may be. Any Bondholder who votes by attending the relevant Meeting in person but not appointing Information and Tabulation Agent as Proxy to vote will not be entitled to receive any Consent Fee.

14 Additional terms of the Consent Solicitations

(1) All communications, payments or notices to be delivered to or by a Beneficial Owner of the Bonds will be delivered by or sent to or by it at its own risk.

(2) The submission of a Consent Instruction to DTC Direct Participants, Euroclear and Clearstream or the appointment by an Eligible Bondholder of a proxy or sub-proxy in any other manner, or the submission of an Ineligible Bondholder Instruction by an Ineligible Bondholder, will be deemed to constitute an agreement, acknowledgement, undertaking, representation and warranty by the Eligible Bondholder submitting such Consent Instruction or appointing a proxy or sub-proxy on such holder's behalf, or the Ineligible Bondholder submitting such Ineligible Bondholder Instruction, to each of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee that at the time of submission of the Consent Instruction or the Ineligible Bondholder Instruction, as the case may be, at the Early Consent Deadline (if applicable), at the Voting Deadline (if applicable), at the Settlement Date and at the Upfront Redemption Date:

(a) it is an Eligible Bondholder as specified in such Consent Instruction or an Ineligible Bondholder as specified in such Ineligible Bondholder Instruction;

(b) it acknowledges that it has received and reviewed, understands and accepts the terms, conditions, risk factors, offer and distribution restrictions and other considerations set out in the Consent Solicitation Memorandum;

(c) it acknowledges that none of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee and the Information and Tabulation Agent or any of their respective directors, officers, employees, representatives, affiliates or advisers has made any recommendation as to whether (or how) to vote in respect of the relevant Extraordinary Resolution and it represents that it has made its own decision with regard to voting or not voting in respect of the relevant Extraordinary Resolution based on any legal, tax or financial advice that it has deemed necessary to seek;

(d) it acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings and every obligation of the Eligible Bondholder submitting a Consent Instruction in respect of the relevant

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Extraordinary Resolution or the Ineligible Bondholder submitting an Ineligible Bondholder Instruction shall to the extent permitted by applicable law be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the Eligible Bondholder submitting a Consent Instruction in respect of the relevant Extraordinary Resolution or the Ineligible Bondholder submitting an Ineligible Bondholder Instruction and shall not be affected by, and shall survive, the death or incapacity of the Eligible Bondholder submitting a Consent Instruction in respect of the relevant Extraordinary Resolution or the Ineligible Bondholder submitting an Ineligible Bondholder Instruction, as the case may be;

(e) it acknowledges that none of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee, the Information and Tabulation Agent or any of their respective directors, officers, employees, representatives, affiliates or advisers has given it any information with respect to any Consent Solicitation save as expressly set out in the Consent Solicitation Memorandum and any notice in relation thereto nor has any of them made any recommendation to it as to whether it should vote in respect of the relevant Extraordinary Resolution and it has made its own decision with regard to voting in respect of the relevant Extraordinary Resolution based on any legal, tax or financial advice it has deemed necessary to seek;

(f) it acknowledges that no information has been provided to it by the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee, the Information and Tabulation Agent, or any of their respective directors, officers, employees, representatives, affiliates or advisers with regard to the tax consequences to Beneficial Owners of the Bonds arising from the relevant Extraordinary Resolution, or the receipt of the Consent Fee or Ineligible Bondholder Payment and hereby acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee, the Information and Tabulation Agent, or any of their directors, officers, employees, representatives, affiliates or advisers or any other person in respect of such taxes and payments;

(g) it acknowledges that (i) it will be paid any cash amounts owed to it (if any) in dollars and (ii) such cash amounts will be deposited by or on behalf of the Company to the account specified in the relevant Form of Sub-Proxy and that such deposit will be good discharge for the Company;

(h) it acknowledges that any of the Solicitation Agents may submit Consent Instructions or Ineligible Bondholder Instructions for their own account as well as on behalf of other Beneficial Owners of the Bonds;

(i) it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it, in each respect, in connection with any Consent Solicitation or submitting a Consent Instruction in respect of the Proposal or an Ineligible Bondholder Instruction, in any jurisdiction and that it has not taken or omitted to take any action in breach of these representations or which will or may result in the Company, VRF II, the Subsidiary Guarantors or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with any Consent Solicitation or any votes in respect of the Proposal;

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(j) it has full power and authority to submit a Consent Instruction to vote in the relevant Meeting or to submit an Ineligible Bondholder Instruction;

(k) it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Company to be necessary or desirable to effect delivery of the Forms of Sub-Proxy or to evidence his or her powers and authority hereunder;

(l) with respect to the Bonds, it holds the Bonds as the subject of the relevant Form of Sub-Proxy as at the Record Date;

(m) each Form of Sub-Proxy is being submitted in compliance with all applicable law and/or regulations of the jurisdiction in which the Bondholder is located and/or in which it is resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with each such Form of Sub-Proxy;

(n) the terms and conditions of the Consent Solicitation shall be deemed to be incorporated in, and form a part of, the Form of Sub-Proxy which shall be read and construed accordingly and that the information given by or on behalf of such Bondholder in the Form of Sub-Proxy is true and will be true in all respects at the time of the relevant Meeting (and any adjourned Meeting);

(o) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Company, any of its directors or any person nominated by the Company in the proper exercise of his or her powers and/or authority hereunder;

(p) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Company to be desirable, in each case to perfect any of the authorities expressed to be given hereunder;

(q) it acknowledges that the consummation of the Consent Solicitations is subject to the Consent Conditions;

(r) (in the case of an Eligible Bondholder) it is not a person from whom it is unlawful to seek agreement to the Proposal, to whom it is unlawful to send the Consent Solicitation Memorandum or for whom it is otherwise unlawful to participate in the relevant Consent Solicitation;

(s) the Bonds have not been and will not be registered under the Securities Act, or any state securities laws. The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of “U.S. Persons” as defined in Regulation S, other than to “Qualified Institutional Buyers” as defined in Rule 144A, except pursuant to an exemption from such registration requirements;

(t) (in the case of an Eligible Bondholder) it understands that the Consent Solicitation involves a high degree of risk and that the Bonds are complex products;

(u) (in the case of an Eligible Bondholder) it is a sophisticated institutional investor and has such knowledge and experience in financial, business and international investment matters that it is capable of evaluating the merits and risks of the Consent Solicitation, and it is aware that it may be required to bear, and are able to bear, the economic risk of an investment in the Bonds, including the possibility that it may lose all or a substantial portion of any such investment;

(v) (in the case of an Eligible Bondholder) it has (i) consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extend it has deemed necessary; (ii) had a reasonable opportunity to ask questions of and receive

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answers from officers and representatives of the Company, VRF II and the Subsidiary Guarantors, concerning their respective financial condition and results of operations and the Consent Solicitation, and any such questions have been answered to its satisfaction; (iii) has requested from the Company, VRF II and the Subsidiary Guarantors, and reviewed all information that it believes is necessary or appropriate in connection with the Consent Solicitation; (iv) has made its own decisions in relation to the Consent Solicitation based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and not upon any view expressed by or on behalf of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee; and (v) has been and will continue to be solely responsible for making its own independent analysis of and investigations into the status, creditworthiness, prospects, business, operations, assets and condition of the Company, VRF II, the Subsidiary Guarantors, the Vedanta Group and any other person referred to herein and for making its own decisions as to the taking or not taking of any action in connection with, the Consent Solicitation and the Bonds;

(w) it is not a Sanctions Restricted Person or, if it is a Sanctions Restricted Person, it will not be eligible to receive any Consent Fee or Ineligible Bondholder Payment in any circumstances, notwithstanding the delivery (and non-revocation) of a Consent Instruction or an Ineligible Bondholder Instruction (as the case may be) by it in favour of the relevant Extraordinary Resolution on or before the Early Consent Deadline or the Voting Deadline;

(x) all communications, payments or notices to be delivered to or by a Beneficial Owner of the Bonds will be delivered by or sent to or by it at its own risk; and

(y) each Consent Instruction and Ineligible Bondholder Instruction is made on the terms and conditions set out in this Consent Solicitation Memorandum.

If the relevant Beneficial Owner of the Bonds is unable to give any of the representations and warranties described in (a) to (y) above, such Beneficial Owner of the Bonds should contact the Information and Tabulation Agent.

(3) Each Eligible Bondholders submitting a Consent Instruction and each Ineligible Bondholders submitting an Ineligible Bondholder Instruction in accordance with its terms shall be deemed to have agreed to indemnify and hold harmless on an after tax basis, the Company, VRF II, the Subsidiary Guarantors, each of the Solicitation Agents, the Information and Tabulation Agent, the Trustee and any of their respective directors, officers, employees, representatives, affiliates or advisers against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the representations, warranties and/or undertakings given pursuant to, such offer to vote by such Eligible Bondholders or Ineligible Bondholders.

(4) This Consent Solicitation Memorandum, each Consent Solicitation, each Consent Instruction and each Ineligible Bondholder Instruction and any non-contractual obligations arising out of or in connection with any of the aforesaid shall be governed by and construed in accordance with English law. By submitting a Consent Instruction in respect of the relevant Extraordinary Resolution or an Ineligible Bondholder Instruction, such Eligible Bondholder or Ineligible Bondholder irrevocably and unconditionally agrees, for the benefit of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee that the courts of England are to have jurisdiction to settle any disputes which may arise in connection with the Consent Solicitation Memorandum, the Proposal, any Consent Solicitation, each Consent Instruction and each Ineligible Bondholder Instruction and any non-contractual obligations arising out of or in connection with any of the aforesaid or any of the documents referred to above and that,

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accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

(5) None of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee, the Information and Tabulation Agent, or any of their respective directors, officers, employees, representatives, affiliates or advisers makes any recommendation as to whether or not to participate in any Consent Solicitation or otherwise to exercise any rights in respect of the Bonds. Eligible Bondholders and Ineligible Bondholders must make their own decision with regard to submitting Consent Instructions Ineligible Bondholder Instructions, as the case may be in respect of the relevant Extraordinary Resolution.

(6) All questions as to the validity, form and eligibility of any Consent Instruction or Ineligible Bondholder Instruction (including the time of receipt or the compliance of such Consent Instruction or Ineligible Bondholder Instruction with all applicable laws and regulations, including any regulations published by a Sanctions Authority) or revocation or revision thereof or delivery of Consent Instructions or Ineligible Bondholder Instructions will be determined by the Company, in its sole discretion, subject to applicable law, the relevant Meeting Provisions in respect of each Series of Bonds and as provided herein, which determination will be final and binding. Subject to applicable law and the provisions of the relevant Meeting Provisions, the Company's interpretation of the terms and conditions of and validity, form and eligibility of any Consent Solicitation, any vote (including any instructions in the Consent Instruction) and the Ineligible Bondholder Instructions shall be final and binding. No alternative, conditional or (subject to the terms herein) contingent Consent Instructions or Ineligible Bondholder Instructions will be accepted. Subject to applicable law and the provisions of the relevant Meeting Provisions, the Company may: (a) in its absolute discretion reject any Consent Instruction submitted by an Eligible Bondholder or any Ineligible Bondholder Instruction submitted by any Ineligible Bondholder or (b) in its absolute discretion elect to treat as a valid Consent Instruction or as a valid Ineligible Bondholder Instruction, in both cases, not complying in all respects with the terms of any Consent Solicitation or in respect of which the relevant Eligible Bondholder or Ineligible Bondholder does not comply with all the requirements of these terms and such determination will be final and binding.

(7) Unless waived by the Company, any irregularities in connection with any Consent Instruction or Ineligible Bondholder Instruction must be cured within such time as the Company shall in its absolute discretion determine. None of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee, the Information and Tabulation Agent, any of their respective directors, officers, employees, representatives, affiliates or advisers or any other person will be under any duty to give notification of any defects or irregularities in such Consent Instruction or Ineligible Bondholder Instruction, nor will any of such entities or persons incur any liability for failure to give such notification.

(8) If any communication (whether electronic or otherwise) addressed to the Company, VRF II, the Subsidiary Guarantors or the Information and Tabulation Agent is communicated on behalf of a Beneficial Owner of the Bonds by an attorney-in-fact, custodian, trustee, administrator, director or officer of a corporation or any other person acting in a fiduciary or representative capacity (other than a DTC Direct Participant in its capacity as such), that fact must be indicated in the communication, and a power of attorney or other form of authority, in a form satisfactory to the Company, must be delivered to the Information and Tabulation Agent by the end of the Consent Period. Failure to submit such evidence as aforesaid may result in rejection of the relevant vote. None of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Trustee, or the Information and Tabulation Agent shall have any responsibility to check the genuineness of any such power of attorney or other form of authority so delivered and may conclusively rely on, and shall be protected in acting in reliance upon, any such power of attorney or other form of authority.

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(9) None of the Company, VRF II, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent, the Trustee or any of their respective directors, officers, employees, representatives, affiliates or advisers accepts any responsibility whatsoever for failure of delivery of any Consent Instruction, any Ineligible Bondholder Instruction or any other notice or communication or any other action required under these terms. The Company's determination in respect of any Consent Instruction, any Ineligible Bondholder Instruction or any other notice or communication shall be final and binding.

15 Settlement Date

Subject to the terms and conditions set out herein, the other Consent Conditions being satisfied and the Amendment Documents being executed, on the Settlement Date the Company will:

(a) pay to each Eligible Bondholder of the relevant Series of Bonds (other than where such Eligible Bondholder is a Sanctions Restricted Person) the applicable Consent Fee in respect of such Bonds which are the subject of a valid Consent Instruction in favour of the relevant Extraordinary Resolution; and

(b) pay to each Ineligible Bondholder of the relevant Series of Bonds (other than where such Ineligible Bondholder is a Sanctions Restricted Person) the applicable Ineligible Bondholder Payment in respect of such Bonds which are the subject of a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution,

in each case, that has been delivered to the Information and Tabulation Agent on or before the Early Consent Deadline or the Voting Deadline, as applicable, and that has not been withdrawn or revoked in the limited circumstances in which revocation is permitted. The applicable Consent Fee and Ineligible Bondholder Payment shall be paid on the Settlement Date to the relevant DTC Direct Participant for payment to the cash account of each eligible Beneficial Owner (as of the Record Date only) in respect of the relevant Series of Bonds.

Under no circumstances will any interest be payable because of any delay by DTC Direct Participants, Euroclear and Clearstream or any other party in the transmission of funds to Beneficial Owners of the Bonds.

16 Upfront Redemption Date

Subject to the terms and conditions set out herein, the Consent Conditions being satisfied, the Amendment Documents being executed and effective, concurrently on the Upfront Redemption Date the Company will make the Upfront Principal Redemption in respect of each Series of Bonds.

Under no circumstances will any interest be payable because of any delay by DTC Direct Participants, Euroclear and Clearstream or any other party in the transmission of funds to Beneficial Owners of the Bonds.

17 Tax Consequences

Payment of the Consent Fee and the Ineligible Bondholder Payment will be made free of any deduction for any taxes of whatever nature imposed, levied, withheld or assessed by or on behalf of United Kingdom, Mauritius, Cyprus or any political subdivision or authority thereof or therein.

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SOLICITATION AGENTS AND INFORMATION AND TABULATION AGENT

The Company has appointed J.P. Morgan Securities plc and Standard Chartered Bank to act as the Solicitation Agents for the Consent Solicitations and Morrow Sodali Ltd to act as Information and Tabulation Agent.

Each of the Solicitation Agents and their respective affiliates may contact Eligible Bondholders regarding the Consent Solicitations, and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Consent Solicitation Memorandum, any notice in relation thereto and related materials to Eligible Bondholders. The Company, VRF II and the Subsidiary Guarantors have entered into a consent solicitation agency agreement dated 13 December 2023 with the Solicitation Agents (the "**Solicitation Agency Agreement**"), which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Consent Solicitations. Each of the Solicitation Agents and their respective affiliates have provided and continue to provide or may provide certain investment banking services to the Company, VRF II and the Subsidiary Guarantors for which it has received and will receive compensation that is customary for services of such nature. None of the Solicitation Agents, the Information and Tabulation Agent or any of their respective directors, officers, employees, representatives, affiliates or advisers assumes any responsibility for the accuracy or completeness of the information concerning the Consent Solicitations, the Company, VRF II, the Subsidiary Guarantors or any of their affiliates contained in this Consent Solicitation Memorandum or for any failure by any of them to disclose events that may have occurred and may affect the significance or accuracy of such information.

None of the Solicitation Agents, the Information and Tabulation Agent or any of their respective directors, agents, employees or affiliates makes any representation or recommendation whatsoever regarding any Consent Solicitation, or any recommendation as to whether Beneficial Owners of the Bonds should participate in any Consent Solicitation.

All correspondence in connection with the Consent Solicitations should be sent or delivered by each Beneficial Owner of the Bonds or a Beneficial Owner's broker, dealer, commercial bank, trust company or other nominee to the Information and Tabulation Agent at the addresses set forth on the back cover of this Consent Solicitation Memorandum. The Information and Tabulation Agent is the agent of the Company, VRF II and the Subsidiary Guarantors and owes no duty to any holder of Bonds.

Each of the Solicitation Agents is acting exclusively for the Company, VRF II and the Subsidiary Guarantors and nobody else in relation to the Consent Solicitations and will not regard any other person (whether or not a recipient of the Consent Solicitation Memorandum) as a client or be responsible pursuant to the Solicitation Agency Agreement or otherwise for giving advice or other investment services in relation to the Consent Solicitations to any person. Any of the Solicitation Agents and/or their respective affiliates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Bonds and any of the Solicitation Agents and/or their affiliates may, to the extent permitted by applicable law, make or continue to make a market in, or vote in respect of, or act as principal in any transactions in, or relating to, or otherwise act in relation to, the Bonds. At any given time, any of the Solicitation Agents may trade the Bonds for their own account or for the account of customers and, accordingly, may hold a long or short position in the Bonds.

Any of the Solicitation Agents may (i) submit Consent Instructions or Ineligible Bondholder Instructions for their own account and (ii) submit Consent Instructions or Ineligible Bondholder Instructions or otherwise vote in relation to the Consent Solicitations on behalf of other Eligible Bondholders. No such submission or non-submission by the Solicitation Agents should be taken by any Beneficial Owner of the Bonds or any other person as any recommendation or otherwise by the Solicitation Agents as to the merits of participating or not participating in the Consent Solicitations.

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Notwithstanding anything else contained in this Consent Solicitation Memorandum or any other document in connection hereto, the Information and Tabulation Agent may refrain without liability from doing anything that would or might in its opinion be contrary to any law (including any economic or financial sanctions law (and including sanctions enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury), the United Nations Security Council, the European Union, His Majesty's Treasury, or other relevant sanctions authority (collectively "**Sanctions**"))) of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it, the European Union and England and Wales) or any directive or regulation (including any economic or sanctions directive or regulation (and including Sanctions)) of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

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SCHEDULE 1
FORM OF NOTICE OF MEETING IN RESPECT OF THE 2024 BONDS I

THIS NOTICE OF MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

NOTICE OF MEETING

to the holders of

Vedanta Resources Limited (formerly known as Vedanta Resources plc)
(the "Issuer" or the "Company")
(*a private company with limited liability incorporated under the laws of England and Wales*)

U.S.$1,000,000,000 6.125% Bonds due 2024 (the "Bonds")
(of which U.S.$950,900,000 is outstanding)

(Regulation S Bonds – CUSIP: G9328DAP5, ISIN: USG9328DAP53, Common Code: 163545764)
(Rule 144A Bonds – CUSIP: 92241TAM4, ISIN: US92241TAM45, Common Code: 163545721)

NOTICE OF MEETING IS HEREBY GIVEN that, pursuant to the provisions of Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed (as defined below) made between the Issuer and Citicorp International Limited (the "**Trustee**"), a meeting (the "**Meeting**") of the holders of securities convened by the Issuer will be held on 4 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:00 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing the following extraordinary resolution (the "**Extraordinary Resolution**") which will be proposed as a resolution in accordance with the provisions for meetings of holders of Bonds set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed.

NOTICE OF MEETING IS ALSO HEREBY GIVEN that, if the necessary quorum for the Extraordinary Resolution is not obtained, or if the necessary quorum is obtained and the Extraordinary Resolution is passed but the Eligibility Condition (as defined below) is not satisfied, an adjourned Meeting of the holders of the Bonds convened by the Issuer will be held on 18 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:00 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing the Extraordinary Resolution, which will be proposed as a resolution in accordance with the provisions for meetings of holders of Bonds set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed.

The Trustee may prescribe further or alternative regulations regarding the holding of the relevant Meeting, which may include providing access to the relevant Meeting by conference or video call. In such circumstances, those Bondholders who have indicated that they wish to attend the meeting in person will be provided with further details about access to the relevant Meeting. Bondholders who have requested that their votes be cast in accordance with a valid Consent Instruction (as defined in the Consent Solicitation Memorandum) submitted by no later than 5:00 p.m. (EST) on 2 January 2024 (or, if earlier, before the expiration time and/or expiration date set by the relevant DTC Direct Participant, Euroclear and Clearstream) (the "**Voting Deadline**") will not be affected by these alternative regulations and will not be requested to take any further action.

Unless the context otherwise requires, terms used in this Notice of Meeting shall bear the meanings given to them in the Trust Deed or, as applicable, the consent solicitation memorandum dated 13 December 2023 (as supplemented or amended from time to time, the "**Consent Solicitation Memorandum**").

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EXTRAORDINARY RESOLUTION

"THAT THIS MEETING (the "**Meeting**") of the holders of Vedanta Resources Limited (formerly known as Vedanta Resources plc)'s (the "**Issuer**" or the "**Company**") U.S.$1,000,000,000 6.125% Bonds due 2024 (Regulation S Bonds – CUSIP: G9328DAP5, ISIN: USG9328DAP53, Common Code: 163545764) (Rule 144A Bonds – CUSIP: 92241TAM4, ISIN: US92241TAM45, Common Code: 163545721) (the "**Bonds**"), pursuant to the trust deed dated 9 August 2017 as supplemented by the supplemental trust deed dated 30 June 2020 and the second supplemental trust deed dated 2 February 2021, each between the Company and the Trustee in respect of the Bonds (together, the "**Trust Deed**"), by Extraordinary Resolution HEREBY:

(1) (subject to paragraph 8 of this Extraordinary Resolution) assents and consents to:

(a) the amendments as set out in Annex A to this Notice of Meeting;

(b) on the Upfront Redemption Date, the redemption of an aggregate principal amount equal to 6% of the principal amount of Bonds outstanding at a redemption price equal to 100% of the principal amount of the Bonds being redeemed plus accrued and unpaid interest thereto from (and including) the last Interest Payment Date (as defined in the Terms and Conditions) to (but excluding) the Upfront Redemption Date (the "**Upfront Principal Redemption**"). The Upfront Principal Redemption will be paid to all Bondholders on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000; and

(c) the irrevocable and unconditional waiver of any requirement to comply with the Terms and Conditions for the purposes of any transaction relating to the Proposed Demerger, including any transfer of assets or liabilities contemplated in connection therewith.

(2) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs and requests the Issuer to: (a) give effect to the amendments and waivers referred to in paragraph (1) of this Extraordinary Resolution by way of execution of the Amendment Documents (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) enter into and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal in respect of the Bonds;

(3) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs and requests the Trustee to: (a) to execute the Amendment Documents (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) enter into and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient to carry out and give effect to the implementation of the Proposal in respect of the Bonds;

(4) (subject to paragraph 8 of this Extraordinary Resolution) sanctions and assents to every abrogation, amendment, waiver, modification, compromise or arrangement in respect of the rights of the Bondholders against the Issuer or against any of its property whether such rights shall arise under the Trust Deed or otherwise involved in or resulting from the convening of this Meeting, the Proposal in respect of the Bonds, this Extraordinary Resolution, the Amendment Documents or their implementation and/or the amendments to the Trust Deed or their implementation;

(5) (subject to paragraph 8 of this Extraordinary Resolution) acknowledges and agrees that the Amendment Documents will each (a) be executed as soon as reasonably practicable after the Consent Conditions, other than the payment of the Consent Fee and the Ineligible Bondholder Payment, are satisfied (the "**Amendment Date**"); and (ii) become effective from and on the Settlement Date;



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(6) (subject to paragraph 8 of this Extraordinary Resolution) acknowledges that the payment of the relevant Consent Fee and any Ineligible Bondholder Payment shall be conditional on (a) the Meeting being quorate and validly held, the Extraordinary Resolution being passed at such Meeting; and (b) the Amendment Documents being executed;

(7) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs, requests and empowers the Trustee to: (a) concur in the amendments and waivers referred to in paragraph (1) of this Extraordinary Resolution and, in order to give effect to and implement such amendments or waivers, on or after the passing of this Extraordinary Resolution, execute the Amendment Documents (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) concur in and execute and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient, in the sole discretion of the Trustee, to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal;

(8) declares that the effectiveness and implementation of this Extraordinary Resolution shall be conditional on (the "**Consent Conditions**"):

(a) the quorum required for, and the requisite majority of votes cast at, this Meeting being satisfied by Eligible Bondholders, irrespective of any participation at this Meeting by Ineligible Bondholders (the "**Eligibility Condition**") and that if the Extraordinary Resolution is passed at this Meeting but such Eligibility Condition is not satisfied, the chair of this Meeting and the Trustee are hereby authorised, directed, requested and empowered to adjourn this Meeting to 18 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:00 a.m. (Singapore time) for the purpose of reconsidering Resolutions 1 to 9 of this Extraordinary Resolution with the exception of this resolution 8(a) of this Extraordinary Resolution. At any such adjournment of this Meeting, two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding shall form a quorum and shall have the power to pass the Extraordinary Resolution, and the Eligibility Condition set out in this resolution 8(a) will be satisfied if the quorum required for, and the requisite majority of votes cast at, such adjourned Meeting are satisfied by Eligible Bondholders irrespective of any participation at the adjourned Meeting by Ineligible Bondholders;

(b) the relevant Extraordinary Resolution (in the respective forms set out in the relevant notice of meeting dated on or about the date of this Notice) in respect of each of:

(i) the U.S.$1,000,000,000 13.875% Bonds due 2024 (Regulation S Bonds – CUSIP: V9667MAA0, ISIN: USV9667MAA00, Common Code: 227224584) (Rule 144A Bonds – CUSIP: 92243XAD3, ISIN: US92243XAD30, Common Code: 227224495) issued by Vedanta Resources Finance II Plc and guaranteed by Twin Star Holdings Ltd. and Welter Trading Limited (the "**2024 Bonds II**"); and

(ii) the U.S.$1,200,000,000 8.95% Bonds due 2025 (Regulation S Bonds – CUSIP: G9T27HAD6, ISIN: USG9T27HAD62, Common Code: 230809038) (Rule 144A Bonds – CUSIP: 92243XAE1, ISIN: US92243XAE13, Common Code: 230809046) issued by Vedanta Resources Finance II Plc and guaranteed by Twin Star Holdings Ltd. and Welter Trading Limited (the "**2025 Bonds**", together with the 2024 Bonds II, the "**Other Bonds**"),

being duly passed at the relevant meeting or, as the case may be, adjourned meeting of the holders of those Series of Other Bonds, the Eligibility Condition (as defined in the notice of meeting of such Other Bonds) thereof being satisfied and there being no increase to the consent fee, ineligible bondholder payment or upfront principal redemption offered to holders

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of those Series of Other Bonds from the amounts set out the relevant notice of meeting dated on or about the date of this Notice;

(c) the relevant extraordinary resolution in respect of the U.S.$600,000,000 9.25% Bonds due 2026 (Regulation S Bonds – CUSIP: G9T27HAA2, ISIN: USG9T27HAA24, Common Code: 198421677) (Rule 144A Bonds – CUSIP: 92243XAA9, ISIN: US92243XAA90, Common Code: 198421413) issued by Vedanta Resources Finance II Plc and guaranteed by the Company being duly passed at the relevant meeting or, as the case may be, adjourned meeting (the "**2026 Bonds**");

(d) the Company having signed one or more financing agreements, including the Private Credit Facility, and having submitted one or more drawdown request(s) thereunder, whereby the amount(s) to be drawn down thereunder (as notified pursuant to the drawdown request(s)) would be sufficient to pay, among others, the Consent Fee, the Ineligible Bondholder Payment, the Upfront Principal Redemption, any similar amount payable with respect to the Other Bonds and any consent fee payable in connection with the consent solicitation of the 2026 Bonds, as the Company may determine in its sole and absolute discretion (the "**Financing Condition**"); and

(e) the Company having paid the applicable Consent Fee and Ineligible Bondholder Payment to the relevant Bondholders (as of the Record Date only) on the Settlement Date; and

(9) discharges, waives and exonerates the Trustee from all loss or liability in consenting to the Proposal and in respect of any act or omission for which it may have become responsible under the Trust Deed and/or the Bonds in connection with the Proposal, this Extraordinary Resolution or its implementation, or the implementation of the approvals, consents, amendments, modifications, authorisations, directions, empowerments, sanctions and assents referred to in the Proposal and this Extraordinary Resolution.

Unless the context otherwise requires, capitalised terms used in this Extraordinary Resolution shall bear the meanings given to them in the Trust Deed, or as applicable, the consent solicitation memorandum dated 13 December 2023 (as supplemented or amended from time to time, the "**Consent Solicitation Memorandum**")."

The Issuer has convened the Meeting for the purpose of enabling holders of Bonds to consider the Proposal set out in the Consent Solicitation Memorandum and, if they think fit, to pass the Extraordinary Resolution set out above.

Background to the Proposal

The main purpose of the Consent Solicitations is to: (1) extend the debt maturity profile of the Company, together with its subsidiaries (the "**Vedanta Group**"), thereby improving its capital structure and overall financial position, (2) amend certain covenants and seek certain waivers to allow the Vedanta Group to accommodate the existing indebtedness (including, without limitation, private credit facilities) with a higher average cost of debt, (3) amend certain terms of the Bonds in order to improve the credit package of the Bonds to incentivise Bondholders to consent to the proposed amendments highlighted earlier and (4) amend certain covenants and seek certain waivers to account for the Proposed Demerger (as defined below) (see "*— Proposed Demerger of Vedanta Limited*").

Proposed Demerger of Vedanta Limited

On 29 September 2023, Vedanta Limited, an indirect subsidiary of the Company listed on the BSE Limited and the National Stock Exchange of India Limited, announced its plan to demerge its business units into independent companies (the "**Proposed Demerger**"), namely: Vedanta Aluminium Metal Limited, Malco Energy Limited, Talwandi Sabo Power Limited, Vedanta Iron and Steel Limited and Vedanta Base Metals Limited. Pursuant to the announcement of the Proposed Demerger, the composite scheme of arrangement

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between Vedanta Limited, Vedanta Aluminium Metal Limited, Talwandi Sabo Power Limited, Malco Energy Limited, Vedanta Base Metals Limited, Vedanta Iron and Steel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, was approved by the board of directors of Vedanta Limited on 29 September 2023 and filed (seeking no objection letter) with BSE Limited and National Stock Exchange of India Limited on 20 October 2023, respectively. The Proposed Demerger aims to simplify Vedanta Group's corporate structure with sector focussed independent businesses and to provide opportunities to global investors, including sovereign wealth funds, retail investors and strategic investors, with direct investment opportunities in each sector focused company linked to India's remarkable growth story through Vedanta Group's assets.

Amendment Documents

The Proposal will be implemented and effective by the execution of the Amendment Documents.

Documents Available for Inspection

Holders of the Bonds may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) from the date of the Consent Solicitation Memorandum up to and including the date of the Meeting (or any adjourned Meeting) (and, in each case, for 15 minutes prior thereto), inspect copies of the documents set out below at the registered office of the Issuer:

(a) the trust deed dated 9 August 2017 constituting the Bonds;

(b) the supplemental trust deed dated 30 June 2020 relating to the Bonds;

(c) the second supplemental trust deed dated 2 February 2021 relating to the Bonds; and

(d) the form of Sub-Proxy.

The Consent Solicitation Memorandum will also be available on the Consent Website for Eligible Bondholders.

Consent Fee

The Issuer will pay to each Eligible Bondholder (other than where such Eligible Bondholder is a Sanctions Restricted Person) from whom a valid Consent Instruction in favour of the Extraordinary Resolution is received at or prior to 5:00 p.m. (EST) on 27 December 2023 (the "**Early Consent Deadline**") (and not revoked in the limited circumstances in which revocation is permitted) the Early Consent Fee, or after the Early Consent Deadline but at or prior to 5:00 p.m. (EST) on 2 January 2024 (the "**Voting Deadline**") (and not revoked in the limited circumstances in which revocation is permitted) the Late Consent Fee. The applicable Consent Fee will be paid as consideration for the Eligible Bondholder's agreement to the Extraordinary Resolution and is subject to the Meeting being quorate and validly held, the Extraordinary Resolution being passed, the other Consent Conditions having been satisfied and the Amendment Documents being executed. Only Eligible Bondholders who deliver, or arrange to have delivered on their behalf, valid Consent Instructions at or prior to the Early Consent Deadline or the Voting Deadline (and who do not revoke such Consent Instructions, in the limited circumstances in which revocation is permitted) will be eligible to receive the Early Consent Fee or the Late Consent Fee, respectively.

No Consent Fee shall be payable to any Eligible Bondholder to the extent that the Extraordinary Resolution set out above in respect of the Bonds is not duly passed at the Meeting or, as the case may be, adjourned Meeting, the Consent Conditions are not satisfied and/or the Amendment Documents in respect of the Bonds are not executed.

Eligible Bondholders who submit their Consent Instructions in favour of the Extraordinary Resolution after the Early Consent Deadline will not be eligible to receive the Early Consent Fee, but will be eligible to receive the Late Consent Fee. Eligible Bondholders will not be eligible to receive either the Early Consent Fee or the Late Consent Fee if they (i) appoint a proxy other than

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the Information and Tabulation Agent (or its nominee) to attend and vote at the Meeting or are not represented at the Meeting, (ii) attend the Meeting in person, (iii) submit a Consent Instruction against or abstaining from the relevant Extraordinary Resolution or in favour of the Extraordinary Resolution but after the Voting Deadline, or do not vote at all, (iv) revoke their Consent Instructions (in the limited circumstances permitted) before the Meeting, or (v) are a Sanctions Restricted Person. The provisions of this paragraph are without prejudice to the right of a Beneficial Owner of the Bonds under the Terms and Conditions, the Meeting Provisions and the Trust Deed in respect of the Bonds to arrange for the appointment of a proxy to attend and vote at the Meeting entitling them or their nominee to attend and vote at the Meeting in accordance with the provisions of the Terms and Conditions, the Meeting Provisions, the Trust Deed and this Notice of Meeting.

Subject to the other Consent Conditions having been satisfied and the execution of the Amendment Documents, Eligible Bondholders will be notified through the Clearing System of the date on which the applicable Consent Fee will be paid to Eligible Bondholders. The applicable Consent Fee shall be paid to the relevant DTC Direct Participant for payment to the cash account of each relevant Eligible Bondholder (as of the Record Date only) as soon as possible following the Amendment Date and, in any case, no later than the Longstop Date (the "**Settlement Date**").

Each relevant Eligible Bondholder that is a Beneficial Owner of the Bonds must look solely to the DTC Direct Participant or other intermediary through which they hold their Bonds for its share of the aggregate payments made by the Issuer to the relevant DTC Direct Participant, in respect of the applicable Consent Fee. Under no circumstances will any interest be payable because of any delay by the relevant DTC Direct Participant or any other party in the transmission of funds to Beneficial Owners of the Bonds.

General

The attention of Eligible Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in "*Voting and Quorum*" below. Having regard to such requirements, Eligible Bondholders are strongly urged either to submit valid Consent Instructions in accordance with the Consent Solicitation Memorandum, the Terms and Conditions, the Meeting Provisions and the Trust Deed or to attend or to take steps to be duly represented at the Meeting, as referred to below, as soon as possible.

None of the Solicitation Agents, the Information and Tabulation Agent or the Trustee expresses any view as to the merits of the Proposal or the Extraordinary Resolution. None of the Solicitation Agents, the Information and Tabulation Agent or the Trustee has been involved in negotiating the Proposal or the Extraordinary Resolution or makes any representation that all relevant information has been disclosed to the Beneficial Owners of the Bonds in or pursuant to the Consent Solicitation Memorandum and the Notice of Meeting. Furthermore, none of the Solicitation Agents, the Information and Tabulation Agent or the Trustee makes any assessment of the impact of the Proposal presented to Beneficial Owners of the Bonds in the Consent Solicitation Memorandum on the interests of the Beneficial Owners of the Bonds or makes any recommendations on the Consent Solicitation relating to the Bonds or whether agreement to the Proposal should be made. Accordingly, Beneficial Owners of the Bonds who are unsure of the impact of the Proposal and the Extraordinary Resolution should seek their own financial, legal and tax advice.

Beneficial Owners of the Bonds wishing to attend in person have the right to attend in accordance with the provisions set out in the Consent Solicitation Memorandum and the Meeting Provisions.

Only DTC Direct Participants may submit or deliver a Form of Sub-Proxy. Bondholders whose Bonds are held on their behalf by a broker, dealer, commercial bank, custodian, trust company or accountholder must contact and request such broker, dealer, commercial bank, custodian, trust company or accountholder to effect the relevant Form of Sub-Proxy on their behalf sufficiently in advance of 5:00 p.m. (EST) on the Voting Deadline in order to be eligible for Late Consent Fee (or sufficiently in advance of the Early Consent

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Deadline in order to be eligible for the Early Consent Fee) and in order for such Form of Sub-Proxy to be delivered in accordance with any deadlines as described in the Consent Solicitation Memorandum.

If Forms of Sub-Proxy are not received from or on behalf of a Bondholder in accordance with the voting instructions set out herein (and such Bondholder does not otherwise make arrangements to vote at the Meeting or to attend in person by appointing a proxy also in advance of the Voting Deadline), such Bondholder will be deemed to have declined to vote in respect of the Extraordinary Resolution.

If the Consent Conditions are not satisfied by 29 January 2024 (the "Longstop Date"), the Consent Solicitations shall be terminated.

Voting and Quorum

The provisions governing the convening and holding of the Meeting are set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed, a copy of which is available for inspection as referred to above. An Eligible Bondholder who has delivered or procured the delivery of a Consent Instruction (as defined in the Consent Solicitation Memorandum) need take no further action. Eligible Bondholders who have not submitted or have submitted and subsequently revoked (in the limited circumstances in which such revocation is permitted) a Consent Instruction should take note of the provisions set out below detailing how such Eligible Bondholders can attend or take steps to be represented at the Meeting (references to which, for the purpose of such provisions, include, unless the context otherwise requires, any meeting held following any adjournment of the Meeting).

A. DTC

IMPORTANT: The Bonds are currently represented by a registered global certificate registered in the name of Cede & Co. as the registered holder (the "**Registered Holder**"). Only persons shown in the records of DTC or DTC's participants ("**DTC Direct Participants**") and are Eligible Bondholders may deliver Consent Instructions in accordance with the procedures described below.

(1) The procedures under this paragraph assume that in accordance with its usual procedures, DTC will appoint the DTC Direct Participants as at 26 December 2023 (the "**Record Date**") as its proxies under an omnibus proxy (the "**Omnibus Proxy**") in respect of the principal amount of the Bonds shown on its records as being held by them on the Record Date (in each case, their "**Recorded Principal Amount**").

DTC Direct Participants

(2) DTC Direct Participants that are Eligible Bondholders may, in respect of their Recorded Principal Amount, either (i) attend and vote at the Meeting if they are individuals or (ii) appoint an employee of the Information and Tabulation Agent (nominated by the Information and Tabulation Agent) as their sub-proxy to attend and cast their votes at the Meeting (including any adjourned Meeting) in a particular way on their behalf or (iii) appoint any other person (including Beneficial Owners of the Bonds) as sub-proxies (each, together with the sub-proxy referred to in sub-paragraph (ii), a "**Sub-Proxy**"), to attend and vote at the Meeting on their behalf, in the case of (ii) and (iii) by an instrument in writing in the form available from the Information and Tabulation Agent (which form is also contained in the Annex to this Notice of Meeting), and signed by such DTC Direct Participant or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation which should be medallion guaranteed as described in the form of sub-proxy and the Consent Solicitation Memorandum and then submit a pdf version of the Form of Sub-Proxy by email to the Information and Tabulation Agent at the email address set out in the Consent Solicitation Memorandum, not later than the Voting Deadline (or, in order to be eligible for the Early Consent Fee, not later than the Early Consent Deadline, or in order to be eligible for the Late Consent Fee, after the Early Consent Deadline but not later than the Voting Deadline).

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Beneficial Owners

(3) A Beneficial Owner who is an Eligible Bondholder but is not a DTC Direct Participant and who does not wish to attend the Meeting may arrange for the votes relating to the Bonds of which he is a Beneficial Owner to be cast at the Meeting by requesting the DTC Direct Participant through whom he holds his Bonds to issue a form of sub-proxy, as described in paragraph (2) above, to a third person (including the Information and Tabulation Agent) to attend and vote at the Meeting in accordance with the Beneficial Owner's instructions, provided that the Bonds in respect of which the form of sub-proxy is to be given are Bonds in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date. Such person must produce the form of sub- proxy to the Meeting.

(4) A Beneficial Owner who is an Eligible Bondholder and is (a) not a DTC Direct Participant and who wishes to attend and vote at the Meeting in person or (b) the representative of a DTC Direct Participant who is not an individual but who wishes its representative to attend and vote at the Meeting in person must produce to the Meeting a form of sub-proxy issued by the DTC Direct Participant through whom he holds Bonds appointing him as a Sub-Proxy, provided that the Bonds in respect of which the sub-proxy is to be given are Bonds in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date.

(5) Beneficial Owners should contact the DTC Direct Participant through whom they hold their Bonds in sufficient time to enable votes to be cast on their behalf and Sub-Proxies to be appointed.

DTC Direct Participants or Beneficial Owners should direct any questions regarding appointing proxies or the voting procedures to the Information and Tabulation Agent.

Form of sub-proxy

(6) Sub-proxies may be appointed using the form of sub-proxy available via the Consent Website: http://projects.morrowsodali.com/Vedanta or in the form set out in Annex B hereto, subject to eligibility confirmation and registration. Duly completed forms of sub-proxy must be delivered to and received by the Information and Tabulation Agent prior to the Voting Deadline (or, in order to be eligible for the Early Consent Fee, not later than the Early Consent Deadline, or in order to be eligible for the Late Consent Fee, after the Early Consent Deadline but not later than the Voting Deadline) and are irrevocable (unless in the limited circumstances in which revocation is permitted). A pdf version of the Form of Sub-Proxy is to be submitted to the Information and Tabulation Agent by email to the email address set out in this Notice of Meeting.

(7) In respect of the Bonds, only those DTC Direct Participants shown in DTC's records on the Record Date as holding the Recorded Principal Amount will be entitled to vote on the Extraordinary Resolution or appoint Sub-Proxies to do so and shall remain so entitled notwithstanding any transfer of such holders of Bonds after the Record Date, provided that votes submitted by any DTC Direct Participant and any Sub-Proxies appointed by it shall not exceed the holding of such DTC Direct Participant as evidenced by the Omnibus Proxy issued as of such Record Date. **If such votes do exceed the holding of such DTC Direct Participant (alone or when aggregated with any Sub-Proxy previously issued by the DTC Direct Participant and not validly withdrawn), any Sub-Proxy appointed by it which exceeds such holding shall be invalid and any applicable Consent Fee which may otherwise have been payable will not be paid. Transferees of the Bonds after the Record Date will not be entitled to vote on the Extraordinary Resolution. Only an Eligible Bondholder who procures that its DTC Direct Participant appoints the Information and Tabulation Agent (or one of more of its employees nominated by it) as Sub-Proxy will be entitled to the applicable Consent Fee**.

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B. General

(1) The quorum required for, and the requisite majority of votes cast at, the Meeting (including any adjourned Meeting) will need to be satisfied by Eligible Bondholders of such Series, irrespective of any participation at such Meeting by Ineligible Bondholders, for the Proposal in the relevant Extraordinary Resolution to be implemented.

(2) The Meeting of the holders of Bonds shall be entitled to pass the Extraordinary Resolution if two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding are present, and the Extraordinary Resolution shall be passed if a majority of not less than two-thirds of the votes cast at the Meeting are in favour of the Extraordinary Resolution. In the case that two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding are not present within 15 minutes from the time initially fixed for the Meeting, or the necessary quorum is satisfied at the Meeting and the Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, an adjourned Meeting in respect of the Bonds will be convened to be held on 18 January 2024 at 9:00 a.m. (Singapore time) and will be validly constituted if two or more persons holding or representing not less than one-third in principal amount of the Bonds for the time being outstanding are present at the adjourned Meeting and the Extraordinary Resolution shall be passed if a majority of not less than two-thirds of the votes cast at the adjourned Meeting are in favour of the Extraordinary Resolution.

For the purposes of determining whether the requisites of quorum and majority of votes referred to above are complied with, the Information and Tabulation Agent will attend and vote at the relevant Meeting in accordance with the Consent Instructions delivered by the Beneficial Owners of the Bonds in the manner contemplated in the Consent Solicitation Memorandum as well as the Meeting Provisions.

If a quorum is not present within 15 minutes at any adjourned Meeting, such adjourned Meeting shall be dissolved.

(3) If passed, the Extraordinary Resolution shall be deemed effective, provided that (i) the Minutes of the Meeting at which the Extraordinary Resolution was passed has been signed by the Chairman and (ii) the Consent Conditions are satisfied. The Extraordinary Resolution once passed and effective will be binding on the holder of Bonds and all Beneficial Owners of the Bonds whether represented at the Meeting and whether voting.

(4) This Notice of Meeting and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law. By submitting a Consent Instruction or any other instruction through the Clearing System, a Beneficial Owner of the Bonds irrevocably and unconditionally agrees for the benefit of the Issuer, the Solicitation Agents, the Information and Tabulation Agent and the Trustee that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Consent Solicitation or any of the documents referred to above and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

(5) All of the above dates are subject to earlier deadlines that may be specified by DTC Direct Participants, Euroclear and Clearstream or any intermediary. Eligible Bondholders held via Euroclear or Clearstream, who are not direct participants of DTC, must contact their custodian to arrange for their direct participants in the Clearing System through which they hold Bonds to submit the electronic acceptance and to instruct the Clearing System to instruct the relevant Bonds in accordance with the procedures of the Clearing System and the deadlines required by the Clearing System.

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(6) Euroclear or Clearstream may impose additional deadlines in order to properly process such instructions. As part of instructing through Euroclear or Clearstream, you should be aware of and comply with any such deadlines.

(7) Eligible Bondholders whose Bonds are held by DTC should contact the Information and Tabulation Agent.

C. Ineligible Bondholders

(1) Ineligible Bondholders are not entitled to receive any Consent Fee.

(2) However, an Ineligible Bondholder, to the extent permitted by applicable laws and regulations, subject to the terms and conditions specified in the Consent Solicitation Memorandum, the other Consent Conditions being satisfied and the Amendment Documents being executed, is eligible to receive: (i) an amount equivalent to the Early Consent Fee (the "**Early Ineligible Bondholder Payment**"), subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution being received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) by no later than the Early Consent Deadline, unless the applicable Early Consent Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein; or (ii) an amount equivalent to the Late Consent Fee (the "**Late Ineligible Bondholder Payment**" and together with the Early Ineligible Bondholder Payment, the "**Ineligible Bondholder Payments**"), subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution being received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) after the Early Consent Deadline but by no later than the Voting Deadline, unless the applicable Voting Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein.

Subject to the other Consent Conditions having been satisfied and the execution of the Amendment Document, Ineligible Bondholders will be notified through the Clearing System of the date on which the applicable Ineligible Bondholder Payment will be paid to Ineligible Bondholders. The applicable Ineligible Bondholder Payment shall be paid on the Settlement Date to the relevant DTC Direct Participant for payment to the cash account of each relevant Ineligible Bondholder (as of the Record Date only). Each relevant Ineligible Bondholder that is a Beneficial Owner of the Bonds must look solely to the DTC Direct Participant or other intermediary through which they hold their Bonds for its share of the aggregate payments made by the Issuer to the relevant DTC Direct Participant, in respect of the applicable Ineligible Bondholder Payment. Under no circumstances will any interest be payable because of any delay by the relevant DTC Direct Participant or any other party in the transmission of funds to Beneficial Owners of the Bonds.

No Ineligible Bondholder Payment shall be payable to any Ineligible Bondholder to the extent that the Extraordinary Resolution set out above in respect of the Bonds is not duly passed at the Meeting or, as the case may be, adjourned Meeting, the Consent Conditions are not satisfied and/or the Amendment Documents in respect of the Bonds are not executed.

(3) By delivering, or arranging for the delivery on its behalf of, an Ineligible Bondholder Instruction, an Ineligible Bondholder will:

(a) waive its right to attend and vote (or be represented) at the Meeting (or any adjourned Meeting) (as the consequence of the applicable Eligibility Condition is that the relevant Extraordinary Resolution will only be implemented where such Extraordinary Resolution is passed irrespective of any participation at the Meeting (or any adjourned Meeting) by

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Ineligible Bondholders, such that the attendance and voting at the Meeting (or any adjourned Meeting) by an Ineligible Bondholder will be of no consequence for such implementation);

(b) acknowledge and agree that, if passed, the relevant Extraordinary Resolution shall be binding on it, and it shall be bound to give effect to it accordingly;

(c) be deemed to agree, acknowledge and represent to each of the Issuer, the Solicitation Agents, the Information and Tabulation Agent and the Trustee that at the time of submission of the Ineligible Bondholder Instruction at the Early Consent Deadline (if applicable), at the Voting Deadline (if applicable), at the Settlement Date and at the Upfront Redemption Date:

(i) it is an Ineligible Bondholder;

(ii) it acknowledges that it has received and reviewed, understands and accepts the terms, conditions, risk factors, offer and distribution restrictions and other considerations set out in the Consent Solicitation Memorandum;

(iii) it acknowledges that none of the Issuer, the Solicitation Agents, the Information and Tabulation Agent and the Trustee or any of their respective directors, officers, employees, representatives, affiliates or advisers has made any recommendation as to whether (or how) to vote in respect of the relevant Extraordinary Resolution and it represents that it has made its own decision with regard to the Ineligible Bondholder Instruction based on any legal, tax or financial advice that it has deemed necessary to seek;

(iv) it acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings and every of its obligation shall to the extent permitted by applicable law be binding upon its successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, its death or incapacity;

(v) it acknowledges that no information has been provided to it by the Issuer, the Solicitation Agents, the Information and Tabulation Agent and the Trustee, or any of their respective directors, officers, employees, representatives, affiliates or advisers with regard to the tax consequences to it arising from the relevant Extraordinary Resolution, or the receipt of the Ineligible Bondholder Payment and hereby acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Solicitation Agents, the Information and Tabulation Agent and the Trustee, or any of their directors, officers, employees, representatives, affiliates or advisers or any other person in respect of such taxes and payments;

(vi) it acknowledges that (i) it will be paid any cash amounts owed to it (if any) in dollars and (ii) such cash amounts will be deposited by or on behalf of the Company to the account specified in the relevant Ineligible Bondholder Instruction and that such deposit will be good discharge for the Company;

(vii) it acknowledges that any of the Solicitation Agents may submit Consent Instructions or Ineligible Bondholder Instructions for their own account as well as on behalf of other Beneficial Owners of the Bonds;

(viii) it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite

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formalities and paid any issue, transfer or other taxes or requisite payments due from it, in each respect, in connection with the Consent Solicitation or submitting an Ineligible Bondholder Instruction, in any jurisdiction and that it has not taken or omitted to take any action in breach of these representations or which will or may result in the Issuer or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Consent Solicitation;

(ix) it has full power and authority to submit an Ineligible Bondholder Instruction;

(x) it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Company to be necessary or desirable to effect delivery of the Ineligible Bondholder Instruction or to evidence his or her powers and authority hereunder;

(xi) with respect to the Bonds, it holds the Bonds as the subject of the Ineligible Bondholder Instruction as at the Record Date;

(xii) the Ineligible Bondholder Instruction is being submitted in compliance with all applicable law and/or regulations of the jurisdiction in which the Bondholder is located and/or in which it is resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the Ineligible Bondholder Instruction;

(xiii) the terms and conditions of the Consent Solicitation shall be deemed to be incorporated in, and form a part of, the Ineligible Bondholder Instruction which shall be read and construed accordingly and that the information given by or on behalf of such Bondholder in the Ineligible Bondholder Instruction is true and will be true in all respects at the time of the relevant Meeting (and any adjourned Meeting);

(xiv) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Company, any of its directors or any person nominated by the Company in the proper exercise of his or her powers and/or authority hereunder;

(xv) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Company to be desirable, in each case to perfect any of the authorities expressed to be given hereunder;

(xvi) it acknowledges that the consummation of the Consent Solicitation is subject to the Consent Conditions;

(xvii) the Bonds have not been and will not be registered under the Securities Act, or any state securities laws. The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of “U.S. Persons” as defined in Regulation S, other than to “Qualified Institutional Buyers” as defined in Rule 144A, except pursuant to an exemption from such registration requirements;

(xviii) it is not a Sanctions Restricted Person or, if it is a Sanctions Restricted Person, it will not be eligible to receive any Ineligible Bondholder Payment in any circumstances, notwithstanding the delivery (and non-revocation) of an Ineligible Bondholder Instruction by it in favour of the relevant Extraordinary Resolution on or before the Early Consent Deadline or the Voting Deadline; and

(xix) all communications, payments or notices to be delivered to or by it will be delivered by or sent to or by it at its own risk.

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If the relevant Ineligible Bondholder is unable to give any of the representations and warranties described in (i) to (xix) above, such Ineligible Bondholder should contact the Information and Tabulation Agent.

(4) Only DTC Direct Participants may submit Ineligible Bondholder Instructions. Each Beneficial Owner who is an Ineligible Bondholder and is not a DTC Direct Participant must arrange for the DTC Direct Participant through which such Beneficial Owner holds its Bonds to submit an Ineligible Bondholder Instruction on its behalf, as applicable, before the deadlines specified.

Concurrent Consent Solicitation

The Company and VRF II are also concurrently seeking the approval of the holders of the 2026 Bonds by way of an extraordinary resolution at a meeting of the holders of the 2026 Bonds to make certain amendments and waivers relating to the 2026 Bonds (the "**Concurrent Consent Solicitation**"). A separate consent solicitation memorandum and notice of meeting in respect of the Concurrent Consent Solicitation has been prepared by the Company and VRF II for the holders of the 2026 Bonds. The effectiveness and implementation of the Extraordinary Resolution herein is subject to, among others, the relevant extraordinary resolution in respect of the 2026 Bonds being duly passed at the relevant meeting or, as the case may be, adjourned meeting(s).

Financing Condition

The effectiveness and implementation of the Extraordinary Resolution herein is subject to, among others, the Financing Condition.

As of the date of this Notice of Meeting, the Company is in the process of obtaining certain consents and waivers from lenders under its various financing agreements with respect to existing and potential breaches of representations and covenants under such financing agreements, including, without limitation, in relation to the provision of guarantees by the Subsidiary Guarantors (including the subsidiary guarantees proposed to be provided under the 2024 Bonds I), as well as related events of default. The Company has already executed the required formal documentation in respect of some consents and waivers and is in discussions with the remaining lenders to finalise and sign formal documentation in respect of the remaining consents and waivers.

Certain of these waivers and consents are condition precedents to the drawdown under the Private Credit Facility and required for the effectiveness and implementation of the Extraordinary Resolutions. Therefore, if such consents and waivers are not obtained, the Private Credit Facility will not be drawn down and the Financing Condition will not be satisfied and the Consent Solicitations will be terminated. In addition, if the Company fails to obtain such consents and waivers, the relevant lenders could declare the Company to be in default under the terms of its financing agreements and accelerate the maturity and/or enforce security thereunder, which would in turn trigger an event of default under the Bonds. Although the Company has, in the past, successfully obtained covenant waivers from its lenders, there can be no assurance that it will be able to obtain the required consents and waivers with respect to the aforementioned existing or potential breaches.

The Information and Tabulation Agent with respect to the Proposal is:

Morrow Sodali Ltd
Consent Website: http://projects.morrowsodali.com/Vedanta
Email: vedanta@investor.morrowsodali.com

In London:
103 Wigmore Street, W1U 1QS

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London
Telephone: +44 20 4513 6933

In Hong Kong:
29/F, No. 28 Stanley Street
Central
Hong Kong
Telephone: +852 2319 4130

In Stamford:
333 Ludlow Street
South Tower, 5th Floor
Stamford, CT 06902
Telephone: +1 203 658 9457

The Solicitation Agents with respect to the Proposal are as follows:

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

In London: +44 20 7742 5940
In Hong Kong: +852 2800 8220
In the U.S.: +1 212 834 4533
Attention: Asia Syndicate Desk
Email: liability_management_asia@jpmorgan.com

Standard Chartered Bank
One Basinghall Avenue
London EC2V 5DD
United Kingdom

In Hong Kong: +852 3983 8658
In London: +44 20 7885 5739
In Singapore: +65 6557 8286
Attention: Liability Management
Email: liability_management@sc.com

The Trustee with respect to the Bonds is:

Citicorp International Limited
20/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Investor Relations

Vedanta Resources Limited (formerly known as Vedanta Resources plc)

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Attention: Deepak Kumar
Address: 13th Floor, 1 Angel Court, London EC2R 7HJ
Telephone: 020 7499 5900
Email: dk@vedantaresources.com

This Notice of Meeting is given by:
Vedanta Resources Limited (formerly known as Vedanta Resources plc)
13 December 2023



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ANNEX A
PROPOSED AMENDMENTS

PART I
TERMS AND CONDITIONS OF THE NOTES

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TERMS AND CONDITIONS OF THE BONDS

The following, other than the paragraphs in italics, is the text of the terms and conditions of the Bonds which will be endorsed on the individual certificates ("Individual Certificates") issued in respect of the Bonds.

The issue of the U.S.$1,000,000,000 13.875% guaranteed bonds due 2028 (the "Bonds", which expression shall, unless the context requires, include any bonds issued pursuant to Condition 15 and forming a single series with the Bonds issued on the Closing Date) was authorised by a resolution of the board of directors of Vedanta Resources Limited (formerly known as Vedanta Resources plc) (the "Issuer"). The Bonds are guaranteed jointly and severally by Twin Star Holdings Ltd. ("Twin Star"), Welter Trading Limited ("Welter") and the Subsidiary Guarantors (as defined in Condition 1(d)) (the "Subsidiary Guarantors"). The Bonds are constituted by a Trust Deed (as amended or supplemented from time to time, the "Trust Deed") among the Issuer, the Subsidiary Guarantors and Citicorp International Limited (the "Trustee", which expression shall include all persons for the time being acting as trustee or trustees under the Trust Deed) as trustee for the Bondholders. These terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Issuer and the Subsidiary Guarantors will enter into a paying agency agreement (as amended or supplemented from time to time, the "Paying Agency Agreement") among the Issuer, the Subsidiary Guarantors, the Trustee, Citibank, N.A., London Branch, as principal paying agent, as transfer agent and registrar, and the other paying and transfer agents appointed under it. The principal paying agent, transfer agent, registrar, paying agents and transfer agents for the time being are referred to herein as the "Principal Agent", the "Registrar", the "Paying Agents" (which expression shall include the Principal Agent) and the "Transfer Agents" (which expression shall include the Registrar), respectively, each of which expressions shall include the successors from time to time of the relevant persons, in such capacities, under the Paying Agency Agreement, and are collectively referred to herein as the "Agents". Copies of the Trust Deed and the Paying Agency Agreement are available for inspection during usual business hours at the specified office of the Principal Paying Agent. The Bondholders (as defined in Condition 1(b)) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of the provisions of the Paying Agency Agreement applicable to them.

1 Form, Denomination, Title, Guarantees and Status

(a) **Form and denomination**: The Bonds are in registered form in the minimum denomination of U.S.$200,000 each and in integral multiples of U.S.$1,000 in excess thereof, without coupons attached. A bond certificate (each, a "Certificate") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will have an identifying number which will be recorded on the relevant Certificate and in the Register (as defined in Condition 2(a)).

Certificates issued with respect to Rule 144A Bonds will bear the Securities Act Legend (as defined in the Trust Deed), unless determined otherwise in accordance with the provisions of the Paying Agency Agreement by reference to applicable law. Certificates issued with respect to the Regulation S Bonds will not bear the Securities Act Legend. Upon issue, the Rule 144A Bonds will be represented by the Restricted Global Certificate and the Regulation S Bonds will be represented by the Unrestricted Global Certificate. The Restricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company ("DTC") and the Unrestricted Global Certificate will be deposited with a custodian for,

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and registered in the name of Cede & Co. as nominee of, DTC for the accounts of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg"). The Conditions are modified by certain provisions contained in the Global Certificates. See "Summary of Provisions relating to the Bonds while in Global Form."

Except in the limited circumstances described in the Global Certificates and "Summary of Provisions relating to the Bonds while in Global Form," owners of interests in Bonds represented by the Global Certificates will not be entitled to receive Individual Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

(b) **Title**: Title to the Bonds passes only by transfer and registration in the Register (as defined in Condition 2(a)). The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or the theft or loss of, the Certificate (if any) issued in respect of it or anything written on it or on the relevant Certificate) and no person will be liable for so treating the holder. In these Conditions, "Bondholder" and (in relation to a Bond) "holder" mean the person in whose name a Bond is registered in the Register from time to time.

(c) **Status**: The Bonds constitute senior, unsubordinated, direct, unconditional and (subject to Condition 3(a)) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

(d) **Guarantees**: The initial Subsidiary Guarantors on the Amendment Date are Twin Star and Welter. Each initial Subsidiary Guarantor has (subject to these Conditions) unconditionally and irrevocably guaranteed, on a joint and several basis, the due payment of sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The obligations of each Subsidiary Guarantor in that respect (each, a "Guarantee" and collectively, the "Guarantees") are contained in the Trust Deed. The obligations of each Subsidiary Guarantor under its Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

Each initial Subsidiary Guarantor's potential liability under its Guarantee will (i) on the Amendment Date, be capped at an amount equal to 82.08% of the aggregate principal amount of the Bonds then outstanding and (ii) thereafter, be capped at the lower of (x) 100% of the aggregate principal amount of the Bonds then outstanding and (y) the highest percentage of the aggregate principal amount of the Bonds then outstanding which is permissible under the terms of the Issuer's and the Issuer's Subsidiaries outstanding Indebtedness (the percentage of any such Guarantee from time to time, the "Guarantee Percentage"); *provided* that the Issuer shall not permit either initial Subsidiary Guarantor to, and each initial Subsidiary Guarantor agrees that it will not, guarantee any other Indebtedness (other than (a) the Bonds, (b) Borrowings existing on the Amendment Date and (c) any Permitted Refinancing Borrowings of such Borrowings) until such time as the applicable

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Guarantee Percentage is no less than 100% of the aggregate principal amount of the Bonds then outstanding.

The Issuer may, in its sole discretion, from time to time, cause any of its Subsidiaries to execute and deliver to the Trustee a supplemental trust deed to the Trust Deed (a "Supplemental Trust Deed") pursuant to which such Subsidiary will guarantee, on a joint and several basis with the then existing Subsidiary Guarantors, the payment of amounts payable under the Bonds or the Trust Deed, *provided* that on the date of such execution and delivery after giving *pro forma* effect thereto, either (i) such Subsidiary would be permitted to Incur at least U.S.$1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(g) or (ii) the Subsidiary Guarantor Attributable Leverage Ratio would be no greater than the actual Subsidiary Guarantor Attributable Leverage Ratio on such date. Each such Subsidiary that guarantees the Bonds after the Amendment Date, upon execution of the applicable Supplemental Trust Deed, will be a "Subsidiary Guarantor".

Notwithstanding anything contrary contained in these Conditions, the Issuer and the Subsidiary Guarantors shall ensure that Indian Subsidiaries shall not provide any direct or indirect loan, guarantee, security, collateral or other form of financial assistance in connection with the Bonds or for any acquisition of shares of Indian Subsidiaries or its holding company, including by way of disposal or encumbrance over their assets or Incurring Borrowings, and shall at all times comply with their obligations under Section 67(2) of the (Indian) Companies Act, 2013, as amended, and other applicable laws.

2 Transfer of Bonds

(a) **The Register**: The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Paying Agency Agreement a register (the "Register") on which shall be entered, on behalf of the Issuer, the names and addresses of the Bondholders from time to time and the particulars of the Bonds held by them and of all transfers and redemptions of Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding.

(b) **Transfers**: Subject to the terms of the Paying Agency Agreement and to Conditions 2(e) and 2(f), a Bond may be transferred by delivering the Certificate issued in respect of it, with the form of transfer on the back duly completed and signed, to the specified office of the Registrar or any of the Transfer Agents. No transfer of a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

Upon the transfer, exchange or replacement of a Rule 144A Bond, a Transfer Agent will only deliver Certificates with respect to Rule 144A Bonds that bear the Securities Act Legend unless there is delivered to such Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Issuer, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the US Securities Act of 1933, as amended (the "Securities Act").

Interests in Bonds represented by the Restricted Global Certificate may be transferred to a person who wishes to take delivery of any such interest in the form of an interest in Bonds represented by the Unrestricted Global Certificate only if a Transfer Agent receives a written certificate from the

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transferor (in the form provided in the Paying Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S under the Securities Act ("Regulation S") or Rule 144 under the Securities Act ("Rule 144A") (if available).

Prior to the 40th day after the day of issue of the Bonds (the "Restricted Period"), an interest in Bonds represented by the Unrestricted Global Certificate may be exchanged for an interest in Bonds represented by the Restricted Global Certificate only if a Transfer Agent receives a written certificate from the transferee of the interest in Bonds represented by the Unrestricted Global Certificate (in the form provided in the Paying Agency Agreement) to the effect that the transferee is a qualified institutional buyer (as defined in Rule 144A) and is obtaining such interest in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction. After the expiration of the Restricted Period, this certification requirement will no longer apply to such transfers.

Transfers of Bonds are also subject to the restrictions described under "Plan of Distribution" and "Transfer Restrictions" below.

(c) **Delivery of new Certificates**: Each new Certificate to be issued on transfer of a Bond or Bonds will, within five Business Days of receipt by the relevant Transfer Agent of the duly completed and signed form of transfer, be made available for collection at the specified office of the relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds transferred (free of charge to the holder), to the address specified in the form of transfer.

Except in the limited circumstances described in "Summary of Provisions relating to the Bonds while in Global Form — Registration of Title", owners of interests in Bonds represented by the Global Certificates will not be entitled to receive physical delivery of Individual Certificates. Issues of Certificates upon transfers of Bonds are subject to compliance by the transferor and transferee with the certification procedures described above and in the Paying Agency Agreement and, in the case of Rule 144A Bonds, compliance with the Securities Act Legend.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred or redeemed, a new Certificate in respect of the Bonds not so transferred or redeemed, will, within five Business Days of delivery or surrender of the original Certificate to the relevant Transfer Agent or Registrar, be made available for collection at the specified office of the relevant Agent or, if so requested by the holder, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred or redeemed (free of charge to the holder), to the address of such holder appearing on the Register.

In this Condition 2, "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for business in the city in which the specified office of the Registrar and the relevant Transfer Agent to which the Certificate in respect of the Bonds to be transferred or relevant form of transfer is delivered is situated.

(d) **Formalities free of charge**: Registration of transfer of Bonds will be effected without charge by or on behalf of the Issuer or any of the Transfer Agents, but only upon the person making such application for transfer, paying or procuring the payment (or the giving of such indemnity as the

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Issuer or any of the Transfer Agents may require) of any tax, duty or other governmental charges which may be imposed in relation to such transfer.

(e) **Closed periods**: No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on (and including) the due date for any payment of principal of that Bond or seven days ending on (and including) any Interest Record Date (as defined in Condition 6(a)).

(f) **Regulations**: All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Paying Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon written request.

3 Covenants

(a) **Negative Pledge**: So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Subsidiary Guarantor will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon any assets directly held by the Issuer or any Subsidiary Guarantor, present or future, to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (x) are secured equally and rateably therewith in substantially identical terms thereto, in each case to the satisfaction of the Trustee; or (y) have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the Bondholders; *provided* that this clause (a) shall not apply to Security (w) over the Collateral created (or to be created) in respect of (i) the Private Credit Facility, (ii) any Permitted PCF Refinancing Borrowings, (iii) the Amended 2024 Bonds II and/or (iv) the Amended 2025 Bonds, (x) arising by operation of law or (y) created in respect of Indebtedness (which for this purpose shall exclude Relevant Debt) in an aggregate principal amount not exceeding 10% of Total Assets (or the Dollar Equivalent thereof). For the avoidance of doubt, the foregoing restriction shall not apply to Security upon assets held by any Subsidiary (other than any Subsidiary Guarantor) (other than assets that are jointly held with the Issuer or any Subsidiary Guarantor).

As used in these Conditions:

"Excluded Indebtedness" means any Indebtedness to finance or refinance the ownership, acquisition, development and/or operation of projects, assets or installations (the "Relevant Property") in respect of which the person or persons (in this definition the "Lender") to whom any Indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group for the repayment of all or any portion of such indebtedness other than recourse to:

(i) such borrower for amounts limited to the present and future cash flow or net cash flow from the Relevant Property; and/or

(ii) the proceeds of enforcement of any Security given by such borrower over the Relevant Property or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the

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borrower) to secure such Indebtedness, *provided* that (A) the extent of such recourse to such borrower is limited solely to the amount of any recoveries made on any such enforcement, and (B) such Lender is not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness, to commence proceedings for the winding-up or dissolution of such borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of such borrower generally or any of its projects, assets or installations (save for the Relevant Property the subject of such security); and/or

(iii) such borrower generally, or directly or indirectly to a member of the Group, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another person or an indemnity in respect thereof or an obligation to comply or to procure compliance by another person with any financial ratios or other tests of financial condition) by the person against whom such recourse is available; and/or

(iv) any Subsidiary of the Issuer by way of guarantee of such Indebtedness (but not benefiting from any security or quasi-security from that Subsidiary of the Issuer);

"Group" means the Issuer and its Subsidiaries;

"Indebtedness" means any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money;

"Relevant Debt" means any present or future indebtedness (other than Excluded Indebtedness) of the Issuer, any Subsidiary Guarantor or any other person in the form of, or represented by, bonds, notes, debentures, loan stock or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, have an original maturity of more than one year from their date of issue and are denominated, payable or optionally payable in a currency other than Rupees or are denominated in Rupees and more than 50% of the aggregate principal amount of which is initially distributed outside India by or with the authority of the Issuer;

"Subsidiary" means any company or other business entity of which the Issuer owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of the Issuer or which, under English or other applicable law or regulations, or International Financial Reporting Standards, as the case may be, from time to time, should have its accounts consolidated with those of the Issuer; and

"Total Assets" means the aggregate of consolidated total current assets and consolidated total non-current assets of (i) the Issuer as shown in the balance sheet of the latest available audited consolidated financial statements of the Issuer; and (ii) any Subsidiary of the Issuer acquired by the Issuer or any Subsidiary of the Issuer since the date of the latest available audited consolidated financial statements of the Issuer as shown in the balance sheet of the latest available audited consolidated financial statements of such Subsidiary.

(b) **Dividend restriction**: The Issuer shall not, each Subsidiary Guarantor shall not, and the Issuer shall procure that each of the Material Subsidiaries shall not, create or otherwise cause or permit to exist

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or become effective any consensual encumbrance or restriction on the ability of any Subsidiary Guarantor or Material Subsidiary to pay dividends or make any other distribution with respect to its Share Capital or to make or repay loans to the Issuer, any Subsidiary Guarantor or any other Material Subsidiary, other than (v) the subordination of any Indebtedness made to the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries to any other Indebtedness of the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries; *provided* that (i) such other Indebtedness is permitted under these Conditions and (ii) such subordination would not singly or in the aggregate have a materially adverse effect on the ability of the Issuer or any Subsidiary Guarantor to meet its obligations under the Bonds and the Guarantees, (w) such encumbrance or restriction in relation to any Indebtedness of any Subsidiary Guarantor or any Material Subsidiary or other assurance against financial loss where such encumbrance or restriction relates to payment of dividends or other distributions during the continuance of an event of default (howsoever described) which has occurred pursuant to the terms of that Indebtedness; (x) such encumbrance or restriction arising by operation of law; (y) such encumbrance or restriction as is in existence on the date of issue of the Bonds; or (z) in respect of any Person (including any existing Subsidiary of the Issuer) which becomes a Material Subsidiary after the date of issue of the Bonds, any encumbrance or restrictions on such Person as may be in existence on the date such Person becomes a Material Subsidiary provided such restrictions were not imposed in contemplation of such Person becoming a Material Subsidiary; *provided* that this Condition 3(b) shall not restrict any Material Subsidiary from issuing Preferred Stock otherwise in accordance with these terms of the Conditions.

(c) **Limitation on Borrowings**:

(i) The Issuer shall not, and shall procure that each of its Subsidiaries shall not, Incur directly or indirectly any Borrowings, and the Issuer shall procure that each of its Subsidiaries shall not issue any Preferred Stock; *provided* that the Issuer may Incur Borrowings and any Subsidiary of the Issuer may Incur Borrowings or issue Preferred Stock if, after giving pro forma effect to the Incurrence of such Borrowings or issuance of Preferred Stock and the application of the proceeds thereof, the Fixed Charge Coverage Ratio would be not less than:

(w) 1.75 to 1.0 if such Incurrence occurs prior to the date when the Issuer's consolidated financial statements as of, and for the fiscal year ending, 31 March 2025, become available (prepared in accordance with Applicable Accounting Principles and which the Issuer shall use its best efforts to compile in a timely manner and which may be internal management accounts);

(x) 2.00 to 1.0 if such Incurrence occurs thereafter but prior to the date when the Issuer's consolidated financial statements as of, and for the fiscal year ending, 31 March 2026, become available (prepared in accordance with Applicable Accounting Principles and which the Issuer shall use its best efforts to compile in a timely manner and which may be internal management accounts);

(y) 2.25 to 1.0 if such Incurrence occurs thereafter but prior to the date when the Issuer's consolidated financial statements as of, and for the fiscal year ending, 31 March 2027, become available (prepared in accordance with Applicable Accounting Principles and which the Issuer shall use its best efforts to compile in a timely manner and which may be internal management accounts); and



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(z) 2.50 to 1.0 if such Incurrence occurs thereafter.

(ii) Notwithstanding the foregoing, the Issuer and any Subsidiary of the Issuer may Incur, to the extent provided below, each and all of the following ("**Permitted Borrowings**"):

(t) Borrowings represented by the Bonds issued on the Closing Date and the Guarantees;

(u) Borrowings of the Issuer or any Subsidiary of the Issuer outstanding on the Closing Date;

(v) Borrowings Incurred (a) by the Issuer or any Subsidiary of the Issuer which is issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "**refinance**", "**refinancing**", "**refinances**" and "**refinanced**" shall have a correlative meaning) ("**Permitted Refinancing Borrowings**") then outstanding Borrowings (or Borrowings that are no longer outstanding, but that were refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Borrowings) Incurred under clause (c)(i) or sub-clauses (c)(ii)(t), (c)(ii)(u), (c)(ii)(v) or (c)(ii)(x) and any refinancing thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses), *provided that*, such Borrowings to be refinanced are fully and irrevocably repaid no later than 90 days after the Incurrence of such Permitted Refinancing Borrowings; (b) by the Issuer or any Subsidiary of the Issuer used to pay any accrued interest on then outstanding Borrowings; and (c) by Hindustan Zinc Limited (or any of its successors or assigns) ("HZL") in an aggregate principal amount at any one time outstanding (together with refinancings thereof) not exceeding the product of (I) the amount of any Borrowings of Vedanta Limited (or any of its successors or assigns) which have been refinanced (together with any accrued interest and premium, if any, paid thereon) from dividends received directly or indirectly from HZL no earlier than 90 days before and no later than 90 days after the Incurrence of such Borrowings by HZL and (II) the quotient of (A) 100% *divided by* (B) the percentage ownership of Capital Stock in HZL held directly by Vedanta Limited (or any of its successors or assigns) or any of its wholly owned Subsidiaries at the time such dividends were paid by HZL (or the Dollar Equivalent thereof);

(w) Borrowings incurred by the Issuer or any Subsidiary of the Issuer with a maturity of one (1) year or less used by the Issuer or any Subsidiary of the Issuer for working capital purposes (or any guarantee or indemnity given by the Issuer or any Subsidiary of the Issuer in relation thereto) (together with refinancings thereof);

(x) Borrowings Incurred by the Issuer or any Subsidiary of the Issuer represented by Capitalized Lease Obligations or purchase money obligations in the ordinary course of business to finance all or any part of the Incurred or to be Incurred purchase price or cost of construction, installation or improvement of property (real or personal) (including the lease purchase price of land use rights), plant or equipment (including through the acquisition of Capital Stock of any Person that



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owns property, plant or equipment which has or will, upon such acquisition, become a Subsidiary of the Issuer) to be used in the Permitted Business; *provided that* on the date of Incurrence of such Borrowings and after giving effect thereto, the aggregate principal amount of such Borrowings at any time outstanding (together with refinancings thereof) shall not exceed an amount equal to 5.0% of Total Assets (or the Dollar Equivalent thereof); and

(y) guarantees by the Issuer or any Subsidiary of the Issuer of Borrowings of the Issuer or any Subsidiary of the Issuer that was permitted to be Incurred by another provision of this covenant.

For purposes of determining compliance with this Condition (3)(c), if an item of Borrowings meets the criteria of more than one of the types of Permitted Borrowings or is permitted to be Incurred pursuant to paragraph (c)(i) of this covenant, the Issuer may, in its sole discretion, classify such item of Borrowings and only be required to include the amount of such Borrowings as one of such types.

Notwithstanding any other provision of this covenant, the maximum amount of Borrowings that the Issuer or any Subsidiary of the Issuer may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Borrowings, the Dollar Equivalent principal amount of Borrowings denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Borrowings was incurred (or first committed, in the case of revolving credit debt); *provided*, that if such Borrowings is incurred to refinance other Borrowings denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Borrowings does not exceed the principal amount of such Borrowings being refinanced. The principal amount of any Borrowings Incurred to refinance other Borrowings, if Incurred in a different currency from the Borrowings being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Borrowings is denominated that is in effect on the date of such refinancing.

(d) **Material Subsidiaries**: So long as any of the Bonds are outstanding (as defined in the Trust Deed), the Issuer or any of its Subsidiaries shall retain Control over, or, directly or indirectly, own more than 50% of the issued equity share capital of, each of the Material Subsidiaries.

The Issuer shall and shall procure that the Subsidiaries make relevant filings and disclosures, as may be applicable, under applicable laws, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Indian Takeover Code) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Indian Listing Regulations).

(e) **Accounts**: The Issuer agrees that:

(i) as soon as reasonably practicable after the issue or publication thereof and in any event within 180 days after the end of each financial year (beginning with 31 March 2017) it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of

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its annual report and audited Accounts (in the English language) as of the end of and for such financial year, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such annual report and audited Accounts and any other publicly available information regarding the Issuer and its Subsidiaries;

(ii) as soon as reasonably practicable after the issue or publication thereof (and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange), it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its unaudited interim Accounts (in the English language) as of the end of and for each six-month period ending on 30 September (beginning with 30 September 2017), *provided* that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with that used for the preceding relevant semi-annual or annual fiscal period, that fact shall be stated, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such unaudited interim Accounts and any other publicly available information regarding the Issuer and its Subsidiaries;

(iii) if the Common Stock of Vedanta Limited or any Material Demerged Entity is not listed on an internationally recognized stock exchange, as soon as reasonably practicable after the issue or publication thereof:

a. and in any event within 180 days after the end of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the annual report and audited accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of the end of and for such financial year, along with key production data for such financial year;

b. and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the unaudited interim accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of the end of and for each six-month period ending on 30 September, along with key production data for such six-month period;

c. and in any event within 90 days after the end of each quarterly period ending 30 June and 31 December of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the unaudited interim accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of and for each quarterly period ending on 30 June and 31 December, along with key production data for each such quarterly period;

(iv) with each set of Accounts delivered by it under Conditions 3(e)(i) and 3(e)(ii), it will deliver to the Trustee and the specified office of each of the Paying Agents (i) the Compliance Certificate and (ii) to the extent that the Guarantee Percentage of any Subsidiary Guarantor has increased since the prior delivery of any such Accounts, the latest Guarantee Percentage of such Subsidiary Guarantor.

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(f) **Covenant suspension**: If, on any date following the date of the Trust Deed, the Bonds have an Investment Grade rating (i) if the Bonds are rated by no more than two (2) Rating Agencies, from any Rating Agency or (ii) if the Bonds are rated by more than two (2) Rating Agencies, from two (2) Rating Agencies, and no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Bonds cease to have an Investment Grade rating from such Rating Agency(ies), the provisions of the Trust Deed summarised under the following captions will not apply to the Bonds:

(a) Condition 3(c) "Limitation on Borrowings";

(b) Condition 3(g) "Additional limitations relating to Subsidiary Guarantors";

(c) Condition 3(h) "Limitation on Restricted Affiliate Payments";

(d) Condition 3(i) "Qualified Amended 2026 Bond Refinancing Borrowing";

(e) Condition 3(j) "VRL Offshore Entities Mandatory Prepayment"; and

(f) Condition 3(k) "Anti-layering".

Such covenants will be reinstituted and apply according to their terms as at and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event.

(g) **Additional limitations relating to Subsidiary Guarantors**

In addition to the limitations in Condition 3(c), the Subsidiary Guarantors shall not, directly or indirectly, Incur any Borrowings (other than (i) Permitted Refinancing Borrowings that refinances outstanding Borrowings of such Subsidiary Guarantor and (ii) Borrowings Incurred by such Subsidiary Guarantor where the obligee is the Issuer or another Subsidiary Guarantor); *provided* that the Subsidiary Guarantors may Incur Borrowings (other than Borrowings to refinance any Short-Term Acquisition Financing or refinancing thereof) if, (x) such Incurrence (other than the Incurrence of (a) Borrowings existing on the Amendment Date and (b) any Permitted Borrowings) does not take place within ten (10) Indian Business Days of any Demerger and (y) after giving *pro forma* effect to such Incurrence and the application of the proceeds thereof:

(i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed:

(A) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Issuer's consolidated financial statements become available as of, and for the semi-annual period ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Issuer shall use its best efforts to compile in a timely manner and which may be internal management accounts); or

(B) 5.5 to 1.0 if such Incurrence occurs thereafter;

(ii) the aggregate amount of Borrowings of the Subsidiary Guarantors as of the applicable date of determination would not exceed the amount equal to the product of:

(x) U.S.$3.1 billion, *multiplied by*:

(y) either:

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(1) prior to the First Demerger Date, the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; or

(2) on or after the First Demerger Date, the aggregate of:

(u) the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular First Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such First Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other First Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable First Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(v) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Second Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Second Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Second Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Second Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(w) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Third Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Third Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Third Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Third Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(x) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Fourth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fourth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

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(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Fourth Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Fourth Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case *divided by* (b) 38.14%; *plus*

(y) if applicable, the aggregate of the product of (i) the applicable Weighted Percentage of the Fifth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fifth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(z) the product of (i) the difference between (X) 100% and (Y) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) (expressed as a percentage) *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date, *divided by* (b) 38.14%; and

(ii) the aggregate amount of Borrowings of the Subsidiary Guarantors as of the applicable date of determination (excluding Borrowings owed by Twin Star to Cairn India Holdings Limited outstanding on the Closing Date) would not exceed the amount equal to the product of:

(x) U.S.$2.65 billion, *multiplied by*:

(y) either:

(1) prior to the First Demerger Date, the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; or

(2) on or after the First Demerger Date, the aggregate of:

(u) the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular First Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such First Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other First Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable First Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(v) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Second Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Second Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Second Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Second Demerged

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Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(w) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Third Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Third Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Third Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Third Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(x) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Fourth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fourth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Fourth Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Fourth Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(y) if applicable, the aggregate of the product of (i) the applicable Weighted Percentage of the Fifth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fifth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(z) the product of (i) the difference between (X) 100% and (Y) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) (expressed as a percentage) *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date, *divided by* (b) 38.14%.

In addition to the limitations in Condition 3(c), any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Issuer shall procure that any such Subsidiary shall not, directly or indirectly, Incur any Borrowings; provided, however, that any such Subsidiary may Incur Borrowings if the Subsidiary Guarantor Attributable Leverage Ratio, as of the last date of the most recent four quarter period for which consolidated financial statements of the Issuer prepared in accordance with Applicable Accounting Principles (which the Issuer shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available, after giving pro forma effect to such Incurrence and the Incurrence of all other Borrowings Incurred by such Subsidiary after such four quarter period and the application of the proceeds thereof would not exceed (i) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Issuer's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable

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Accounting Principles which the Issuer shall use its best efforts to compile in a timely manner and which may be internal management accounts) or (ii) 5.5 to 1.0 if such Incurrence occurs thereafter. Notwithstanding the foregoing, any such Subsidiary may Incur Permitted Borrowings and Short-Term Acquisition Financing.

The Subsidiary Guarantors and any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Issuer shall procure that such Persons shall not, directly or indirectly, issue, sell, transfer or otherwise dispose of, or purchase or otherwise acquire any Capital Stock; provided, however, that any such Person may issue, sell, transfer or dispose of, or purchase or otherwise acquire, any Capital Stock if, after giving pro forma effect to such transaction and the application of the proceeds thereof, (i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed (A) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Issuer's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Issuer shall use its best efforts to compile in a timely manner and which may be internal management accounts) or (B) 5.5 to 1.0 if such Incurrence occurs thereafter or (ii) (A) in the case of any such transaction in respect of Capital Stock of a Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary Guarantor owned, directly or indirectly, by the Issuer would be the same as such percentage ownership immediately prior to such transaction or (B) in the case of any such transaction in respect of Capital Stock of a Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary owned, directly or indirectly, by such Subsidiary Guarantor would be the same as such percentage ownership immediately prior to such transaction; *provided, further*, that Twin Star and Welter (being the initial Subsidiary Guarantors on the Amendment Date) shall not sell, transfer or otherwise dispose of any Capital Stock held by them on the Closing Date (other than in connection with the enforcement of Security upon Capital Stock of any borrower of Short-Term Acquisition Financing that secures such Short-Term Acquisition Financing).

So long as any Bond remains outstanding (as defined in the Trust Deed), no Subsidiary Guarantor will create or permit to subsist any Security upon any Capital Stock directly held by such Subsidiary Guarantor, present or future; *provided* that this paragraph shall not apply to (i) Security arising by operation of law and (ii) Security upon Capital Stock of any borrower of Short-Term Acquisition Financing to secure such Short-Term Acquisition Financing.

For the avoidance of doubt, nothing in this Condition 3(g) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.

As used in these Conditions:

"Applicable VWAP" means, as of a particular date of determination, the ten (10) Indian Business Day volume weighted average price of the applicable Capital Stock of the applicable Demerged Entity determined as of such date.

"Demerged Entity" means Vedanta Limited or any other person to whom any assets of Vedanta Limited are directly or indirectly transferred as part of a demerger or equivalent corporate reorganisation of Vedanta Limited or of any other Demerged Entity (pursuant to a Demerger or otherwise) and, in each case, shares in whom are issued to shareholders of Vedanta Limited or, as

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applicable, such other Demerged Entity, as consideration for such transfer, and shall include each Resulting Company which has undergone a Demerger.

"Demerger" means each transfer of a business undertaking of Vedanta Limited into a Demerged Entity (other than Vedanta Limited) and the listing of equity shares of such Demerged Entity on either the BSE Limited, the National Stock Exchange of India Limited and/or any other internationally recognized stock exchange, pursuant to the implementation of the Scheme.

"EBITDA" for any Person means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

for such Person, in each case as it is presented on the standalone financial statements of such Person prepared in accordance with Applicable Accounting Principles for such period.

"Fifth Demerged Entity" means such Demerged Entity, if any, which has undergone a Demerger on the Fifth Demerger Date.

"Fifth Demerger Date" means the last date on which the Demerger, as envisaged in the Scheme, is made effective in respect of the Fifth Demerged Entity, if any.

"First Demerged Entity" means such Demerged Entity/Entities which has undergone a Demerger on the First Demerger Date, and if more than one, collectively the "First Demerged Entities".

"First Demerger Date" means the first of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more First Demerged Entities.

"Fourth Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Fourth Demerger Date, and if more than one, collectively the "Fourth Demerged Entities".

"Fourth Demerger Date" means the fourth of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Fourth Demerged Entities, if any.

"Second Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Second Demerger Date, and if more than one, collectively the "Second Demerged Entities".

"Second Demerger Date" means the second of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Second Demerged Entities, if any.

"Third Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Third Demerger Date, and if more than one, collectively the "Third Demerged Entities".

"Third Demerger Date" means the third of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Third Demerged Entities, if any.

"Scheme" means the Composite Scheme of Arrangement between Vedanta Limited and Vedanta Aluminium Metal Limited and Talwandi Sabo Power Limited and Malco Energy Limited and Vedanta Base Metals Limited and Vedanta Iron and Steel Limited and their respective shareholders and creditors

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under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, approved by the board of directors of Vedanta Limited on 29 September 2023, uploaded on BSE Limited on 20 October 2023 and on National Stock Exchange of India Limited on 20 October 2023.

"Short-Term Acquisition Financing" means Borrowings Incurred by any Subsidiary (other than any Subsidiary Guarantor) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the net cash proceeds of which are used by such Subsidiary to acquire Capital Stock of any Subsidiary that is listed in India and to pay costs, fees and expenses in connection therewith, *provided* that such Borrowings have a final stated maturity not exceeding four months from the date of such Incurrence.

"Subsidiary Guarantor Attributable Borrowings" means, as of any Transaction Date, the amount equal to the aggregate amount of (i) the Borrowings of each Subsidiary Guarantor (calculated on a standalone basis) outstanding as of such Transaction Date and (ii) the product of (x) the Borrowings of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor outstanding as of such Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date; *provided*, however, that (i) any Borrowing Incurred by a Subsidiary that is not a Subsidiary Guarantor and owed to another Subsidiary that is not a Subsidiary Guarantor or owed to a Subsidiary Guarantor and (ii) any Borrowing Incurred by a Subsidiary Guarantor and owed to another Subsidiary Guarantor, shall be excluded from the foregoing calculation; *provided* further that if on any date (a) any Subsidiary to which such Borrowing is owed ceases to be a Subsidiary or (b) such Borrowing is transferred to any Person (other than to another Subsidiary that is not a Subsidiary Guarantor or to a Subsidiary Guarantor), then such Borrowing shall be included in the foregoing calculation and shall be deemed to have been Incurred on such date.

"Subsidiary Guarantor Attributable EBITDA" means, for any period, the amount equal to the aggregate of (i) the EBITDA for each Subsidiary Guarantor (calculated on a standalone basis) and (ii) the product of (x) the EBITDA of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor as of the Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date.

"Subsidiary Guarantor Attributable Leverage Ratio" means, on any Transaction Date, the ratio of:

(i) Subsidiary Guarantor Attributable Borrowings as of such Transaction Date; to

(ii) the aggregate amount of Subsidiary Guarantor Attributable EBITDA for the most recent four quarterly periods prior to such Transaction Date for which consolidated financial statements of the Issuer prepared in accordance with Applicable Accounting Principles (which the Issuer shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available.

"Weighted Percentage" means:

(i) in relation to any First Demerged Entity, as of the date which is ten (10) Indian Business Days after the First Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such First Demerged Entity as of such date, *divided by*:

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(2) the sum of:

(x) the Applicable VWAP of such First Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other First Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) 100%;

(ii) in relation to any Second Demerged Entity, as of the date which is ten (10) Indian Business Days after the Second Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Second Demerged Entity as of such date, *divided by*:

(2) the sum of:

(x) the Applicable VWAP of such Second Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Second Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date;

(iii) in relation to any Third Demerged Entity, as of the date which is ten (10) Indian Business Days after the Third Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Third Demerged Entity as of such date, *divided by*:

(2) the sum of:

(x) the Applicable VWAP of such Third Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Third Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

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(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date;

(iv) in relation to any Fourth Demerged Entity, as of the date which is ten (10) Indian Business Days after the Fourth Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Fourth Demerged Entity as of such date, *divided by*:

(2) the sum of:

(x) the Applicable VWAP of such Fourth Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Fourth Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date; and

(v) in relation to any Fifth Demerged Entity, as of the date which is ten (10) Indian Business Days after the Fifth Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Fifth Demerged Entity as of such date, *divided by*:

(2) the sum of:

(x) the Applicable VWAP of such Fifth Demerged Entity as of such date; and

(y) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date.

(h) **Limitation on Restricted Affiliate Payments**: In the event that (i) the Bonds are rated by no more than two (2) Rating Agencies, then for so long as the rating of the Bonds remains below 'B-' by any Rating Agency, (ii) the Bonds are rated by more than two (2) Rating Agencies, then for so long as the rating of the Bonds remains below 'B-' by at least two (2) Rating Agencies or (iii) there is no rating of the Bonds, then, in each such case, the Issuer will not, and will not permit any of its Subsidiaries to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Affiliate Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Issuer's or any of its Subsidiaries' (other than any Listed Indian Subsidiary) Capital Stock (other than dividends or distributions payable solely in shares of the Issuer's Capital Stock or by a

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Subsidiary in its Capital Stock or in options, warrants or other rights to acquire shares of any such Capital Stock) held by any shareholder of the Issuer or by any of the Issuer's Affiliates (other than any of the Issuer's Subsidiaries);

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (or options, warrants or other rights to acquire such shares of Capital Stock) of the Issuer or any of its Subsidiaries held by any shareholders of the Issuer or any of the Issuer's Affiliates (other than any of the Issuer's Subsidiaries);

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Borrowings that is subordinated or junior in right of payment to the Bonds or any Subsidiary Guarantee ("Subordinated Borrowings") (excluding any intercompany Borrowings between or among the Issuer and any of its Subsidiaries or between or among any such Subsidiaries) where the obligee thereunder is a shareholder of the Issuer or an Affiliate or the Issuer (other than any of the Issuer's Subsidiaries); or

(4) make, on or after the Amendment Date, any Investment in any shareholders of the Issuer or any of the Issuer's Affiliates (other than any of the Issuer's Subsidiaries);

provided that, in the event that (i) the Bonds are rated by one (1) or two (2) Rating Agency(ies), then for so long as the rating of the Bonds is 'B-' or above by any such Rating Agency(ies) or (ii) the Bonds are rated by more than two (2) Rating Agencies, then for so long as the rating of the Bonds is 'B-' or above by at least two (2) Rating Agencies, then, in each such case, the Issuer and its Subsidiaries may make Restricted Affiliate Payments in an amount not to exceed U.S.$15 million (or the Dollar Equivalent there) per calendar year.

The foregoing provision shall not be violated by reason of:

(1) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Borrowings of the Issuer or any Subsidiary Guarantor with the net cash proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Borrowings;

(2) any Restricted Affiliate Payment made in exchange for, or out of the net cash proceeds of a substantially concurrent capital contribution to or sale (other than to a Subsidiary of the Issuer) of, shares of Capital Stock of the Issuer (or options, warrants or other rights to acquire such Capital Stock);

(3) (x) the payment of any dividends or distributions declared, paid or made by a Subsidiary or (y) the redemption, repurchase, defeasance or other acquisition by a Subsidiary of any shares of its Capital Stock, in each case payable, on a *pro rata* basis or on a basis more favorable to the Issuer, to all holders of any class of Capital Stock of such Subsidiary, a majority of which is held, directly or indirectly through Subsidiaries, by the Issuer;

(4) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights to acquire Capital Stock to the extent such Capital Stock represents a portion of the exercise price thereof; and

(5) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible or exchangeable for Capital Stock of the

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Issuer; *provided* that any such cash payment shall not be for the purpose of evading the limitations of this covenant.

The Issuer shall and shall procure that the Subsidiaries make relevant filings and disclosures, as may be applicable, under the applicable laws including the Indian Takeover Code and the Indian Listing Regulations.

(i) **Qualified Amended 2026 Bond Refinancing Borrowing**: The Issuer shall ensure that, other than in connection with a change of control which triggers a redemption event or an event of default under the Amended 2026 Bonds, any payment of principal and premium (if any) on, and any purchase, redemption, defeasance or other acquisition or retirement for value of, any of the Amended 2026 Bonds, are only made with proceeds from Qualified Amended 2026 Bond Refinancing Borrowings.

The Issuer shall not, and shall procure its Subsidiaries not to, commence, conduct or consummate any offers to purchase (other than in connection with a change of control that triggers a redemption event under the Amended 2026 Bonds) or exchange the Amended 2026 Bonds, in whole or in part, other than in connection with a Qualified Amended 2026 Bond Refinancing Borrowing.

(j) **VRL Offshore Entities Mandatory Prepayment**: The Issuer shall ensure that:

(x) the Issuer and any of the Issuer's Subsidiaries which are incorporated outside of India (other than (a) Konkola Copper Mines plc and (b) any Subsidiaries of Vedanta Limited) (the Issuer, together with such Subsidiaries, the "VRL Offshore Entities"), shall not incur any Borrowings (other than (a) Borrowings existing on the Amendment Date and (b) any Permitted Refinancing Borrowings of such Borrowings) which are secured over any assets (other than Capital Stock of Konkola Copper Mines plc) of the VRL Offshore Entities; and

(y) within 30 days of the receipt by any member of the VRL Group of Extraordinary Distribution Proceeds by Demerged Entities, such proceeds shall be used solely towards the repayment of the following Borrowings and in following order of priority:

(1) *first*, towards the payment of any amounts owing in respect of (i) the Private Credit Facility and (ii) any Permitted PCF Refinancing Borrowings on a *pro rata* basis until such time as the principal amount outstanding thereunder has been reduced, in the aggregate, by U.S.$750 million (or the Dollar Equivalent thereof) from the original principal amount of the Private Credit Facility; and

(2) *second*, (x) for so long as the Private Credit Facility or any Permitted PCF Refinancing Borrowings has not been repaid in full, 50% of such remaining proceeds towards the payment of any amounts owing thereunder on a *pro rata* basis and (y) the remainder of such remaining proceeds towards payment of the following and in the following priority:

- *first*, the Amended 2024 Bonds II on a *pro rata* basis at a redemption price equal to 100% of the aggregate principal amount of the Amended 2024 Bonds II redeemed, plus accrued and unpaid interest, if any, on the Amended 2024 Bonds II redeemed, to (but not including) the applicable redemption date;

- *second*, the Amended 2025 Bonds at a redemption price equal to 100% of the aggregate principal amount of the Amended 2025 Bonds redeemed, plus accrued and unpaid

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interest, if any, on the Amended 2025 Bonds redeemed, to (but not including) the applicable redemption date and on the following basis:

- first, to the extent any amount of the amortization payment on the Amended 2025 Bonds due on 9 August 2027 (the "First Amended 2025 Bonds Amortization Amount") remains outstanding, to reduce the First Amended 2025 Bonds Amortization Amount on a *pro rata* basis;
- thereafter, to the extent any amount of the amortization payment on the Amended 2025 Bonds due on 9 August 2028 (the "Second Amended 2025 Bonds Amortization Amount") remains outstanding, to reduce the Second Amended 2025 Bonds Amortization Amount on a *pro rata* basis; and
- thereafter, to the extent any amount of the amortization payment on the Amended 2025 Bonds due on 9 December 2028 (the "Third Amended 2025 Bonds Amortization Amount") remains outstanding, to reduce the Third Amended 2025 Bonds Amortization Amount on a *pro rata* basis; and

- *third*, the Bonds at a redemption price equal to 100% of the aggregate principal amount of the Bonds redeemed, plus accrued and unpaid interest, if any, on the Bonds redeemed, to (but not including) the applicable redemption date and on the following basis:
  - first, to the extent any amount of the amortization payment on the Bonds due on 9 August 2027 (the "First Amortization Amount") under Condition 5(a) remains outstanding, to reduce the First Amortization Amount on a *pro rata* basis;
  - thereafter, to the extent any amount of the amortization payment on the Bonds due on 9 August 2028 (the "Second Amortization Amount") under Condition 5(a) remains outstanding, to reduce the Second Amortization Amount on a *pro rata* basis; and
  - thereafter, to the extent any amount of the amortization payment on the Bonds due on 9 December 2028 (the "Third Amortization Amount") under Condition 5(a) remains outstanding, to reduce the Third Amortization Amount on a *pro rata* basis.

As used in these Condition 3(j):

"Distribution" means any dividend or other distribution received by a member of the VRL Group in respect of its shareholding in a Demerged Entity.

"Extraordinary Distribution" means any Distribution derived from distributable profits (which are not Operating Profits) of a member of the VEDL Group; *provided* that, for purposes of the application of any Extraordinary Distribution Proceeds in accordance with Condition 3(j)(y), when determining the composition of Distributions (including what constitutes Extraordinary Distributions) made by a member of the VEDL Group at any time:

(i) any such Distribution shall be deemed to have been derived:

(A) in respect of a Distribution made in respect of the financial year ending 31 March 2024, from:

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(a) non-Operating Profits generated since 31 March 2023; and

(b) Operating Profits (including distributions from reserves as at 31 March 2023 which were then undistributed (net of any distribution made in respect of the financial year ending 31 March 2023)),

pro rata between amounts in paragraphs (a) and (b) above (or such other proportion resulting in a greater proportion of such Distributions being treated as having been derived from amounts in paragraph (a) above, as the Issuer may elect on or prior to such Distribution being paid); and

(B) in respect of a Distribution made in respect of each financial year ending after 31 March 2024 (each, a "Relevant Financial Year"):

(a) first, from any non-Operating Profits attributable to a prior financial year but not previously treated as distributed consistent with paragraph (A) above or any prior application of this paragraph (B)); and

(b) second, in respect of a particular Relevant Financial Year, from:

(i) other non-Operating Profits (to such extent) generated in such Relevant Financial Year; and

(ii) Operating Profits (including distributions from reserves as at 31 March of the immediately prior Relevant Financial Year which were then undistributed (if any) (net of any distribution made out of those undistributed reserves as determined consistent with paragraph (A) above and this paragraph (B) prior to the relevant application of this paragraph (B)),

pro rata between amounts in paragraphs (i) and (ii) above (or such other proportion resulting in a greater proportion of such Distributions being derived from amounts in paragraph (i) above, as the Issuer may elect on or prior to such Distribution being paid);

(ii) any distributions received by a Demerged Entity from a direct Subsidiary of such Demerged Entity shall only be treated as Operating Profits of such Demerged Entity to the extent, consistent with paragraph (i) above, that it was a distribution of Operating Profits by such Subsidiary; and

(iii) for the purpose of determining the source of non-Operating Profits in any financial year for the purpose of paragraph (i) above, non-Operating Profits shall be deemed to be derived:

(A) first, from amounts other than sources attributable to those in paragraphs (B) and (C) below;

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(B) second, from Konkola Copper Proceeds; and

(C) third, from HZL Distributable Reserves;

provided that, all distributions declared by Vedanta Limited on or before 31 December 2023 (including, for the avoidance of doubt, distributions funded from a distribution declared by HZL on 4 December 2023), shall be deemed to be derived from distributable profits which are Operating Profits.

"Extraordinary Distribution Proceeds" means the aggregate net proceeds of Extraordinary Distributions received by members of the VRL Group, in each case after *deducting* (without double counting):

(i) first, the amount of such Extraordinary Distributions received (A) from Konkola Copper Mines plc or (B) from any member of the VRL Group and which were derived from any Konkola Copper Proceeds (as determined consistent with paragraph (iii) of the definition of Extraordinary Distribution above);

(ii) second, the amount of such Extraordinary Distributions received by any member of the VRL Group and which were derived from any HZL Distributable Reserves (as determined consistent with paragraph (iii) of the definition of Extraordinary Distribution above); and

(iii) third:

(A) any Tax properly incurred in connection with the receipt of such proceeds; and

(B) any Tax properly incurred by any member of the VRL Group in connection with the distribution or transfer by way of intercompany loan of such proceeds to VRIL and Vedanta Holdings Mauritius II Limited.

"HZL Distributable Reserves" means any dividends paid by HZL to Vedanta Limited in a financial year resulting from an increase in HZL's distributable reserves (as a result of the conversion of HZL's non-distributable reserves to distributable reserves in accordance with applicable law).

"Konkola Copper Proceeds" means any profits in a financial year of a member of the VEDL Group attributable to the disposal by such member of the VEDL Group of shares in Konkola Copper Mines plc.

"Operating Profits" means profits arising out of the ordinary course of operations of a member of the VEDL Group which, for the avoidance of doubt, shall not include amounts attributable to:

(i) the creation of distributable reserves as a result of (i) any Demerger; (ii) the conversion of non-distributable reserves to distributable reserves by a Demerged Entity or any of its Subsidiaries; or (iii) the transfer of general reserves to retained earnings by a Demerged Entity or any of its Subsidiaries as at 31 March 2023;

(ii) any profit attributable to an increase in the valuation of an asset or investment since 31 March 2023; and

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(iii) any profits attributable to any sale, lease, licence, transfer, loan or other disposal of (A) shares in any Person, (B) any business (or part of a business) or (C) any interest in a joint venture (in each case, in whole or part).

"Demerged Entity (HZL)" means HZL or any other person to whom any assets of HZL are directly or indirectly transferred as part of a demerger or equivalent corporate reorganisation of HZL or of any other Demerged Entity (HZL), in each case, shares in whom are issued to shareholders of HZL or, as applicable, such other Demerged Entity (HZL), as consideration for such transfer.

"Resulting Companies" means Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5.

"Resulting Company 1" means Vedanta Aluminium Metal Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai 400093.

"Resulting Company 2" means Talwandi Sabo Power Limited a company registered under the laws of India with its registered address at Village Banawala, Mansa-Talwandi Sabo Road, Mansa, Punjab – 151302).

"Resulting Company 3" means Malco Energy Limited, a company registered under the laws of India with its registered address at SIPCOT Industrial Complex, Madurai Bypass Road, T.V. Puram P.O., Tuticorin, Tamil Nadu.

"Resulting Company 4" means Vedanta Base Metals Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link Chakala MIDC, Mumbai 400093.

"Resulting Company 5" means Vedanta Iron and Steel Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai 400093.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"VEDL Group" means each Demerged Entity and each of their respective (direct and indirect) Subsidiaries (including Vedanta Limited and its (direct and indirect) Subsidiaries).

"VRIL" means Vedanta Resources Investments Limited.

"VRL Group" means the Group but excluding all entities in the VEDL Group.

(k) **Anti-layering**: The Issuer shall ensure that (x) any Subsidiary of either Welter or Twin Star which directly or indirectly holds Capital Stock in any of the Demerged Entities must be a Wholly Owned Subsidiary of Welter and/or Twin Star (as applicable) and (y) any such Wholly Owned Subsidiary does not Incur any Borrowings.

(l) **Definitions**: As used in these Conditions:

"Accounts" means (i) as of each 31 March and for the twelve month period then ending, the audited consolidated profit and loss account and balance sheet of the Issuer prepared in accordance with Applicable Accounting Principles and (ii) as of each 30 September and for the six month period

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then ending, the unaudited consolidated profit and loss account and balance sheet of the Issuer prepared in accordance with Applicable Accounting Principles.

"Adjusted Treasury Rate" means, with respect to any redemption date:

(1) the average of the yields in each statistical release for the immediately preceding week (from the calculation date) designated "H.15" or any successor release published by the Board of Governors of the Federal Reserve System which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the heading "U.S. government securities—Treasury constant maturities—nominal," for the maturity corresponding to the Comparable Treasury Issue; *provided* that if no maturity is within three months before or after the period from the redemption date to the maturity of the Comparable Treasury Issue, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis rounding to the nearest month; *provided* further that if the period from the redemption date to 9 August 2021 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used; or

(2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Amended 2024 Bonds II" means the U.S.$1,000,000,000 13.875% Bonds due 2027 issued by VRF II Finance Plc.

"Amended 2025 Bonds" means the U.S.$1,200,000,000 13.875% Bonds due 2028 issued by VRF II Finance Plc.

"Amended 2026 Bonds" means the U.S.$600,000,000 9.25% Bonds due 2026 issued by VRF II Finance Plc.

"Amendment Date" means the date of execution of the amended and restated Trust Deed effecting the amendments outlined in the consent solicitation memorandum dated 13 December 2023.

"Applicable Accounting Principles" means the accounting principles and provisions of International Financial Reporting Standards applicable to the Issuer and its Subsidiaries as in effect from time to time.

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"Applicable Premium" means with respect to a Bond at any redemption date, the greater of (i) 1.0% of the principal amount of such Bond and (ii) the excess of (A) the present value at such redemption date of the redemption price of such Bond on 9 August 2021, plus all required remaining scheduled interest payments due on such Bond through 9 August 2021 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Bond.

"Assets" of any Person means all or any of its shares, business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital.

"Balance Sheet Date" means each 30 September and 31 March or other semi-annual date at which the Issuer prepares its audited or unaudited Accounts.

"Borrowings" means, with respect to any Person at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iii) all obligations of such Person as lessee which are capitalised in accordance with Applicable Accounting Principles, (iv) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, except in respect of trade accounts payable arising in the ordinary course of business, (v) all obligations of such Person representing Disqualified Stock valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, plus accrued dividends, if any, (vi) all Borrowings of others guaranteed by such Person, (vii) all Borrowings of others secured by Security on any Asset of such Person (whether or not such Borrowings are assumed by such Person); *provided* that the amount of such Borrowings will be the lesser of (A) the fair market value of such Asset at such date of determination and (B) the amount of such Borrowings, and (viii) in the case of a Subsidiary of the Issuer, all obligations representing Preferred Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price, plus accrued dividends, if any; *provided* that for the purposes of Condition 3(c), Borrowings shall not include (A) Borrowings of the Issuer or any of its Subsidiaries owed to the Issuer or any of its Subsidiaries; *provided* that where (1) any Subsidiary of the Issuer to which such Borrowing is owed ceases to be a Subsidiary of the Issuer or (2) there is a subsequent transfer of such Borrowing to any Person (other than the Issuer or any of its Subsidiaries), then such Borrowing shall be deemed to constitute a Borrowing for the purposes of Condition 3(c) and (B) Preferred Stock or Disqualified Stock issued by any Subsidiary of the Issuer to the Issuer or any other Subsidiary of the Issuer; *provided* further that for the purposes of Condition 3(g), Borrowings shall not include Borrowings of any Subsidiary Guarantor which, by their terms or the terms of any agreement or instrument pursuant to which they are issued or remain outstanding, (i) are expressly made subordinate to the prior payment in full of the Guarantee of such Subsidiary Guarantor (including upon any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of such Subsidiary Guarantor), (ii) do not mature or require any amortization and are not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise (including any redemption, retirement or repurchase which is contingent upon events or circumstance) in whole or in part, on or prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iii) do not provide for any cash payment of interest (or premium, if any) prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iv) are not secured

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by any Security on any assets of any Person, and are not guaranteed by any Person and (v) do not (including upon the happening of any event) restrict the payment of amounts due in respect of the Bonds or compliance by the Issuer or any of the Subsidiary Guarantors with their respective obligations under the Bonds and the Guarantees; *provided* that if on any date any event or circumstance occurs that results in such Borrowing ceasing to meet the conditions of any of clauses (i) through (v) above, such Borrowing shall constitute a Borrowing for the purposes of Condition 3(g) and shall be deemed to have been Incurred on such date.

"Brand" means the trademark "Vedanta" and its logo, as described in the License Agreement (Brand Fees).

"Brand Fee Adjustment" means in respect of a financial year of a Sub-Licensee ending on or after 31 March 2025, the annual adjustment of Brand Fees for that financial year payable by such Sub-Licensee pursuant to the relevant Brand Fee Agreement to which such Sub-Licensee is party.

“Brand Fee Agreements” means any agreement in respect of the provision of a sub-license for the use of the Brand and the provision of strategic services between the Issuer and VRIL, on the one hand, and any member of the VEDL Group, on the other hand.

“Brand Fee Receivables” means the receivables under the Brand Fee Agreements in relation to the Brand Fees payable until financial year 2032.

"Brand Fees" means the royalty and brand fee payments and strategic services fee payments payable pursuant to the Brand Fee Agreements (or any of them) by any Sub-Licensee, including all pass-through fees payable by Vedanta Limited to VRIL in respect of amounts received by it from any Demerged Entity (HZL), inclusive of each relevant Brand Fee Adjustment.

“Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City and London.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the date of the Trust Deed or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

“Capitalized Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed), which, in conformity with Applicable Accounting Principles, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Change of Control” means the occurrence of either of the following events:

(1) the Permitted Holders are the beneficial owners of less than 35% of the total voting power of the Voting Stock of the Issuer; or

(2) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended (the hange Act”)) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Issuer greater than such total voting power held beneficially by the Permitted Holders.



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"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Decline.

"Closing Date" means 9 August 2017.

"Collateral" means the Brand Fee Receivables and the security over the rights of VRIL (or the Issuer, as the case may be) under the Brand Fee Agreements.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Trust Deed, and include, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Bank having a maturity most nearly equal to the period from the redemption date to 9 August 2021.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or

(2) if the Independent Investment Bank obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

"Compliance Certificate" means a certificate signed by each of (i) the chief financial officer and (ii) either a director or other authorised signatory of the Issuer confirming compliance with the financial ratios set out in this Condition 3, in each case as of each Balance Sheet Date and in respect of the whole of the financial year for each Balance Sheet Date falling on 31 March and in respect of the whole of the six month period ending on the Balance Sheet Date for each Balance Sheet Date falling on 30 September, and setting out in reasonable detail the computations necessary to demonstrate such compliance.

"Consolidated EBITDA" means, for any period, the amount equal to (i) "operating profit" plus (ii) "depreciation" plus (iii) "special items" reducing "operating profit" minus (iv) "special items" increasing "operating profit," in each case as it is presented on consolidated financial statements of the Issuer and its Subsidiaries prepared in accordance with the Applicable Accounting Principles for such period.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (i) Consolidated Net Interest Expense for such period and (ii) all cash and non-cash dividends accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Issuer or any of its Subsidiaries held by Persons other than the Issuer or any of its Subsidiaries.

"Consolidated Net Interest Expense" means, for any period, the amount equal to "finance costs" minus "investment revenue," in each case as it is presented on a consolidated income statement of the Issuer and its Subsidiaries prepared in accordance with the Applicable Accounting Principles for such period.

"Control", "Controlling" or "Controlled" means the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body or the right to direct or

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cause the direction of the management and policies, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

“Disqualified Stock” means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the stated maturity of the Bonds, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the stated maturity of the Bonds or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Borrowing having a scheduled maturity prior to the stated maturity of the Bonds.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency into U.S. dollars at the base rate for the purchase of U.S. dollars with such foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

“Fitch” means Fitch Ratings Limited, its affiliates and any successor to or assignee of its ratings business.

“Fixed Charge Coverage Ratio” means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent two semi-annual periods prior to such Transaction Date for which consolidated financial statements of the Issuer prepared in accordance with the Applicable Accounting Principles (which the Issuer shall use its best efforts to compile in a timely manner) are available (the “Two Semi-annual Period”) and have been provided to the Trustee to (2) the aggregate Consolidated Fixed Charges during such Two Semi-annual Period.

“Incur” means, as applied to any obligation, to directly or indirectly, create, incur, issue, assume, guarantee or in any other manner become directly or indirectly liable, contingently or otherwise. Such obligation and “Incurred”, “Incurrence” and “Incurring” shall each have a correlative meaning.

“Independent Investment Bank” means a Reference Treasury Dealer appointed by the Issuer as such.

“Indian Subsidiaries” means Subsidiaries of the Issuer which are incorporated in India.

“Indian Business Days” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in Mumbai.

"Intermediate SPV" means Vedanta UK Holdings Limited, a company registered under the laws of England and Wales with company number 15119067.

“Investment” means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Borrowings, bonds, notes, debentures or other similar instruments or securities issued by another Person;

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(4) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person; or

(5) all other items that would be classified as investments (including purchases of assets outside the ordinary course of business) on a statement of financial position of such Person prepared in accordance with Applicable Accounting Principles.

"Investment Grade" means a long term credit rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or a long term credit rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or a long term credit rating of "AAA," or "AA," "A" or "BBB," as modified by a "+," or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or the equivalent long term credit ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Issuer as having been substituted for S&P, Moody's or Fitch or all of them, as the case may be.

"License Agreement (Brand Fees)" means the license agreement between the Issuer, the Intermediate SPV and VRIL dated on or prior to the Utilisation Date under which the Issuer grants to the Intermediate SPV (which grants to VRIL) a five year exclusive license of the Brand (with a potential extension for an additional five years pursuant to the terms thereof).

"Listed Indian Subsidiary" means any Subsidiary of the Issuer in India whose Capital Stock is listed on a stock exchange.

"Material Demerged Entity" means a Demerged Entity which is a Material Subsidiary.

"Material Subsidiary" has the meaning specified in Condition 8.

"Moody's" means Moody's Investors Service, Inc., its affiliates and any successor to or assignee of its ratings business.

"Offer to Purchase" means an offer to purchase the Bonds by the Issuer from the Bondholders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Bondholder of Bonds at its last address appearing in the Register stating:

(1) the provision of the Trust Deed pursuant to which the offer is being made and that all Bonds validly tendered will be accepted for payment on a pro rata basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Bond not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Subsidiary Guarantors, as the case may be, defaults in the payment of the purchase price, any Bond accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Bondholders electing to have a Bond purchased pursuant to the Offer to Purchase will be required to surrender the Bond, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Bond completed, to the Paying Agent at the address

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specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Bondholders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Bondholder, the principal amount of Bonds delivered for purchase and a statement that such Bondholder is withdrawing his election to have such Bonds purchased; and

(7) that Bondholders whose Bonds are being purchased only in part will be issued new Bonds equal in principal amount to the unpurchased portion of the Bonds surrendered; *provided* that each Bond purchased and each new Bond issued shall be in a minimum principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 in excess thereof.

On the Offer to Purchase Payment Date, the Issuer shall (a) accept for payment on a pro rata basis Bonds or portions thereof tendered pursuant to an Offer to Purchase; (b) deposit with the Paying Agent money sufficient to pay the purchase price of all Bonds or portions thereof so accepted; and (c) deliver, or cause to be delivered, to the Trustee all Bonds or portions thereof so accepted together with a certificate signed by two directors of the Issuer specifying the Bonds or portions thereof accepted for payment by the Issuer. The Paying Agent shall promptly mail to the Bondholders so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Bondholders a new Bond equal in principal amount to any unpurchased portion of the Bond surrendered; *provided* that each Bond purchased and each new Bond issued shall be in a principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 in excess thereof. The Issuer will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Issuer will comply with all applicable securities laws and regulations if it is required to repurchase Bonds pursuant to an Offer to Purchase and, to the extent any applicable securities laws and regulations conflict with the Offer to Purchase obligations, the Issuer will not be deemed to have breached such obligations by virtue of such compliance.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Issuer and its Subsidiaries which the Issuer in good faith believes will assist such Bondholders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Bondholders to tender Bonds pursuant to the Offer to Purchase.

"Permitted Business" means any business, service or activity conducted or proposed to be conducted (as described in the offering memorandum of the Issuer dated 11 April 2019 (the "OM Date")) by the Issuer and its Subsidiaries and any other business, service or activity conducted by the Issuer and its Subsidiaries on the OM Date and other businesses reasonably related, complementary or ancillary thereto as approved by the board of directors of the Issuer from time to time.

"Permitted Holders" means any or all of the following:

(1) Mr. Anil Agarwal, Mr. D.P. Agarwal and Mr. Agnivesh Agarwal, individually or collectively;

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(2) Any Affiliate or a direct family member of any of the Persons specified in clause (1) of this definition; and

(3) Any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are more than 80% owned by Persons specified in clauses (1) and (2) of this definition.

"Permitted PCF Refinancing Borrowings" means Permitted Refinancing Borrowings Incurred to refinance (in whole or in part) (i) the Private Credit Facility and/or (ii) any other Permitted PCF Refinancing Borrowings, in each case, in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses).

"Person" means any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organisation.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over any other class of Capital Stock of such Person.

"Primary Treasury Dealer" means a primary U.S. government securities dealer in New York City.

"Private Credit Facility" means the U.S.$1,250,000,000 facilities agreement between, among others, Vedanta Resources Investments Limited and Vedanta Holding Mauritius II Limited, as borrowers, the Issuer, Vedanta UK Holdings Limited, Twin Star Holdings Ltd. and Welter Trading Limited, as guarantors, Standard Chartered Bank, as arranger, Madison Pacific Trust Limited, as agent and security agent, and the original lenders named therein.

"Qualified Amended 2026 Bond Refinancing Borrowings" means Borrowings which:

(1) other than in connection with (i) a change of control that triggers a redemption event or (ii) an event of default, in each case under such Borrowings, do not mature or require any amortization and are not required to be repaid, redeemed, repurchased or otherwise retired, in whole or in part, on or prior to 9 December 2028;

(2) are not permitted to be voluntarily repaid other than with proceeds from the Incurrence of any other Qualified Amended 2026 Bond Refinancing Borrowings; and

(3) do not have the benefit of any Security or guarantees (other than from the Issuer) until such time as the Security over the Collateral has been created in favour of both the Amended 2024 Bonds II and the Amended 2025 Bonds.

"Rating Agency" means, to the extent that such agency was solicited by the Issuer to provide a rating for the Bonds, any of (i) S&P, (ii) Moody's and (iii) Fitch.

"Rating Date" means the date which is 90 days prior to the earlier of the date of consummation of Change of Control and a public announcement of a Change of Control.

"Rating Decline" means the occurrence on, or within six months after, the earlier of the date of consummation of Change of Control or public announcement of a Change of Control (which period shall be extended so long as the rating of the Bonds is under publicly announced consideration for possible ratings change by any of the Rating Agencies) of any of the events listed below:

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(1) if the Bonds are rated by three (3) Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by at least two (2) such Rating Agencies shall be below Investment Grade;

(2) if the Bonds are rated by only two (2) Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by either such Rating Agency shall be below Investment Grade;

(3) if the Bonds are rated by only one Rating Agency on the Rating Date as Investment Grade, the rating of the Bonds by such Rating Agency shall be below Investment Grade; or

(4) if the Bonds are not rated as Investment Grade by any Rating Agency on the Rating Date, the rating of the Bonds by any Rating Agency shall be below the rating it provided on the Rating Date.

“Reference Treasury Dealer” means:

(1) each of Axis Bank Limited, Singapore Branch, Barclays Bank PLC, Credit Suisse (Hong Kong) Limited, DBS Bank Ltd., First Abu Dhabi Bank PJSC, ICICI Bank Limited - IFSC Banking Unit, J.P. Morgan Securities plc and Standard Chartered Bank and their respective successors or any of their respective affiliates, so long as it is Primary Treasury Dealer; *provided* that, if any such Person ceases to be a Primary Treasury Dealer, the Issuer will substitute another Primary Treasury Dealer; and

(2) any other Primary Treasury Dealer selected by the Issuer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

“S&P” means Standard & Poor’s Ratings Services, a division of the McGraw Hill Companies, Inc., its affiliates and any successor to or assignee of its ratings business.

“Share Capital” means any and all shares, interests (including joint venture and partnership interests), participations or other equivalents of capital stock of a corporation or any and all equivalent ownership interests in a Person.

"Sub-Licensee" means (in its capacity as sub-licensee under a particular Brand Fee Agreement):

(1) Black Mountain Mining (Pty) Ltd (a company incorporated under the laws of South Africa, having its registered office at 1 Penge Road, Aggeneys, Northern Cape Province, South Africa);

(1) Cairn Energy Hydrocarbons Limited (a company incorporated in Scotland with registration number SC172470);

(2) HZL (or any Demerged Entity (HZL);

(3) Vedanta Limited;

(4) any Resulting Company; or,

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(5) any other Demerged Entity or Subsidiary thereof which has entered into a Brand Fee Agreement with the Issuer and/or the Intermediate SPV and VRIL and designated as such by the agent under the Private Credit Facility.

"Transaction Date" means, with respect to the Incurrence of any Borrowing, the date such Borrowing is to be Incurred and, with respect to the issuance, sale, transfer or other disposition of, or purchase or other acquisition of Capital Stock, the date such Capital Stock is to be issued, sold, transferred or otherwise disposed of, or purchased or otherwise acquired.

"Utilisation Date" means the date in which the facilities under the Private Credit Facility are first utilised.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"Wholly Owned" means, with respect to any Subsidiary, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by Welter or Twin Star (as applicable) or one or more Wholly Owned Subsidiaries of Welter or Twin Star (as applicable).

4 Interest

The Bonds will bear interest from (i) the Closing Date to and up to (but excluding) the Amendment Date at the rate of 6.125% per annum and (ii) the Amendment Date at the rate of 13.875% per annum, payable semi-annually in arrear on 9 February and 9 August of each year, commencing on 9 February 2018 (each such interest payment date, an "Interest Payment Date"), except that the last payment of interest, to be made on 9 December 2028 (the "Last Interest Payment Date"), will be in respect of the period from and including 9 August 2028 to (but excluding) the Last Interest Payment Date. Interest on the Bonds shall accrue from (and including) the most recent date to which interest has been paid and ending on (but excluding) the next Interest Payment Date for the Bonds. Each Bond will cease to bear interest from the due date for redemption unless, upon surrender in accordance with Condition 6, payment of the full amount of principal is improperly withheld or refused or unless default is otherwise made in respect of any such payment. In such event each Bond shall continue to bear interest at the applicable rate (both before and after judgment) until, but excluding whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day which is seven calendar days after the Trustee or the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh calendar day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5 Redemption and Purchase

(a) **Amortization of principal**: Instalments of principal of the Bonds are payable on the dates below (each, an "Amortization Payment Date"), in an amount (the "Amortization Amount") equal to the product of (x) the applicable Amortization Ratio on the applicable Amortization Payment Date

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times (y) the principal amount of Bonds outstanding immediately prior to the applicable Amortization Payment Date:

Amortization Payment Date	Applicable Amortization Percentage	Amortization Ratio
9 August 2027	33.33%	33.33/100
9 August 2028	33.33%	33.33/66.67
9 December 2028	33.34%	33.34/33.34

The Bonds to be redeemed on each such date will be selected on a *pro rata* basis; *provided* that Bonds with a principal amount of U.S.$200,000 will not be redeemed in part.

In these Terms and Conditions of the Bonds, references to "principal" shall, unless the context requires otherwise, be deemed to include any Amortization Amount and references to the "due date" for payment shall, unless the context requires otherwise, be deemed to include any Amortization Payment Date.

The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

(b) **Redemption at the option of the Issuer**: At any time and from time to time prior to 9 August 2021, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed plus the Applicable Premium, plus accrued and unpaid interest, if any, to (but excluding) the redemption date. For the avoidance of doubt, none of the Agents or the Trustee have any responsibility with respect to the calculation of the Applicable Premium.

At any time and from time to time on or after 9 August 2021, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at a redemption price equal to 100% of the aggregate principal amount of the Bonds redeemed, plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

Any optional redemption of Bonds and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

If fewer than all the Bonds are to be redeemed, the Bonds for redemption will be selected on a pro rata basis, by lot or by such other method as the Trustee in its sole and absolute discretion deems fair and appropriate unless otherwise required by law or requirement of any stock exchange on

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which the Bonds are listed or DTC or any alternative clearing system; *provided* that Bonds with a principal amount of U.S.$200,000 will not be redeemed in part.

(c) **Redemption for taxation reasons**: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued and unpaid to (but excluding) the date fixed for redemption), if (i) the Issuer (or any Subsidiary Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Issuer (or, as the case may be, the relevant Subsidiary Guarantor) taking reasonable measures available to it (*provided* that changing the jurisdiction of organisation of the Issuer (or, as the case may be, the relevant Subsidiary Guarantor) is not a reasonable measure for purposes of this section), *provided* that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer (or, as the case may be, the relevant Subsidiary Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Bonds or the Guarantees then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer (or, as the case may be, the relevant Subsidiary Guarantor) shall deliver to the Trustee a certificate signed by two directors of the Issuer (or, as the case may be, the relevant Subsidiary Guarantor) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or, as the case may be, the relevant Subsidiary Guarantor) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders.

(d) **Repurchase of Bonds Upon a Change of Control Triggering Event**: Not later than 30 days following the occurrence of a Change of Control Triggering Event, the Issuer will make an Offer to Purchase all outstanding Bonds (a "Change of Control Offer") at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest, if any, to (but excluding) the Offer to Purchase Payment Date.

Notwithstanding the above, the Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner and at the same time and purchases all Bonds validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control, the Trust Deed does not contain provisions that permit the Bondholders to require that the Issuer purchase or redeem the Bonds in the event of a takeover, recapitalisation or similar transaction.

(e) **Special Mandatory Redemption**: If the Amended 2026 Bonds are not repaid in full on or before 31 December 2025, the Issuer shall redeem all of the Bonds then outstanding at their principal amount on 20 April 2026 (the "Special Mandatory Redemption Date"), plus accrued and unpaid



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interest, if any, to (but excluding) the Special Mandatory Redemption Date (such redemption, a "Special Mandatory Redemption").

(f) **Purchase**: Subject to the requirements (if any) of any stock exchange on which the Bonds may be listed at the relevant time, the Issuer and any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise (including through tender or exchange offers). The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 12(a).

(g) **Initial Mandatory Prepayment**: The Issuer shall, as soon as possible, but no later than 7 February 2024, redeem U.S.$57,054,000 of the Bonds on a *pro rata* basis at a redemption price equal to 100% of the principal amount of the Bonds being redeemed, plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

(h) **Cancellation**: All Bonds so redeemed will be cancelled and may not be re-issued or resold. All Bonds purchased pursuant to this Condition may be cancelled at the discretion of the relevant purchaser. Bonds may be surrendered for cancellation by surrendering each such Bond to the Principal Agent and if so surrendered shall be cancelled forthwith (and may not be reissued or resold) and the obligations of the Issuer in respect of any such Bonds shall be discharged.

6 Payments

(a) **Principal and Interest**: Payment of principal and interest due other than on an Interest Payment Date will be made in United States dollars by transfer to the registered account of the Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Paying Agents.

Interest on Bonds due on an Interest Payment Date will be paid in United States dollars on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "Interest Record Date"). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

(b) **Registered accounts**: For the purposes of this Condition, a Bondholder's registered account means the United States dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(c) **Payments subject to fiscal laws**: All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) **Payment initiation**: Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value

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on the first following day which is a business day) will be initiated on the due date for payment (or, if it is not a business day, the first following day which is a business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day or if the Bondholder is late in surrendering its Certificate (if required to do so).

(e) **Business Day**: In this Condition, "business day" means: (i) in the case of payment by transfer to a registered account, a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City; and (ii) in the case of the surrender of a Certificate, a day in which commercial banks are open for business in the place of the specified office of the Paying Agent to whom the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

(f) **Paying Agents**: The initial Paying Agents, Transfer Agents and Registrar and their initial specified offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent, Transfer Agents or Registrar and appoint additional or other Paying Agents, Transfer Agents or Registrar; *provided* that it will maintain: (i) a Principal Agent; (ii) a Paying Agent in Singapore so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require; and (iii) a Registrar. Notice of any change in the Paying Agents, Transfer Agents or Registrar or their specified offices will promptly be given to the Bondholders and the SGX-ST (so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require).

7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Subsidiary Guarantors in respect of the Bonds or the Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom, Mauritius or Cyprus or any other jurisdiction in which the Issuer or any Subsidiary Guarantor is then incorporated, organised, engaged in business for tax purposes or resident for tax purposes or through which any payment on the Bonds or the Guarantees is made on behalf of the Issuer or a Subsidiary Guarantor (each, a "Tax Jurisdiction") or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer or, as the case may be, the Subsidiary Guarantors, shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(a) to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with a Tax Jurisdiction other than the mere holding of the Bond;

(b) in the case of payment of principal or interest (other than interest due on an Interest Payment Date) if the Certificate in respect of such Bond is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Certificate for payment on the last day of such period of 30 days;

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(c) with respect to taxes, duties, assessments or governmental charges in respect of such Bond imposed as a result of the failure of the holder or beneficial owner of the Bond to comply with a written request of the Issuer or the relevant Subsidiary Guarantor before any such withholding or deduction would be payable to provide timely or accurate information concerning the nationality, residence or identity of the holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification, information or other reporting requirement, which is required or imposed by a statute, treaty, regulation or administrative practice of a Tax Jurisdiction or any authority therein or thereof having the power to tax as a condition to exemption from all or part of such taxes;

(d) for any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(e) for any Taxes imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the Code, any regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection therewith or any law or regulation (or any official interpretation thereof) implementing an intergovernmental approach thereto, or any agreements entered into pursuant to Section 1471(b) of the Code; or

(f) for any taxes, duties, assessments or governmental charges payable otherwise than by deduction or withholding on payments under the Bonds or the Guarantees.

Such additional amounts shall also not be payable where, had the beneficial owner of the Bond been the holder of the Bond, it would not have been entitled to payment of additional amounts by reason of clauses (a) through (f) inclusive above.

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in New York City by the Principal Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

Any reference in these Conditions to principal and/or interest in respect of the Bonds shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

8 Events of Default

The Trustee at its discretion may, and if so requested by holders of not less than 25% in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to it being indemnified and/or secured (including by way of payment in advance) to its satisfaction), give notice in writing to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable, if any of the following events (each an "Event of Default") shall have occurred:

(a) **Non-Payment**: (i) the Issuer and the Subsidiary Guarantors fail to pay all or any part of the principal of any of the Bonds when the same shall become due and payable, whether at maturity, upon redemption or otherwise and such failure continues for a period of seven calendar days; or (ii) the Issuer and the Subsidiary Guarantors fail to pay any instalment of interest upon any of the Bonds as and when the same shall become due and payable, and such failure continues for a period of 14 calendar days; or

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(b) **Breach of Other Obligations**: (i) the Issuer fails to make or consummate an Offer to Purchase with respect to any of the Bonds in the manner set out in Condition 5(d) or a Special Mandatory Redemption in the manner set out in Condition 5(e); or (ii) the Issuer or any Subsidiary Guarantor defaults in the performance or observance of or compliance with any of its other obligations set out in the Bonds or the Trust Deed or under the Guarantees, which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is not in the opinion of the Trustee remedied within 45 calendar days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" under the Bonds and demanding that the Issuer or, as the case may be, the relevant Subsidiary Guarantor remedy the same, shall have been given to the Issuer by the Trustee; or

(c) **Cross-Default**: (i) any other present or future indebtedness of the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity (otherwise than at the option of the Issuer, any Subsidiary Guarantor or any Material Subsidiary, as the case may be) by reason of any actual or potential default, event of default or the like (howsoever described); or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for; or (iii) the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries fails to pay when due (or within any applicable grace period originally provided for) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; *provided* that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which any one or more of the events mentioned above in this Condition 8(c) has or have occurred equals or exceeds U.S.$100,000,000 (or the Dollar Equivalent thereof); or

(d) **Enforcement Proceedings**: a distress, attachment, execution or other legal process (other than distraint or attachment imposed by any government, authority or agent prior to enforcement foreclosure) is levied, enforced or sued out, as the case may be, on or against a substantial part of the property, assets or revenues of the Issuer or all or a substantial part of the property, assets or revenues of any Subsidiary Guarantor or any of the Material Subsidiaries and is not (i) either discharged or stayed within 60 calendar days or in circumstances where the levy, enforcement or suing out, as the case may be, of such legal process is not, or does not become, materially prejudicial to the interests of the Bondholders, within 120 calendar days; or (ii) being contested in good faith on the basis of appropriate legal advice provided by reputable independent counsel in the relevant jurisdiction or jurisdictions and by appropriate proceedings; or

(e) **Security Enforced**: an encumbrancer takes possession or a receiver, administrative receiver, administrator, manager or other similar person is appointed over, or an attachment order is issued in respect of, the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries and in any such case such possession or appointment is not stayed or terminated or the debt on account of which such possession was taken or appointment made is not discharged or satisfied within 60 calendar days of such appointment or the issue of such order; or

(f) **Insolvency**: the Issuer, any Subsidiary Guarantor or any of its Material Subsidiaries (i) is insolvent or bankrupt or is deemed to be insolvent as a result of the court being satisfied that the value of the Issuer's, any Subsidiary Guarantor's or any of the Material Subsidiary's assets is less than the amount of its liabilities, taking into account contingent and prospective liabilities or unable to pay its debts or stops, suspends or threatens to stop or suspend payment of all or a substantial part of

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(or of a particular type of) its debts as they mature; or (ii) applies for or consents to or suffers the appointment of an administrator, administrative receiver, liquidator, manager or receiver or other similar person in respect of the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries or over the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries; or (iii) proposes or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries, except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution; or

(g) **Winding-up, Disposals**: an administrator or an administrative receiver is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries, or the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, or the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries sells or disposes of all or a substantial part of its assets or business whether as a single transaction or a number of transactions, related or not; except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or other similar arrangement (i) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or (ii) in the case of a Material Subsidiary, not including arising out of the insolvency of such Material Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group or to a transferee or transferees which immediately upon such transfer become(s) a Subsidiary or Subsidiaries of the Issuer; or

(h) **Expropriation**: any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates (excluding any distraint or attachment prior to enforcement or foreclosure) all or a substantial part of the assets or shares of the Issuer, any Subsidiary Guarantor or any of the Material Subsidiaries; or

(i) **Subsidiary Guarantor ceases to be a Subsidiary**: any Subsidiary Guarantor ceases to be a Subsidiary; or

(j) **Analogous Events**: any event occurs which under the laws of the Issuer's, the relevant Subsidiary Guarantor's or the relevant Material Subsidiaries' (as the case may be) place of incorporation or principal place of business has an analogous effect to any of the events referred to in paragraphs (d) to (i) above; or

(k) **Guarantees**: the Guarantee of any Subsidiary Guarantor is not (or is claimed by the relevant Subsidiary Guarantor not to be) in full force and effect.

Upon any such notice being given to the Issuer, the Bonds will immediately become due and payable at their principal amount together with accrued interest as provided in the Trust Deed, *provided* that no such notice may be given unless an Event of Default shall have occurred and *provided further* that, in the case of paragraphs (b)(ii), (d), (e) and (h), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

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For the purposes of paragraph (c) above, any indebtedness which is in a currency other than US dollars shall be translated into US dollars at the middle spot rate for the sale of US dollars against the purchase of the relevant currency quoted by any leading bank selected by the Trustee on any day when the Trustee requests a quotation for such purposes.

"Material Subsidiary" means, at any particular time, a Subsidiary of the Issuer:

(a) whose (i) total assets or (ii) gross revenues (in each case on an unconsolidated basis) attributable to the Issuer are equal to or greater than 10% of the consolidated total assets or consolidated gross revenues of the Issuer, as applicable (in each case as calculated based on the latest annual unconsolidated financial statements of the Subsidiary and the latest audited annual consolidated financial statements of the Issuer); or

(b) to which is transferred all or substantially all of the business, assets and undertaking of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, whereupon the transferor Subsidiary of the Issuer shall immediately cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary (subject to the provisions of paragraph (a) above).

A report by two directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not, or was or was not, at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Bondholders.

9 Consolidation, Amalgamation or Merger

The Issuer will not consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

(a) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of the Issuer under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Merger or that acquired such properties and assets, if not organised under the law of the United Kingdom, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added to Condition 7 and clause (c) of Condition 5 in each place therein in which reference is made to the United Kingdom, subject to clause (d) of the first paragraph of this Condition 9;

(c) immediately after giving effect to any such Merger, no Event of Default or Potential Event of Default (as defined in the Trust Deed) shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by (i) a certificate signed by two directors of the Issuer and (ii) a certificate signed by two directors of the Person that would result from such Merger or that would acquire such properties and assets; and

(d) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result

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of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Merger.

Each Subsidiary Guarantor will not, and the Issuer will not permit any Subsidiary Guarantor to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any Person other than the Issuer or another Subsidiary Guarantor (the consummation of any such event, a "Subsidiary Merger"), unless:

(a) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of such Subsidiary Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets, if not organised under the law of the jurisdiction of organisation of such Subsidiary Guarantor, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added to Condition 7 and clause (c) of Condition 5 in each place therein in which reference is made to the jurisdiction of organisation of such Subsidiary Guarantor, subject to clause (d) of the second paragraph of this Condition 9;

(c) immediately after giving effect to any such Subsidiary Merger, no Event of Default or Potential Event of Default (as defined in the Trust Deed) shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

  a. a certificate signed by two directors of the Issuer; and

  b. a certificate signed by two directors of the Person that would result from such Subsidiary Merger or that would acquire such properties and assets;

(d) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Subsidiary Merger; and

(e) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets would, on the date of such transaction after giving *pro forma* effect thereto, be permitted to Incur at least U.S.$1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(g).

10 Prescription

Claims in respect of principal and interest will become void unless made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

11 Replacement of Certificates

If any Certificate representing a Bond is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange or other relevant

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authority requirements, upon payment by the claimant of the costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (*provided* that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification and Waiver

(a) **Meetings of Bondholders**: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Paying Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee at any time and shall be convened by the Trustee if it receives a written request by Bondholders holding not less than 15% in principal amount of the Bonds for the time being outstanding. The quorum for any such meeting convened to consider an Extraordinary Resolution will be two (2) or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two (2) or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to cancel or modify any Guarantee (other than any modification described in Condition 12(b)) or (v) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two (2) or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted in favour).

The expression "**Extraordinary Resolution**" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than two-thirds of the votes cast.

(b) **Modification and Waiver**: The Trustee may agree, without the consent of the Bondholders, to (i) any modification to these Conditions or to the provisions of the Trust Deed or the Paying Agency Agreement which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as provided for in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of these Conditions, the Trust Deed or the Paying Agency Agreement which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and such modification shall be notified to the Bondholders as soon as practicable.

Written resolutions of 90% holders: The Trust Deed provides that (i) a written resolution signed, and (ii) consent given by way of electronic consents through the relevant clearing system(s) in accordance with their operating rules and procedures, by or on behalf of the holders of not less than 90% of the aggregate principal amount outstanding of Bonds who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed shall, in each case,

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be as valid and effective as a duly passed Extraordinary Resolution. Such written resolution and/or consent given by way of electronic consents will be binding on all Bondholders whether or not they participated in such written resolution and/or electronic consent, as the case may be.

(c) **Entitlement of the Trustee**: In connection with the exercise of its powers, trusts, authorisations or discretions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders (including as a result of their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory) and the Trustee shall not be entitled to require, nor shall any Bondholder of Bonds be entitled to claim, from the Issuer or the Subsidiary Guarantors any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Subsidiary Guarantors as it may think fit to enforce the terms of the Trust Deed and the Bonds and/or the Guarantees, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in principal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or secured (including by way of payment in advance) to its satisfaction. No Bondholder may proceed directly against the Issuer and/or the Subsidiary Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured (including by way of payment in advance) to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, any Subsidiary Guarantor and any entity related to the Issuer or any Subsidiary Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders on any certificate or report prepared by the auditors or any other person pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the auditors liability in respect thereof is limited by a monetary cap or otherwise; any such certificate shall be conclusive and binding on the Issuer, the Subsidiary Guarantors, the Trustee, and the Bondholders.

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them and, to the extent applicable, the first (or, as applicable, second) payment date of the Amortization Amount on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue, *provided* that, if the securities of such further issue are not fungible with the Bonds for U.S. federal income tax purposes, such securities will have a separate CUSIP or ISIN.

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References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in Singapore (which is expected to be the Business Times). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificates and the Global Certificates are held on behalf of DTC or the alternative clearing system (as defined in the Global Certificates), notices to Bondholders may be given by delivery of the relevant notice to DTC or the alternative clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

(a) **Governing Law**: The Trust Deed, the Bonds and all non-contractual matters arising therefrom or in connection therewith are governed by and construed in accordance with English law.

(b) **Jurisdiction**: The courts of England have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Trust Deed or the Bonds and all non-contractual matters arising therefrom or in connection therewith (including a dispute regarding the existence, validity or termination of the Trust Deed or the Bonds or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

(c) **Process Agent**: Each of Twin Star and Welter hereby irrevocably appoints the Issuer, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings in England. If the Issuer ceases to be able to accept service of process in England and Wales, each of Twin Star and Welter shall immediately appoint a new agent to accept such service of process in England and notify the Trustee of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.



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PART II
FORM OF AMENDMENT DOCUMENTS



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Linklaters

AMENDED AND RESTATED TRUST DEED

constituting U.S.$1,000,000,000 originally 6.125% per cent. and increased to 13.875 per cent. Bonds originally due 2024 and extended to 2028

Dated [●] 2024

VEDANTA RESOURCES LIMITED

and

TWIN STAR HOLDINGS LTD.

and

WELTER TRADING LIMITED

and

CITICORP INTERNATIONAL LIMITED

and

AXIS TRUSTEE SERVICES LIMITED

Ref: L-340394

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This Amended and Restated Trust Deed is made on [●] 2024 **between**:

(1) **VEDANTA RESOURCES LIMITED** (formerly known as Vedanta Resources plc) (the "**Issuer**");

(2) **TWIN STAR HOLDINGS LTD.** ("**Twin Star**");

(3) **WELTER TRADING LIMITED** ("**Welter**" and, together with Twin Star, the "**Subsidiary Guarantors**");

(4) **CITICORP INTERNATIONAL LIMITED** (the "**Trustee**", which expression, where the context so admits, includes any other trustee for the time being of this Trust Deed); and

(5) **AXIS TRUSTEE SERVICES LIMITED** whose principal place of business is at **[●]** (the "**Onshore Collateral Agent**").

Whereas:

(A) The Issuer, incorporated in England and Wales, issued U.S.$1,000,000,000 originally 6.125% per cent. and increased to 13.875 per cent. Bonds originally due 2024 and extende d to 2028 (the **"Bonds**").

(B) The Bonds were constituted by a trust deed dated 9 August 2017 as supplemented by the supplemental trust deed dated 30 June 2020 and the second supplemental trust deed dated 2 February 2021, each between the Issuer and the Trustee (the "**Existing Trust Deed**").

(C) By extraordinary resolution dated **[●]** 2024 (the "**Extraordinary Resolution**"), the Bondholders consented to amend, among others, the terms and conditions of the Bonds, and authorised, directed, requested and empowered the Trustee to execute certain amendment documentation including this Trust Deed.

(D) This Amended and Restated Trust Deed will take effect on, and will amend and restate the Existing Trust Deed on, the Settlement Date (as defined in the Extraordinary Resolution).

(E) The Subsidiary Guarantors have authorised the giving of the Guarantees in respect of the Bonds.

(F) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

(G) Certain provisions under this Trust Deed necessitate disclosure requirements under Regulation 29 of the Indian Takeover Code (as defined below). At the request of Issuer, Axis Trustee Services Limited has agreed to act as the Onshore Collateral Agent for the benefit of the Bondholders on the terms and conditions set out in the OCA Appointment Agreement (VRL) (as defined below).

(H) This Amended and Restated Trust Deed is intended to take effect as a deed notwithstanding that any party may execute it under hand only.

This Amended and Restated Trust Deed witnesses and it is declared as follows:

1 Interpretation

1.1 **Definitions**: Terms defined or construed in the Conditions (as defined below) shall, unless the context otherwise requires, have the same meanings when used herein. In addition, the following expressions have the following meanings:

"**Accounts**" has the meaning set out in Condition 3(m);

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"**Auditors**" means the auditors for the time being of the Issuer or, if they are unable or unwilling to carry out any action requested of them under this Trust Deed, such other firm of accountants as may be nominated or approved in writing by the Issuer; provided that after an Event of Default has occurred that is continuing such other firm of accountants shall be nominated or approved by the Trustee for the purpose;

"**Bondholder**" or, in respect of a Bond, "**holder**" means a person in whose name a Bond is registered in the register of Bondholders save that, for the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which a Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in this Trust Deed to the extent of the principal amount of the interest in the Bonds set out in the certificate of the holder as if they are themselves the holders of the Bonds in such principal amounts (and the holder of the Bonds in respect of which a Global Certificate is issued shall not be so recognised to the same extent);

"**Bonds**" means bonds of the Series of bonds in registered form comprising the U.S.$1,000,000,000 originally 6.125% per cent. and increased to 13.875 per cent. Bonds ori ginally due 2024 and extended to 2028 constituted by this Trust Deed and for the time being outstanding or, as the context may require, a specific number or principal amount of them;

"**Business day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City and London;

"**Certificate**" means a certificate, in or substantially in the form set out in Schedule 2, issued in the name of the holder of one or more Bonds and includes any replacement Certificates issued pursuant to the Conditions; and, except for the purposes of Clause 3, includes the Global Certificates in or substantially in the form set out in Schedule 3;

"**Clearstream**" means Clearstream Banking S.A., incorporated under the laws of the Grand Duchy of Luxembourg or any successor securities clearing agency;

"**Compliance Certificate**" has the meaning set out in Condition 3(m);

"**Conditions**" means the terms and conditions set out in Schedule 1 as from time to time modified in accordance with this Trust Deed and as modified in their application to the Bonds in respect of which the Global Certificates for Bonds are issued, by the provisions of such Global Certificates. Any reference to a particularly numbered Condition shall be construed accordingly;

"**Directors**" means the executive directors and non-executive directors of the Issuer or a Subsidiary Guarantor from time to time;

"**DTC**" means the Depository Trust Company, a New York corporation;

"**Euroclear**" means Euroclear Bank SA/NV or any successor securities clearing agency;

"**Event of Default**" means an event described in Condition 8;

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**Extraordinary Resolution**" has the meaning set out in Schedule 4;

"**Force Majeure Event**" means any event (including but not limited to: an act of God, fire, epidemic, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalisation, expropriation or other

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governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other causes) beyond the control of any party which restricts or prohibits the performance of the obligations of such party contemplated by this Trust Deed;

"**Global Certificates**" means the Restricted Global Certificates, if any, and the Unrestricted Global Certificates, if any, issued in respect of the Bonds and "**Global Certificate**" means any one of them;

"**Guarantee**" means the guarantees and indemnities of the Subsidiary Guarantors in Clause 5;

"**Indian Encumbrance Reasons Circular**" means Securities and Exchange Board of India circular bearing reference number SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated 7 August 2019, as amended;

"**Indian Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

"**Indian Takeover Code**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended;

"**Listed Indian Subsidiary**" means any Subsidiary of the Issuer in India whose Common Stock is listed on a stock exchange;

"**Material Subsidiary**" has the meaning set out in Condition 8;

"**outstanding**" means, in relation to the Bonds, all the Bonds issued except:

(a) those which have been redeemed in accordance with the Conditions;

(b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Agent as provided in Clause 2 and remain available for payment following surrender of Certificates in respect of Bonds;

(c) those which have become void;

(d) those which have been purchased and cancelled as provided in the Conditions; and

(e) the Bonds represented by Global Certificates to the extent that the Global Certificates have been exchanged for definitive Certificates pursuant to their provisions,

provided that for the purposes of:

(i) ascertaining the right to attend and vote at any meeting of the Bondholders;

(ii) the determination of how many Bonds are outstanding for the purposes of Conditions 8, 12 and 13 and Schedule 4;

(iii) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders; and

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(iv) the certification by the Trustee as to whether an Event of Default under paragraphs (b), (d), (e) and (h) of Condition 8 is in its opinion materially prejudicial to the interests of the Bondholders,

those Bonds which are beneficially held by or on behalf of the Issuer, the Subsidiary Guarantors or any of their respective Subsidiaries and not cancelled shall (unless no longer so held) be deemed not to remain outstanding;

"**OCA Appointment Agreement (VRL)**" means the onshore collateral agent appointment agreement entered into between the Onshore Collateral Agent and the Issuer, dated on or about the date of this Trust Deed;

"**Paying Agency Agreement**" means the agreement referred to as such in the Conditions, as altered from time to time, and includes any other agreements approved in writing by the Trustee appointing Successor Paying Agents or altering any such agreements;

"**Paying Agents**" means the banks (including the Principal Agent) referred to as such in the Conditions or any Successor Paying Agents in each case at their respective specified offices;

"**Potential Event of Default**" means an event or circumstance which would with the giving of notice, lapse of time and/or issuing of a certificate become an Event of Default;

"**Principal Agent**" means the bank named as such in the Conditions or any Successor Principal Agent;

"**Registrar**" means Citibank, N.A., London Branch at its specified office at c/o Citibank, N.A., Dublin Branch, Ground Floor, 1 North Wall, Quay, Dublin 1, Ireland or any Successor Registrar appointed under the Paying Agency Agreement at its specified office;

"**Regulation S**" means Regulation S under the Securities Act;

"**Restricted Global Certificate**" means the global certificate substantially in the form set out in Part II to Schedule 3 bearing the Securities Act Legend and the legends required by DTC;

"**Rule 144A**" means Rule 144A under the Securities Act;

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Securities Act Legend**" means the transfer restriction legend set out in Schedule 2 and Schedule 3 on the individual definitive Certificate and the Restricted Global Certificates;

"**Series**" means bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing, admission to trading (if relevant), interest rates and maturity dates);

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**specified office**" means, in relation to a Paying Agent, the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to Bondholders pursuant to Clause 8.14;

"**Subsidiary**" has the meaning set out in Condition 3(a);

"**Successor**" means, in relation to the Paying Agents and Registrar, such other or further person as may from time to time be appointed by the Issuer and the Subsidiary Guarantors as a Paying Agent or Registrar, as the case may be, with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Bondholders pursuant to Clause 8.14;

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"**Trust Deed**" means this Trust Deed (as from time to time altered in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so altered) and expressed to be supplemental to this Trust Deed;

"**trust corporation**" means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees; and

"**Unrestricted Global Certificate**" means the global certificate substantially in the form set out in Part I to Schedule 3.

1.2 **Construction of Certain References**: References to:

1.2.1 costs, charges, remuneration or expenses include withholding, any value added, turnover or similar tax charged in respect thereof;

1.2.2 "**U.S. dollars**" and "**U.S.$**" are to the lawful currency for the time being of the United States of America; and

1.2.3 an action, remedy or method of judicial proceedings for the enforcement of creditors' rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto.

1.3 **Headings**: Headings shall be ignored in construing this Trust Deed.

1.4 **Schedules**: The Schedules are part of this Trust Deed and have effect accordingly.

1.5 **Contracts (Rights of Third Parties) Act 1999**: A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms.

1.6 **Supplemental Deeds and Agreements**: Except where the context otherwise requires, all references contained herein to this Trust Deed and the Paying Agency Agreement shall be deemed to refer to such documents as amended, restated, novated and/or supplemented from time to time.

1.7 **Party**: All references to any party or person in this Trust Deed include its successors in title, permitted assignees and permitted transferees.

2 Amount of the Bonds and Covenant to Pay

2.1 **Amount of the Bonds**: Subject to Clause 19, the aggregate principal amount of the Bonds is limited to U.S.$1,000,000,000.

2.2 **Covenant to pay**: The Issuer will on any date when any Bonds become due to be redeemed unconditionally pay to or to the order of the Trustee in Hong Kong in U.S. dollars in same day funds the principal amount of the Bonds becoming due for redemption on that date together with any applicable premium and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally so pay to or to the order of the Trustee interest on the principal amount of the Bonds outstanding as set out in the Conditions *provided that*:

2.2.1 payment of any sum due in respect of the Bonds made to the Principal Agent as provided in the Paying Agency Agreement shall, to that extent, satisfy such obligation

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except to the extent that there is failure in its subsequent payment to the relevant Bondholders of Bonds under the Conditions; and

2.2.2 a payment made after the due date or pursuant to Condition 8 will be deemed to have been made when the full amount due has been received by the Principal Agent or the Trustee and notice to that effect has been given to the Bondholders (if required under Clause 8.11), except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions.

The Trustee will hold the benefit of this covenant on trust for itself and the Bondholders according to their respective interest.

2.3 **Discharge**: Subject to Clause 2.4, any payment to be made in respect of the Bonds by the Issuer, each Subsidiary Guarantor or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.4) to that extent be a good discharge by the Issuer, each Subsidiary Guarantor or the Trustee, as the case may be.

2.4 **Payment after a Default**: At any time after an Event of Default or a Potential Event of Default has occurred, the Trustee may:

2.4.1 by notice in writing to the Issuer, each Subsidiary Guarantor and the Agents, require the Agents or any of them until notified by the Trustee to the contrary, so far as permitted by applicable law:

(i) to act as Agents of the Trustee under this Trust Deed and the Bonds on the terms of the Paying Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and expenses of the Agents shall be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of this Trust Deed and available for that purpose) and thereafter to hold all Certificates and all moneys, documents and records held by them in respect of the Bonds to the order of the Trustee; and/or

(ii) to deliver all Certificates and all moneys, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee directs in such notice; and

2.4.2 by notice in writing to the Issuer and each Subsidiary Guarantor require them to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Principal Agent.

3 Form of the Bonds and Certificates; Issue of the Bonds

3.1 **The Global Certificates**: On issue of the Bonds, the Global Certificates substantially in the form of Schedule 3 will be issued in respect of the aggregate principal amount of the Bonds and the Issuer shall procure the Registrar to make such entries in the register of the Bonds as appropriate. For the Bonds, the Unrestricted Global Certificate will be issued in the name of a nominee of DTC for the accounts of Euroclear and Clearstream and the Restricted Global Certificate will be issued in the name of a nominee for DTC. The Global Certificates need not be security printed. The Bonds evidenced by the Global Certificates shall subject to their terms in all respects be entitled to the same benefits under this Trust Deed as individual Bonds.

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3.2 **The Definitive Certificates**: The individual definitive Certificates, if issued, will be printed in accordance with all applicable stock exchange requirements and will be substantially in the form set out in Schedule 2 and endorsed with the Conditions.

3.3 **Signature**: The Global Certificates shall be signed manually or in facsimile by one or more Directors or officers of the Issuer duly authorised for the purpose or manually by any duly authorised attorney of the Issuer and authenticated manually by or on behalf of the Principal Agent (or its agent on its behalf). The individual definitive Certificates (if issued) will be signed manually or in facsimile by one or more Directors or duly authorised officers of the Issuer and authenticated manually by or on behalf of the Principal Agent (or its agent on its behalf). The Issuer may use the facsimile signature of any person who at the date of this Trust Deed is a Director of the Issuer even if at the time of issue of any Certificate (including the Global Certificates) he no longer holds such office. Bonds represented by Certificates (including the Global Certificates) so executed and authenticated will be binding and valid obligations of the Issuer.

3.4 **Issue**: Issue and delivery of the Bonds shall be complete on the issue and delivery of the Global Certificates to Euroclear, Clearstream and DTC, or to a custodian on behalf of any one of them, as referred to in Clause 3.1 by, or at the order of, the Issuer and completion of the register of holders by the Registrar.

3.5 **Entitlement to treat holder as owner**: A Bondholder will (save as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as the absolute owner of a Bond registered in its name for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or the theft or loss of the Certificate, if any, issued in respect of it or anything written on it or on the relevant Certificate) and no person will be liable for so treating the holder. Title to the Bonds passes only by transfer and registration in the Register.

4 Stamp Duties and Taxes

4.1 **Stamp Duties**: The Issuer, failing whom, the Subsidiary Guarantors, will pay any ad valorem stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties arising in respect thereof, payable in respect of the creation, issue and initial delivery of the Bonds and the execution or delivery of this Trust Deed and the Paying Agency Agreement. The Issuer and each Subsidiary Guarantor will also severally and jointly indemnify the Trustee and the Bondholders from and against all stamp, issue, registration, documentary or other similar taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be and where permitted under this Trust Deed to do so, the Bondholders of the Bonds to enforce the Issuer's or the Subsidiary Guarantors' respective obligations under this Trust Deed, the Paying Agency Agreement and the Bonds.

4.2 **Change of Taxing Jurisdiction**: If the Issuer, or as the case may be, each Subsidiary Guarantor becomes subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax other than or in addition to Mauritius, the United Kingdom or Cyprus or any such authority of or in such territory then the Issuer, or as the case may be, and each Subsidiary Guarantor will (unless the Trustee otherwise agrees) give the Trustee an undertaking satisfactory to the Trustee in terms corresponding to the terms of Condition 7 with the substitution for, or (as the case may require) the addition to, the references in that Condition to Mauritius, the United Kingdom or Cyprus of references to that other or additional territory or authority to whose taxing jurisdiction the Issuer or each

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Subsidiary Guarantor has become so subject. In such event this Trust Deed and the Bonds will be read accordingly.

5 Guarantees and Indemnity

5.1 **Guarantee of the Bonds**: The Subsidiary Guarantors unconditionally and irrevocably guarantee, on a joint and several basis, that if the Issuer does not pay any sum payable by it under this Trust Deed or the Bonds by the time and on the date specified for such payment (whether on the normal due date or otherwise), the Subsidiary Guarantors will pay that sum to or to the order of the Trustee, in the manner provided in Clause 2.2, forthwith on demand. Clauses 2.2.1 and 2.2.2 will apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 9. All payments under the Guarantees by the Subsidiary Guarantors will be made subject to Condition 1(d) and Clauses 4.1 and 9.6.

5.2 **Subsidiary Guarantors as Principal Debtors**: As between the Subsidiary Guarantors, the Trustee and the Bondholders but without affecting the Issuer's obligations, each Subsidiary Guarantor will be liable under this Clause **Error! Reference source not found.**~~5~~ as if it were the sole principal debtor and not merely a surety. Accordingly, they will not be discharged, nor will their liability be affected, by anything which would not discharge them or affect their liability if they were the sole principal debtor including:

5.2.1 any time, indulgence, waiver or consent at any time given to the Issuer or any other person;

5.2.2 any amendment to any other provisions of this Trust Deed, the Conditions or any other guarantee or indemnity;

5.2.3 the making or absence of any demand on the Issuer or any other person for payment;

5.2.4 the enforcement or absence of enforcement of this Trust Deed, the Bonds or any other guarantee or indemnity;

5.2.5 the taking, existence or release of any security, guarantee or indemnity;

5.2.6 the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person; or

5.2.7 the illegality, invalidity or unenforceability of or any defect in any provision of this Trust Deed, the Bonds or any of the Issuer's obligations under any of them.

5.3 **Subsidiary Guarantors' Obligations Continuing**: Each Subsidiary Guarantor's obligations under this Trust Deed are and will remain in full force and effect by way of continuing security until no sum remains payable under this Trust Deed or the Bonds. Furthermore, those obligations of each Subsidiary Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Subsidiary Guarantors or otherwise and may be enforced without first having recourse to the Issuer, any other person or any other security or any other guarantee or indemnity. Each Subsidiary Guarantor irrevocably waives all notices and demands of any kind in relation to the Guarantees.

5.4 **Exercise of Subsidiary Guarantors' Rights**: So long as any sum remains payable under this Trust Deed or the Bonds:

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5.4.1 any right of the Subsidiary Guarantors, by reason of the performance of any of their obligations under this Clause 5, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity will be exercised and enforced by the Subsidiary Guarantors only in such manner and on such terms as the Trustee may require or approve; and

5.4.2 any amount received or recovered by each Subsidiary Guarantor:

(i) as a result of any exercise of such right; or

(ii) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer,

will be held in trust for the Trustee and immediately paid to the Trustee and the Trustee will hold it on the trusts set out in Clause 6.1 but so that nothing in this Clause 5.4 shall be construed as creating a charge or any other security interest.

5.5 **Suspense Accounts**: Any amount received or recovered by the Trustee (otherwise than as a result of a payment by the Issuer to the Trustee in accordance with Clause 2) in respect of any sum payable by the Issuer under this Trust Deed or the Bonds may be placed in a suspense account and kept there for so long as the Trustee thinks fit.

5.6 **Avoidance of Payments**: Each Subsidiary Guarantor shall on demand indemnify, on a joint and several basis, the Trustee and each Bondholder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under this Trust Deed or the Bonds and shall in any event pay to the Trustee or such Bondholders on demand the amount as refunded by it.

5.7 **Debts of Issuer**: If any moneys become payable by the Subsidiary Guarantors under the Guarantees, the Issuer will not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Subsidiary Guarantors.

5.8 **Indemnity**: As separate, independent and alternative stipulations, each Subsidiary Guarantor unconditionally and irrevocably agrees, on a joint and several basis:

5.8.1 that any sum which, although expressed to be payable by the Issuer under this Trust Deed or the Bonds, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Subsidiary Guarantors, the Trustee or any Bondholder) not recoverable from the Subsidiary Guarantors on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Trustee on demand; and

5.8.2 as a primary obligation to indemnify the Trustee and each Bondholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under this Trust Deed or the Bonds not being paid on the date and otherwise in the manner specified in this Trust Deed or any payment obligation of the Issuer under this Trust Deed or the Bonds being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee or any Bondholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

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6 Application of Moneys Received by the Trustee

6.1 **Declaration of Trust**: All moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed or the Guarantees will, despite any appropriation of all or part of them by the Issuer or any Subsidiary Guarantor, be held by the Trustee on trust to apply them (subject to Clauses 4.2, 5.5 and 6.2):

6.1.1 first, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee (including remuneration payable to it) in carrying out its functions under this Trust Deed;

6.1.2 secondly, in payment of any amounts owing in respect of the Bonds pari passu and rateably; and

6.1.3 thirdly, in payment of any balance to the Issuer for itself or, if any moneys were received from the Subsidiary Guarantors and to the extent of such moneys, each Subsidiary Guarantor.

If the Trustee holds any moneys in respect of Bonds which have become void, the Trustee will hold such moneys upon the above trusts.

6.2 **Accumulation**: If the amount of the moneys at any time available for payment in respect of the Bonds under Clause 5.1 is less than 10 per cent. of the principal amount of the Bonds then outstanding, the Trustee may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the principal amount of the Bonds then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) will be applied as specified in Clause 5.1.

6.3 **Investment**: Moneys held by the Trustee may, pending application in accordance with Clause 5.1, be invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise. All interest or income deriving from any such investments or assets shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 9 to the Trustee and otherwise held for the benefit of and paid to the Bondholders in accordance with Clause 5.1.

6.4 **No Calculations**: The Trustee shall not be required to undertake any calculations with respect to any application of funds or other payments hereunder (including for the avoidance of doubt any calculations with respect to the Applicable Premium (as defined in the Conditions)).

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7 Covenant of Compliance

The Issuer and each Subsidiary Guarantor hereby covenant with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed, the Paying Agency Agreement and the Conditions which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Subsidiary Guarantors and the Bondholders. The Trustee shall be entitled to enforce the obligations of the Issuer and the Subsidiary Guarantors under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

8 Covenants by the Issuer and Subsidiary Guarantor

So long as any Bond remains outstanding, each of the Issuer and Subsidiary Guarantors covenants, on a joint and several basis, in favour of the Trustee that it will:

8.1 **Books of Account**: keep, and, in the case of the Issuer, procure that each of its Material Subsidiaries keeps, proper books of account and, so far as permitted by applicable law, allow and procure that each such Material Subsidiary will allow, the Trustee and anyone appointed by it, access to its books of account at all reasonable times during normal business hours.

8.2 **Notice of Events of Default**: notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default. Neither the Trustee nor any of the Paying Agents shall be required to take any steps to ascertain whether an Event of Default or Potential Event of Default has occurred and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer or any Subsidiary Guarantor.

8.3 **Information**: so far as permitted by applicable law, give the Trustee such information, opinions, certificates and other evidence as it reasonably requires to perform its functions under this Trust Deed, the Paying Agency Agreement, the Conditions or by operation of law, including but not limited to a copy of the disclosures required to be made under the Indian Takeover Code and Indian Listing Regulations.

8.4 **Accounts**: in the case of the Issuer, it will:

8.4.1 as soon as reasonably practicable after the issue or publication thereof and in any event within 180 days after the end of each financial year (beginning with 31 March 2017), deliver to the Trustee and the specified office of each of the Paying Agents a copy of its annual report and audited Accounts (in the English language) as of the end of and for such financial year, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such annual report and audited Accounts and any other publicly available information regarding the Issuer and its Subsidiaries;

8.4.2 as soon as reasonably practicable after the issue or publication thereof (and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange), deliver to the Trustee and the specified office of each of the Paying Agents a copy of its unaudited interim Accounts (in the English language) as of the end of and for each six-month period ending on 30 September (beginning with 30 September 2017), provided that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with

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that used for the preceding relevant semi-annual or annual fiscal period, that fact shall be stated, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the content of which will be limited to such unaudited interim Accounts and any other publicly available information regarding the Issuer and its Subsidiaries;

8.4.3 if the Common Stock of Vedanta Limited or any Material Demerged Entity is not listed on an internationally recognized stock exchange, as soon as reasonably practicable after the issue or publication thereof and in any event within 90 days after the end of each three-month period ending 30 June and 31 December, deliver to the Trustee and the specified office of each of the Paying Agents a copy of the unaudited consolidated statement of profit or loss for (as applicable) Vedanta Limited and/or any such Material Demerged Entity for such three-month period, along with key production data for such three-month period, *provided* that if and to the extent that the statement of profit or loss is not prepared or adjusted on a basis consistent with that used for the preceding relevant three-month, semi-annual or annual fiscal period, that fact shall be stated; and

8.4.4 with each set of Accounts delivered by it under Clauses 8.4.1 and 8.4.2, the Issuer will deliver to the Trustee and the specified office of each of the Paying Agents the Compliance Certificate.

8.5 **Certificate of Directors**: in the case of the Issuer, send to the Trustee, together with the delivery of each Compliance Certificate referred to in Clause 8.4.4, and also within 14 days of any request by the Trustee, a certificate of the Issuer signed by any two of its Directors or authorised signatories or one of its Directors and its chief financial officer that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the "**Certification Date**") not more than five days before the date of the certificate no Event of Default or Potential Event of Default or other breach of this Trust Deed had occurred since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such an event had occurred, giving details of it. The Trustee shall be entitled to conclusively rely upon such certificates of the Issuer.

8.6 **Notices to Bondholders**: send to the Trustee the form of each notice to be given to Bondholders and, once given, two copies of each such notice, such notice to be in a form approved by the Trustee (such approval, unless so expressed, not to constitute approval for the purpose of Section 21 of the Financial Services and Markets Act 2000).

8.7 **Notices to all Shareholders and all Creditors**: send to the Trustee as soon as reasonably practicable, copies of every report or other notice, statement or circular issued (or which under any legal or contractual obligation should be issued) to all its shareholders or all its creditors in their capacity as such at the time of the actual (or legally or contractually required) issue or publication thereof.

8.8 **Further Acts**: so far as permitted by applicable law, do such further things as may be necessary in the opinion of the Trustee, acting reasonably, to give effect to this Trust Deed.

8.9 **Notice of Redemption or Repayment**: not less than the number of days specified in the relevant Condition prior to the redemption or repayment date in respect in respect of the Bonds or any of them, give to the Trustee notice in writing of the amount of such redemption or repayment pursuant to the Conditions and duly proceed to redeem or repay such Bonds or any of them accordingly.

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8.10 **Notice of Non-Payment**: use all reasonable endeavours to procure that the Principal Agent notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, receive unconditionally in the manner and in the place provided by the Paying Agency Agreement the full amount of the moneys payable on such due date on all such Bonds.

8.11 **Notice of Late Payment**: forthwith upon request by the Trustee give notice to the Bondholders of any unconditional payment to the Principal Agent or the Trustee of any sum due in respect of the Bonds made after the due date for such payment.

8.12 **Liability to Tax**: promptly give written notice to the Trustee if it is required by law to withhold or account for tax in respect of any payment due in respect of the Bonds.

8.13 **Listing**: use all reasonable endeavours to maintain the listing and the admission to trading of the Bonds on the SGX-ST and, if it is unable to do so, having used all reasonable endeavours, or if the maintenance of such listing and/or admission to trading is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the Bondholders would not be thereby materially prejudiced, instead use all reasonable endeavours to obtain and maintain a listing and/or admission to trading (if relevant) of the Bonds on another stock exchange approved in writing by the Trustee, such approval not to be unreasonably withheld or delayed.

8.14 **Change in Registrar and Paying Agents**: give at least 14 days' prior written notice to the Bondholders of any future appointment, resignation or removal of the Registrar or a Paying Agent or of any change by the Registrar or a Paying Agent of its specified office and not make any such appointment or removal without the Trustee's written approval, such approval not to be unreasonably withheld or delayed.

8.15 **Rule 144A(d)(4)**: for so long as any Bonds and the Guarantees are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer and each Subsidiary Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3 -2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser in each case upon the request of such holder, beneficial owner, prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. The Trustee will hold the benefit of this covenant on trust for the holders and beneficial owners and the prospective purchasers designated by such holders and beneficial owners, from time to time, of such restricted securities. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 8.15.

8.16 **Bonds held by Issuer or the Subsidiary Guarantors etc.**: send to the Trustee as soon as practicable after being so requested by the Trustee a certificate of the Issuer and the Subsidiary Guarantors, as the case may be, signed by any two of the Issuer's Directors or authorised signatories or, as the case may be, any two of each relevant Subsidiary Guarantor's Directors or authorised signatories, stating the number of Bonds held at the date of such certificate by or on behalf of the Issuer, each Subsidiary Guarantor or their respective Subsidiaries.

8.17 **Issuer to Appoint Additional Paying Agents Following an Imposition of Taxation**: in the event that payments made by or through each existing Paying Agent (including any additional Paying Agents appointed after the date hereof pursuant to this Clause 8.17) are

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or would be subject to withholding or deduction for or on account of tax, within 20 days of becoming aware of the same, the Issuer and the Subsidiary Guarantors shall use reasonable endeavours to appoint a Successor Paying Agent in a jurisdiction through which such payments may be made without such withholding or deduction.

8.18 **Material Subsidiaries**: in the case of the Issuer, give to the Trustee at the same time as sending the certificate referred to in Clause 8.5 or within 28 days of a request by the Trustee, a certificate of the Issuer signed by any two of its Directors listing those Subsidiaries of the Issuer which as at the last day of the last financial year of the Issuer or as at the date specified in such request were Material Subsidiaries. The Trustee shall be entitled to conclusively rely upon such certificates of the Issuer.

8.19 **Validity of the Guarantees**: it will not carry out any act, or permit any act to be carried out, which would invalidate in whole or in part the liability of the Subsidiary Guarantors under the Guarantees.

8.20 **Disclosure Obligations under the Indian Takeover Code**: Each Subsidiary Guarantor and the Issuer shall make requisite disclosures in accordance with Regulation 31 of the Indian Takeover Code (in the prescribed format) in relation to creation of encumbrance within specified timelines to (a) the Indian stock exchanges where the equity shares of the relevant Listed Indian Subsidiaries are listed i.e., BSE Limited and/or National Stock Exchange of India Limited (as applicable) ("**Indian Stock Exchanges**"); and (b) the relevant Listed Indian Subsidiaries at its registered office and thereafter make requisite disclosures in accordance with Regulation 31 of the Indian Takeover Code, when such encumbrance is released. Further, the Parent Guarantor, each Subsidiary Guarantor and the Issuer shall make requisite disclosures for reasons of such encumbrance in accordance with Indian Encumbrance Reasons Circular to the Indian Stock Exchanges.

8.21 **Disclosure Obligations under the Indian Listing Regulations**: The Issuer and each Subsidiary Guarantor shall in accordance with Regulation 30A(1) of the Indian Listing Regulations, inform the relevant Listed Indian Subsidiary of the details of agreements specified in Clause 5A of Para A of Part A of Schedule III of the Indian Listing Regulations in relation to details of such agreements which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control or impose any restriction or create any liability on the relevant Listed Indian Subsidiary and to which such Listed Indian Subsidiary is not a party.

Further, the Parent Guarantor and each Subsidiary Guarantor shall ensure that the relevant Listed Indian Subsidiary shall make requisite disclosures in relation to details of such agreements which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control or impose any restriction or create any liability on such Listed Indian Subsidiary, to the Indian Stock Exchanges, in accordance with Regulation 30 of the Indian Listing Regulations read with Clause 5A of Para A of Part A of Schedule III of the Indian Listing Regulations.

9 Remuneration and Indemnification of the Trustee

9.1 **Normal Remuneration**: So long as any Bond is outstanding the Issuer, failing whom, the Subsidiary Guarantors, will pay the Trustee as remuneration for its services as Trustee such sum on such dates in each case as they may from time to time agree. Such remuneration will accrue from day to day from the date of this Trust Deed. However, if any payment to a Bondholder of moneys due in respect of any Bond is improperly withheld or refused, such

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remuneration will again accrue as from the date of such withholding or refusal until payment to such Bondholder is duly made.

9.2 **Extra Remuneration**: If an Event of Default or Potential Event of Default with respect to Bonds shall have occurred or if the Trustee finds it expedient or necessary or is requested by the Issuer or any of the Subsidiary Guarantors to undertake duties which they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the Issuer, failing whom, the Subsidiary Guarantors, will pay such additional remuneration as they may agree or, failing agreement as to any of the matters in this Clause 9.2 (or as to such sums referred to in Clause 9.1), as determined by an investment bank of international repute (acting as an expert and not as arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such investment bank's fee will be borne by the Issuer, failing whom, the Subsidiary Guarantors. The determination of such investment bank will be conclusive and binding on the Issuer, the Subsidiary Guarantors, the Trustee and the Bondholders.

9.3 **Expenses**: The Issuer, failing whom, each Subsidiary Guarantors, will also on demand by the Trustee pay or discharge all costs, charges, liabilities and expenses properly incurred by the Trustee in the preparation and execution of this Trust Deed and the performance of its functions under this Trust Deed and the Conditions including, but not limited to, properly incurred legal and travelling expenses and any stamp, documentary or other similar taxes or duties paid by the Trustee in connection with any legal proceedings reasonably brought or contemplated by the Trustee against the Issuer and/or the Subsidiary Guarantors to enforce any provision of this Trust Deed or the Bonds. Such costs, charges, liabilities and expenses will:

9.3.1 in the case of payments made by the Trustee before such demand, carry interest from the date of the demand at the rate of two per cent. per annum over the base rate of Citibank N.A. on the date on which the Trustee made such payments; and

9.3.2 in all other cases, carry interest at such rate from 30 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

9.4 **Indemnity**: The Issuer and the Subsidiary Guarantors, on a joint and several basis, will on demand by the Trustee indemnify it in respect of Amounts or Claims paid or properly incurred by it or to which it may be subject in acting as trustee under this Trust Deed (including: (i) any Agent/Delegate Liabilities; and (ii) in respect of disputing or defending any Amounts or Claims made against the Trustee or any Agent/Delegate Liabilities), except, with respect to taxes, to the extent covered by Clause 9.6. The Issuer will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities. "**Amounts or Claims**" are losses, damages, fees, judgments, proceedings, liabilities, taxes, costs, charges, claims, actions, demands or expenses and "**Agent/Delegate Liabilities**" are Amounts or Claims which the Trustee is or would be obliged to pay or reimburse to any of its agents or delegates (including any professional consultants) appointed pursuant to this Trust Deed. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 9.4.

9.5 **Continuing Effect**: Clauses 9.3 and 9.4 will continue in full force and effect with respect to the Trustee even if: (i) it no longer is Trustee; (ii) the Bonds are no longer outstanding; or (iii) this Trust Deed has been discharged.

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9.6 **Taxes**: All sums payable by the Issuer and Subsidiary Guarantors pursuant to this Trust Deed shall be paid without any deduction or withholding for or on account of any taxes, duties, assessments or governmental charges except to the extent required by law. In the event that such deduction or withholding is required by law, the Issuer, failing whom, the Subsidiary Guarantors, shall pay such additional amounts as will result in receipt by the Trustee of such amounts as would have been received by the Trustee had no such deduction or withholding been required to be made. This Clause 9.6 shall not operate with respect to any sum payable by the Issuer pursuant to Clause 2.2, in respect of which the Issuer, failing whom, the Subsidiary Guarantors, shall pay such additional amounts as may be required (if any) by the Conditions.

10 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by this Trust Deed. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act. In addition, the statutory duty of care set out in Section 3A of the Trustee Ordinance (Cap. 29) of Hong Kong, as amended by the Trust Law (Amendment) Ordinance 2013, shall not apply to the duties of the Trustee in relation to this Trust Deed. The Trustee shall have all of the powers conferred upon trustees by the Trustee Act 1925 and the Trustee Act 2000, and by way of supplement thereto it is expressly declared as follows:

10.1 **Advice**: The Trustee may act and rely on the opinion or advice of, or information obtained from, any expert and will not be responsible to anyone for any loss occasioned by so acting or relying whether such advice is obtained by or addressed to the Issuer, the Subsidiary Guarantors, the Trustee or any other person. Any such opinion, advice or information may be sent or obtained by letter, telex, fax or electronic mail and the Trustee will not be liable to anyone for acting or relying in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic.

10.2 **Trustee to Assume Performance**: The Trustee need not notify anyone of the execution of this Trust Deed or do anything to find out if an Event of Default or Potential Event of Default has occurred. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer and the Subsidiary Guarantors are performing all their respective obligations under this Trust Deed and the Bonds.

10.3 **Resolutions of Bondholders**: The Trustee will not be responsible for having acted in good faith on: (i) a resolution purporting to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed (or purported to be signed); or (ii) any direction or request of the Bondholders even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Bondholders.

10.4 **Certificate Signed by Directors**: If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by any two Directors or authorised signatories of the Issuer or, as the case may be, by two Directors or authorised signatories of the relevant Subsidiary Guarantor, as to that fact or to

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the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible for any loss occasioned by acting on such a certificate.

10.5 **Deposit of Documents**: The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

10.6 **Discretion**: The Trustee will have absolute and uncontrolled discretion as to the exercise or non- exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise. Where the Trustee has discretion or permissive power pursuant to this Trust Deed, the Paying Agency Agreement or by law, it may decline to exercise the same in the absence of approval by the Bondholders and need not exercise or take any other action unless first indemnified and/or secured (including by way of payment in advance) to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing by the Bondholders.

10.7 **Agents**: Whenever it considers it expedient in the interests of the Bondholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money, but must give notice to the Issuer and the Subsidiary Guarantors of any such appointment).

10.8 **Delegation**: Whenever it considers it expedient in the interests of the Bondholders, the Trustee may delegate to any person on any terms (including power to sub-delegate) all or any of its functions. The Trustee shall promptly after any such delegation or any renewal, extension or termination thereof give notice to the Issuer and the Subsidiary Guarantors.

10.9 **Nominees**: In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee on any terms.

10.10 **Confidentiality**: Unless and to the extent ordered to do so by a court of competent jurisdiction the Trustee shall not be required to disclose to any Bondholder any confidential financial or other information made available to the Trustee by the Issuer or any of the Subsidiary Guarantors.

10.11 **Determinations Conclusive**: As between itself and the Bondholders the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind the Issuer and the Bondholders.

10.12 **Currency Conversion**: Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer, the Subsidiary Guarantors and the Bondholders.

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10.13 **Events of Default**: The Trustee may determine whether or not an Event of Default or Potential Event of Default with respect to the Bonds is in its opinion capable of remedy and/or whether any event is in its opinion materially prejudicial to the interests of the Bondholders. Any such determination will be conclusive and binding on the Issuer, the Subsidiary Guarantors and the Bondholders.

10.14 **Payment for Bonds**: The Trustee will not be responsible for the receipt or application by the Issuer and/or the Subsidiary Guarantors of the proceeds of the issue of the Bonds, the exchange of interests between the Bonds evidenced by the Global Certificates or the delivery of Certificates to the persons entitled to them.

10.15 **Bonds Held by the Issuer or the Subsidiary Guarantors etc.**: In the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate under Clause 8.16) that no Bonds are for the time being held by or on behalf of the Issuer, the Subsidiary Guarantors or their respective Subsidiaries.

10.16 **Responsibility for Appointees etc.**: If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this Clause 10 (an "**Appointee**"), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

10.17 **Auditors' Reports**: The Trustee may rely on reports from the Auditors in relation to the Conditions or this Trust Deed, whether or not addressed to the Trustee and whether or not any such report or engagement letter or other document entered into by the Trustee and the Auditors in connection therewith contains any limit on the liability of the Auditors. Any such reports shall be conclusive and binding on the Trustee, the Issuer, the Subsidiary Guarantors and the Bondholders.

10.18 **Indemnification**: The Trustee is not obliged to institute proceedings against the Issuer or any of the Subsidiary Guarantors to enforce the terms of this Trust Deed and the Bonds or to convene a meeting of Bondholders pursuant to a request made in accordance with Condition 12(a) or (save as provided in Condition 8) to take action at the request or direction of the Bondholders which may involve it in incurring personal liability or expense unless it shall have been indemnified and/or secured (including by way of payment in advance) to its satisfaction.

10.19 **Clearing System**: So long as any Global Certificate is held on behalf of a clearing system, in considering the interest of the Bondholders, the Trustee may have regard to and rely upon any information provided to it by such clearing system or its operator as to the identity (either individual or by category) of its accountholders or participants with entitlements to any such Global Certificate and may consider such interests as if such accountholders or participants were the holders thereof.

10.20 **Bondholders as a Class**: Whenever in this Trust Deed the Trustee is required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Bondholders, it shall have regard to the interests of the Bondholders as a class and, in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual Bondholder resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

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10.21 **Responsibility**: The Trustee assumes no responsibility for the accuracy of Recital (A) to this Trust Deed which shall be taken as a statement by the Issuer or by the Subsidiary Guarantors, nor shall the Trustee by the execution of this Trust Deed be deemed to make any representation as to the validity, sufficiency or enforceability of the Bonds.

10.22 **Enforcement**: The Trustee shall not be under any obligation to take proceedings against the Issuer and/or the Subsidiary Guarantors to enforce payment of the Bonds or any other provision of this Trust Deed, the Bonds and/or the Guarantees nor shall it be under any obligation to declare the Bonds due and payable in any such case, unless and until: (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders; and (ii) it shall have been indemnified and/or secured to its satisfaction by the Bondholders (including by way of payment in advance) and shall incur no liability in taking or refraining from taking such action. No Bondholder will be entitled to proceed directly against the Issuer or the Subsidiary Guarantors unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

10.23 **Consolidation, amalgamation etc.**: The Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer or of any of the Subsidiary Guarantors or any sale or transfer of all or any part of the assets of the Issuer or of the Subsidiary Guarantors or the form of substance of any plan relating thereto or the consequences thereof to any Bondholder.

10.24 **Bonds and documents**: The Trustee shall not be liable to the Issuer, the Subsidiary Guarantors or any Bondholder if without fraud, gross negligence or wilful misconduct on its part it has accepted as valid or has not rejected any Bonds purporting to be such and subsequently found to be forged or not authentic nor shall it be liable for any action taken or omitted to be taken in reliance on any document, certificate or communication believed by it to be genuine and to have been presented or signed by the proper parties. The Trustee shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

10.25 **Consent**: Any consent to be given by the Trustee for the purposes of this Trust Deed may be given on such reasonable terms and subject to such reasonable conditions (if any) as the Trustee thinks fit.

10.26 **Reliance**: Any certificate or report of the Auditors, professional advisers or any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purpose of this Trust Deed or the Conditions may be relied upon by the Trustee as sufficient evidence of the facts therein and shall, in the absence of manifest error, be conclusive and binding on all parties and the Trustee shall not be responsible for any loss occasioned by acting or refraining from acting in reliance on any such certificate or report. The Trustee shall be entitled to rely on any report of accountants, financial advisers or investment bank where the Issuer or the Subsidiary Guarantors procures the delivery of the same pursuant to its obligations to do so under the Conditions and such report shall be binding on the Issuer, the Subsidiary Guarantors and the holders of the Bonds in the absence of manifest or proven error.

10.27 **Expenditure by the Trustee**: Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has

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grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

10.28 **Illegality**: Notwithstanding anything else herein contained, the Trustee may refrain without liability from doing anything: (i) that would render it liable to any person in the relevant jurisdiction; or (ii) that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Hong Kong, the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

10.29 **Consequential Loss**: Notwithstanding any provision of this Trust Deed, the Paying Agency Agreement or the Conditions to the contrary, the Trustee shall not in any event be liable under any circumstances for any special, indirect, punitive or consequential loss or damages of any kind whatsoever (including but not limited to lost profits, business, goodwill, reputation or opportunity), in each howsoever caused or arising and whether arising directly or indirectly and whether or not foreseeable, even if the Trustee is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust or otherwise. The provisions of this Clause 10.29 shall survive the termination or expiry of this Trust Deed and/or the resignation or removal of the Trustee.

10.30 **No obligation to monitor**: The Trustee shall be under no obligation to monitor or supervise the function of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach or obligation, to assume that each such person is properly performing and complying with its obligations.

10.31 **Error of Judgment**: The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.

10.32 **Professional Charges**: Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matter arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

10.33 **Waiver of Conflict**: Each of the Issuer and the Subsidiary Guarantors hereby irrevocably waives in favour of the Trustee any conflict of interest which may arise by virtue of the Trustee acting in various capacities under the Paying Agency Agreement and this Trust Deed or for other customers of the Trustee. Each of the Issuer and the Subsidiary Guarantors acknowledges that the Trustee and its respective affiliates (together, the "**Trustee Parties**") may have interests in, or may be providing or may in the future provide financial or other services to, other parties with interests which an issuer may regard as conflicting with its interests and may possess information (whether or not material to the Issuer or the Subsidiary Guarantors), other than as a result of the Trustee Parties acting as trustee hereunder, that the Trustee Parties may not be entitled to share with the Issuer and the Subsidiary Guarantors. The Trustee will not disclose confidential information obtained from

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the Issuer or the Subsidiary Guarantors (without their respective consents) to any of their respective other customers nor will they use on the Issuer's and the Subsidiary Guarantors' behalf any confidential information obtained from any other customer. Without prejudice to the foregoing, each of the Issuer and the Subsidiary Guarantors agrees that the Trustee Parties may deal (whether for its own or its customers' account) in, or advise on, securities of any party and that such dealing or giving of advice will not constitute a conflict of interest for the purposes of this Trust Deed.

10.34 **Sharing of Information**: Each of the Issuer and the Subsidiary Guarantors understands that the Trustee and the Agents are part of a global financial organisation that operates in and provides services and products to clients through affiliates and subsidiaries located in multiple jurisdictions (such global financial organisation, the **Citi Group**). Each of the Issuer and the Subsidiary Guarantors also understands that the Citi Group may centralise in one or more affiliates, subsidiaries or unaffiliated service providers certain activities, including audit, accounting, administration, risk management, legal, compliance, sales, marketing, relationship management, and the storage, maintenance, aggregation, processing and analysis of information and data regarding the Issuer and the Subsidiary Guarantors. Consequently, each of the Issuer and the Subsidiary Guarantors hereby consents and authorises the Trustee to disclose to other members of the Citi Group (and their respective officers, directors and employees), information and data regarding the Issuer or the Subsidiary Guarantors, their employees and representatives, or any accounts established pursuant to this Agreement in connection with the foregoing activities, subject to maintaining the confidentiality of such information and data. To the extent that information and data includes personal data encompassed by relevant data protection legislation applicable to the either the Issuer or the Subsidiary Guarantors, each of the Issuer and the Subsidiary Guarantors represents and warrants that it is authorised to provide the foregoing consents and authorisations and that the disclosure to the Trustee will comply with the relevant data protection legislation; provided that neither the Issuer nor the Subsidiary Guarantors shall be obliged to send any such personal data if it is not satisfied that it is able to provide the foregoing representation and warranty. Each of the Issuer and the Subsidiary Guarantors acknowledges and agrees that information concerning the Issuer and any Subsidiary Guarantor may be disclosed to unaffiliated service providers, third parties and agents who are required to maintain the confidentiality of such information, to governmental and regulatory authorities in jurisdictions where the Citi Group operates, and otherwise as required by law.

10.35 **No Liabilities Under Certain Conditions**: The Trustee shall not be responsible for any loss or damage, or failure to comply or delay in complying with any duty or obligation, under or pursuant to this Trust Deed arising as a direct or indirect result of any Force Majeure Event or any event where, in the reasonable opinion of the Trustee, performance of any duty or obligation under or pursuant to this Trust Deed would or may be illegal or would result in the Trustee being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organisation to which the Trustee is subject.

10.36 **HKMA Stay Rules:** If this Trust Deed is or becomes a "covered contract" (within the meaning of the Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights – Banking Sector) Rules (Cap, 628C) of Hong Kong (the "**Stay Rules**")), the Issuer and the Subsidiary Guarantors agree that, despite any other term or conditions of this Trust Deed or any other agreement, arrangement or understanding, the Issuer and the

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Subsidiary Guarantors will be bound by a suspension of a "termination right" (within the meaning of the Stay Rules) in relation to this Trust Deed imposed by the Hong Kong Monetary Authority under section 90(2) of the Financial Institutions (Resolution) Ordinance (Cap 628) of Hong Kong.

11 Trustee Liable for Negligence

Nothing in this Trust Deed shall exempt the Trustee from or indemnify it against any liability which would otherwise attach to it in respect of any negligence or wilful default of which it may be guilty.

12 Waiver and Proof of Default

12.1 **Waiver**: The Trustee may, without the consent of the Bondholders and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default from time to time and at any time, if in its opinion the interests of the Bondholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer and/or the Subsidiary Guarantors of this Trust Deed, the Paying Agency Agreement or the Conditions or the Bonds or determine that an Event of Default or Potential Event of Default will not be treated as such provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution of the Bondholders or a request made pursuant to Condition 8. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Bondholders and shall be notified to the Bondholders as soon as practicable.

12.2 **Proof of Default**: Proof that either the Issuer or any Subsidiary Guarantor has failed to pay a sum due to the holder of any one Bond will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Bonds which are then payable.

13 Trustee Contracting with the Issuer and Subsidiary Guarantors

13.1 Neither the Trustee nor any director or officer or holding company, subsidiary or associated company of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

13.1.1 entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer, the Subsidiary Guarantors or any person or body corporate associated with the Issuer, the Subsidiary Guarantors or any other person or body corporate (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Bonds or any other notes, bonds stocks, shares, debenture stock, debentures or other securities of, the Issuer, the Subsidiary Guarantors or any person or body corporate associated as aforesaid or any other person or body corporate); or

13.1.2 accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer, the Subsidiary Guarantors or

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any such person or body corporate so associated or any other person or body corporate or any other office of profit under the Issuer, the Subsidiary Guarantors or any such person or body corporate so associated or any other person or body corporate,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of the Bondholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Bondholders and shall not be responsible for any liability occasioned to the Bondholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

13.2 Where any holding company, subsidiary or associated company of the Trustee or any director or officer of the Trustee acting other than in his capacity as such a director or officer has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Bondholders resulting from the Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

14 Deductions and Withholdings

Notwithstanding anything contained in this Trust Deed, to the extent required by applicable law, if the Trustee is required to make any deduction or withholding from any distribution or payment made by it under this Trust Deed or if the Trustee is otherwise charged to, or may become liable to, tax as a consequence of performing its duties under this Trust Deed, or otherwise, then the Trustee shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee on the trusts constituted by this Trust Deed. For the avoidance of doubt, this Clause 14 shall not apply to amounts received by the Trustee by way of remuneration or fees for acting in its capacity as Trustee pursuant to this Trust Deed.

15 Modification

The Trustee may agree without the consent of the Bondholders to any modification to this Trust Deed, any of the Conditions and/or the Paying Agency Agreement which is, in its opinion, of a formal, minor or technical nature or to correct a manifest or proven error. The Trustee may also so agree to any modification to this Trust Deed which is in its opinion not materially prejudicial to the interests of the Bondholders, but such power does not extend to any such modification as is mentioned in the proviso to paragraph 16 of Schedule 4. Any such modification shall be binding on the Bondholders and such modification shall be notified by the Issuer to the Bondholders as soon as practicable.

16 Appointment, Retirement and Removal of the Trustee

16.1 **Appointment**: The Issuer and the Subsidiary Guarantors have the power of appointing new trustees but no one may be so appointed unless previously approved by an Extraordinary

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Resolution of the Bondholders. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer, failing whom, the Subsidiary Guarantors, to the Bondholders as soon as practicable.

16.2 **Retirement and Removal**: Any Trustee may retire at any time on giving at least three months written notice to the Issuer and the Subsidiary Guarantors without giving any reason or being responsible for any costs occasioned by such retirement and the Bondholders may by Extraordinary Resolution of Bondholders remove any Trustee provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, it will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee.

16.3 **Co-Trustees**: The Trustee may, notwithstanding Clause 16.1, by written notice to the Issuer and the Subsidiary Guarantors appoint anyone to act as an additional trustee jointly with the Trustee:

16.3.1 if the Trustee considers the appointment to be in the interests of the Bondholders;

16.3.2 to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or

16.3.3 to obtain a judgment or to enforce a judgment or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Issuer and the Subsidiary Guarantors and that person remove that person. At the Trustee's request, the Issuer and the Subsidiary Guarantors will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so.

16.4 **Competence of a Majority of Trustees**: If there are more than two Trustees the majority of them will be competent to perform the Trustee's functions provided the majority includes a trust corporation.

16.5 **Merger**: Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee under this Trust Deed, provided such corporation shall be otherwise qualified and eligible under this Clause 16, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

17 Currency Indemnity

17.1 **Currency of Account and Payment**: U.S. dollars (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Issuer or the Subsidiary Guarantors under or in connection with this Trust Deed and the Bonds, including damages.

17.2 **Extent of Discharge**: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer, the Subsidiary Guarantors or otherwise), by the Trustee or any Bondholder in respect of any

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sum expressed to be due to it from the Issuer or the Subsidiary Guarantors will only discharge the Issuer or the Subsidiary Guarantors, as the case may be, to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

17.3 **Indemnity**: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Bonds, the Issuer or the Subsidiary Guarantors, as the case may be, will indemnify the recipient against any loss sustained by it as a result. In any event, the Issuer, failing whom, the Subsidiary Guarantors, will indemnify the recipient against the cost of making any such purchase.

17.4 **Indemnity Separate**: The indemnities in this Clause 17 and in Clauses 4.1 and 8.4 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Trustee and/or any Bondholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed and/or the Bonds or any other judgment or order.

17.5 **Excess on Conversion**: If by reason of any judgment or order as is referred to in Clause 17.2 the amount receivable by the Trustee or the Bondholders if converted on the date of payment into the Contractual Currency would yield a sum in excess of that due in the Contractual Currency, the Trustee shall apply such excess in accordance with Clause 5.1.

18 Communications

Any communication shall be by letter or fax:

in the case of the Issuer and the Subsidiary Guarantors, to it at:

Vedanta Resources Limited
30 Berkeley Square
London W1J 6EX
United Kingdom

Tel no.: +44 20 7499 5900
Fax no.: +44 20 7491 8440
Attention: Company Secretary

and in the case of the Trustee, to it at:

Citicorp International Limited
20/F, Citi Tower
One Bay East
83 Hoi Bun Road Kwun Tong, Kowloon, Hong Kong

Fax no.: +852 2323 0279
Attention: Agency and Trust

and in the case of the Onshore Collateral Agent, to it at:

Axis Trustee Services Limited
[●]
India

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Fax no.: [●]
Telephone: [●]
Email: [●]
Attention: [●]

Communications will take effect, in the case of delivery, when delivered or, in the case of fax, when despatched. Communications not by letter shall be confirmed by letter but failure to send or receive that letter shall not invalidate the original communication.

19 Further Issues

19.1 **Supplemental Trust Deed**: If the Issuer issues further securities as provided in the Conditions, the Issuer and the Subsidiary Guarantors, shall, prior to the issue of any such further securities, execute and deliver to the Trustee a deed supplemental to this Trust Deed containing such provisions (corresponding to any of the provisions of this Trust Deed) as the Trustee may require.

19.2 **Meetings of Bondholders**: If the Trustee so directs, Schedule 4 shall apply equally to Bondholders of Bonds and to holders of any securities issued pursuant to the Conditions as if references in it to "Bonds" and "Bondholders" were also to such securities and their holders respectively.

20 Governing Law and Jurisdiction

20.1 **Governing Law**: This Trust Deed and all non-contractual matters arising from or connected with this Trust Deed, are governed by and shall be construed in accordance with English law.

20.2 **Jurisdiction**: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with the Trust Deed or the Bonds and all non-contractual matters arising from or in connection therewith (including a dispute regarding the existence, validity or termination of this Trust Deed or the Bonds or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

20.3 **Process Agent**: Each of the Subsidiary Guarantors hereby irrevocably appoints the Issuer, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings in England. If the Issuer ceases to be able to accept service of process in England and Wales, each of Twin Star and Welter shall immediately appoint a new agent to accept such service of process in England and notify the Trustee of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20.4 **Entire Agreement**: This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

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21 Counterparts

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

22 Severability

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

23 Miscellaneous

The provisions of the Hong Kong Trustee Ordinance do not apply to this Trust Deed.

24 Disclosure Obligations under the Indian Takeover Code on the Onshore Collateral Agent:

On behalf of the Bondholders, the Onshore Collateral Agent (or a representative or nominee on its behalf), as applicable, shall make requisite disclosures in accordance with Regulation 29 of the Indian Takeover Code (in the prescribed format) in relation to creation of encumbrance within specified timelines to (a) the Indian Stock Exchanges; and (b) the relevant Listed Indian Subsidiary at its registered office and thereafter make requisite disclosures in accordance with Regulation 29 of the Indian Takeover Code, when such encumbrance is released.

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Schedule 1
Terms and Conditions of the Bonds



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Schedule 2
Form of Definitive Certificate

On the front:

[THE BONDS OF VEDANTA RESOURCES LIMITED (THE "ISSUER") UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY TWIN STAR HOLDINGS LTD. ("TWIN STAR") AND WELTER TRADING LIMITED ("WELTER" AND, TOGETHER WITH TWIN STAR, THE "SUBSIDIARY GUARANTORS") IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED (THE "BONDS") AND THE GUARANTEES THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE BONDS.]*

* This legend shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

TRUE COPY

Identifying Number: [●]
ISIN: [●]

VEDANTA RESOURCES LIMITED
(*incorporated with limited liability in England and Wales*)

U.S.$1,000,000,000 13.875% per cent. Bonds due 2028 and unconditionally and irrevocably guaranteed by TWIN STAR HOLDINGS LTD. AND WELTER TRADING LIMITED.

The bonds in respect of which this Certificate is issued, the identifying numbers of which are noted below, are in registered form and form part of a series designated as specified in the title (the "**Bonds**") of Vedanta Resources Limited (the "**Issuer**"), are unconditionally and irrevocably guaranteed by Twin Star Holdings Ltd. and Welter Trading Limited (the "**Subsidiary Guarantors**"), and constituted by the Trust Deed referred to on the reverse hereof. The Bonds are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the "**Conditions**") set out on the reverse hereof.

The Issuer hereby certifies that [●] of [●] is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of U.S. $[●] ([●] United States dollars). For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions.

This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Bondholders and only the duly registered holder is entitled to payments on the Bonds in respect of which this Certificate is issued.

[The statements set forth in the legend above are an integral part of the Bonds in respect of which this Certificate is issued and by acceptance hereof each holder or beneficial owner of such Bonds agrees to be subject to and bound by the terms and provisions set forth in such legend. For as long as the Bonds and the Guarantees in respect of which this Certificate is issued are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.] *

_____

* This language shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on, Rule 144A under the Securities Act.

This Certificate shall not be valid for any purpose until authenticated by or on behalf of the Principal Agent.

The Certificate is governed by, and shall be construed in accordance with, English law.

IN WITNESS whereof the Issuer has caused this Certificate to be signed on its behalf.

Dated [●]

VEDANTA RESOURCES LIMITED

TRUE COPY

By: ……

Director/Authorised Signatory

By: ……

Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of Bonds with identifying numbers:

Citibank, N.A., London Branch as Principal Agent (without recourse, warranty or liability)

By: ……

Authorised Signatory

Dated: ……

TRUE COPY

On the back:

TERMS AND CONDITIONS OF THE BONDS

The following, other than the paragraphs in italics, is the text of the terms and conditions of the Bonds which will be endorsed on the Individual Certificates issued in respect of the Bonds. References in the following to the "Issuer" are to Vedanta Resources Limited:

[*Terms and Conditions of the Bonds to be inserted at back of certificate*]



TRUE COPY

PRINCIPAL AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A., London Branch as Principal Agent, Transfer Agent and Registrar
c/o Citibank, N.A., Dublin Branch
Ground Floor
1 North Wall Quay
Dublin 1
Ireland

TRUE COPY

FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby transfers to

……

……..

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

U.S.$ [●].principal amount of the Bonds in respect of which this Certificate is issued, and all rights in respect thereof.

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account:

Name of bank: ……..

U.S.$ account number: ……

For the account of: ……

In connection with any transfer of this Note:

[Check One]

☐ (a) these Bonds are being transferred to the Issuer, the Subsidiary Guarantors or any of its Subsidiaries;

☐ (b) these Bonds are being transferred pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, accordingly, the undersigned does hereby further certify that these Bonds are being transferred to a person that the undersigned reasonably believes is purchasing the Bonds for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States;

☐ (c) this Bonds are being transferred pursuant to and in accordance with Regulation S and:

A. the offer of these Bonds was not made to a person in the United States;

B. either:

(i) at the time the buy order was originated, the transferee was outside the United States or the undersigned and any person acting on its behalf reasonably believed that the transferee was outside the United States, or

(ii) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the undersigned nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

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C. no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and

D. the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act;

☐ (d) these Bonds are being transferred in a transaction permitted by Rule 144; or

☐ (e) the undersigned did not purchase these Bonds as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption (other than (a) through (d) above) from the registration requirements under the Securities Act and the undersigned has delivered to the Trustee such additional evidence that the Issuer, the Subsidiary Guarantors or the Trustee may require as to compliance with such available exemption.

If none of the foregoing boxes is checked, none of the Trustee, the Paying Agent or the Registrar shall register these Bonds in the name of any person other than the Holder hereof unless and until the conditions to any such transfer or registration set forth herein and in Exhibit A to the Paying Agency Agreement shall have been satisfied.

Dated: ……... Certifying Signature……..

Name: ……..

_____

Notes:

1. A representative of the Bondholder should state the capacity in which he signs, e.g. executor.

2. The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar or the Principal Agent may require.

TRUE COPY

Schedule 3
Part I
Form of Unrestricted Global Certificate

THIS BOND AND THE GUARANTEES IN RESPECT HEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, FOR THE ACCOUNT OR BENEFIT OF, ANY UNITED STATES PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

Unless this Unrestricted Global Certificate is presented by an authorised representative of DTC to the Registrar or its agent for registration of transfer, exchange, or payment, and any Certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

VEDANTA RESOURCES LIMITED
(incorporated with limited liability under the laws of England and Wales)
U.S.$[●]

13.875% per cent. Bonds due 2028

unconditionally and irrevocably guaranteed by Twin Star Holdings Ltd. and Welter Trading Limited

UNRESTRICTED GLOBAL CERTIFICATE

CUSIP NUMBER: G9328D AP5
ISIN: USG9328DAP53
COMMON CODE: 163545764

The bonds in respect of which this Unrestricted Global Certificate is issued are in registered form and form part of the series designated as specified in the title (the "**Bonds**") of Vedanta Resources Limited (the "**Issuer**") unconditionally and irrevocably guaranteed by Twin Star Holdings Ltd. and Welter Trading Limited (the "**Subsidiary Guarantors**").

The Issuer hereby certifies that Cede & Co., as nominee of The Depository Trust Company ("**DTC**") for the accounts of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"), is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of U.S.$[●] ([●] United States dollars) or such other amount as is shown on the register of Bondholders as being represented by this Unrestricted Global Certificate and is duly endorsed (for information purposes only) in the fourth column of Schedule A to this Unrestricted Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Unrestricted Global Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions referred to below.

The Bonds are constituted by a trust deed dated 9 August 2017 as supplemented by the supplemental trust deed dated 30 June 2020 and the second supplemental trust deed dated 2 February 2021, each between the Issuer and Citicorp International Limited as trustee (the "**Trustee**"), and an amended and restated trust deed dated [●] 2024 between the Issuer, the Trustee and the Subsidiary Guarantors (collectively, the "**Trust Deed**"), and are subject to, and have the benefit of, the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule 1 to the Trust Deed, as modified by the provisions of this Unrestricted Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein.

Owners of interests in the Bonds in respect of which this Unrestricted Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates (free of charge to the holder) if: (i) DTC (or any other clearing system (an "**alternative clearing system**") as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by this Unrestricted Global Certificate may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "**Clearing Agency**" registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, as the case may be, such alternative clearing system); or (ii) if instructions have been given for the transfer of an interest in the Bonds evidenced by this Unrestricted Global Certificate to a person who would otherwise take delivery thereof in the form of an interest in the Bonds evidenced by the Restricted Global Certificate where such Restricted Global Certificate has been exchanged for definitive Certificates.

In such circumstances, the Issuer, failing whom, the Subsidiary Guarantors will cause sufficient individual definitive Certificates to be executed and delivered to the Principal Agent for completion, authentication and despatch to the relevant Bondholders within 21 days following a request therefor by the relevant Bondholders. A person with an interest in the Bonds in respect of which this Unrestricted Global Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer, the Subsidiary Guarantors and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

This Unrestricted Global Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the register of Bondholders and only the duly registered holder is entitled to payments on the Bonds in respect of which this Unrestricted Global Certificate is issued.

The Conditions are modified as follows in so far as they apply to the Bonds in respect of which this Unrestricted Global Certificate is issued.

Meetings

The holder hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each $1,000 in principal amount of the Bonds for which this Unrestricted Global Certificate may be exchanged. The Trustee may allow to attend and speak (but not to vote) at any meeting of Bondholders any accountholder (or the representative of any such person) of a clearing system entitled to Bonds in respect of which this Unrestricted Global Certificate is issued on confirmation of entitlement and proof of his identity.

Trustee's Powers

In considering the interests of Bondholders whether this Unrestricted Global Certificate is held on behalf of any one or more of Euroclear and Clearstream and an alternative clearing system, the

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Trustee may, to the extent it considers it appropriate to do so in the circumstances: (i) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds; and (ii) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which this Unrestricted Global Certificate is issued.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which this Unrestricted Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of the Bonds in such principal amounts.

Purchase and Cancellation

Cancellation of any Bonds required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Bonds in the Register.

Payments

Payments of principal, interest and premium in respect of the Bonds represented by this Unrestricted Global Certificate will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of this Unrestricted Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose,

Transfers

Transfers of interests in the Bonds with respect to which this Unrestricted Global Certificate is issued shall be made in accordance with the Paying Agency Agreement.

Notices

So long as the Bonds are represented by this Unrestricted Global Certificate and this Unrestricted Global Certificate is held on behalf of Euroclear or Clearstream or an alternative clearing system, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions. This notice given through a clearing system shall be deemed to be given to the Bondholders on the day such notice is received by the clearing system.

This Unrestricted Global Certificate shall not be valid for any purpose until it has been duly authenticated by or on behalf of the Principal Agent

This Unrestricted Global Certificate is governed by, and shall be construed in accordance with, English law.

IN WITNESS whereof the Issuer has caused this Unrestricted Global Certificate to be signed on its behalf.

Dated [●]

VEDANTA RESOURCES LIMITED

TRUE COPY

By:…….

Director/Authorised Signatory

By: ……...

Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of the Bonds.

Citibank, N.A., London Branch as Principal Agent (without recourse, warranty or liability)

By: …….

Authorised Signatory

Dated: ……

Schedule A
SCHEDULE OF INCREASE OR REDUCTIONS IN PRINCIPAL AMOUNT OF THE BONDS IN RESPECT OF WHICH THIS UNRESTRICTED GLOBAL CERTIFICATE IS ISSUED

The following increase or reductions in the principal amount of the Bonds in respect of which this Unrestricted Global Certificate is issued have been made as a result of: (i) redemption of the Bonds; transfer of the Bonds (including transfers of interests between the Global Certificates); or purchase and cancellation of the Bonds.

Date of redemption/ purchase and cancellation/ transfer (stating which)	Amount of increase/decrease in principal amount of the Bonds	Principal amount of the Bonds following such increase/decrease	Notation made by or on behalf of the Registrar
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..

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Schedule B
INTEREST PAYMENTS IN RESPECT OF THIS UNRESTRICTED GLOBAL CERTIFICATE

The following payments of interest in respect of this Unrestricted Global Certificate and the Bonds represented by this Unrestricted Global Certificate have been made:

Date of made	Amount of Interest due payable	Amount of Interest paid	Notation made by or on behalf of the Registrar
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……



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FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of the Bonds in respect of which the Certificate is issued, and all rights in respect thereof, to the transferee(s) listed below:

Principal Amount transferred	**Name, address and account for payments of transferee**

Dated: ……. Certifying Signature: …….

Name: …….

_____

Notes:

1. A representative of the Bondholder should state the capacity in which he signs, e.g. executor.

2. The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Principal Agent or the Registrar may require.

PRINCIPAL AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A., London Branch as Principal Agent, Transfer Agent and Registrar
c/o Citibank, N.A., Dublin Branch
Ground Floor
1 North Wall Quay
Dublin 1
Ireland

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Schedule 3
Part II
Form of Restricted Global Certificate

[THIS BOND AND THE GUARANTEES IN RESPECT HEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER OF THIS BOND WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS BOND OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.]*

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* This legend shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

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Unless this Restricted Global Certificate is presented by an authorised representative of DTC to the Registrar or its agent for registration of transfer, exchange, or payment, and any Certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

VEDANTA RESOURCES LIMITED

(***incorporated with limited liability under the laws of England and Wales***)

U.S.$[●] 13.875% per cent. Bonds due 2028

unconditionally and irrevocably guaranteed by Twin Star Holdings Ltd. and Welter Trading Limited

RESTRICTED GLOBAL CERTIFICATE

CUSIP NUMBER: 92241T AM4
ISIN: US92241TAM45
COMMON CODE: 163545721

The bonds in respect of which this Restricted Global Certificate is issued are in registered form and form part of the series designated as specified in the title (the "**Bonds**") of Vedanta Resources Limited (the "**Issuer**") and unconditionally and irrevocably guaranteed by Twin Star Holdings Ltd. and Welter Trading Limited (the "**Subsidiary Guarantors**").

The Issuer hereby certifies that Cede & Co., as nominee of The Depository Trust Company ("**DTC**"), is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of U.S.$[●] ([●] United States dollars) or such other amount as is shown on the register of Bondholders as being represented by this Restricted Global Certificate and is duly endorsed (for information purposes only) in the fourth column of Schedule A to this Restricted Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Restricted Global Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions referred to below.

The Bonds are constituted by a trust deed dated 9 August 2017 as supplemented by the supplemental trust deed dated 30 June 2020 and the second supplemental trust deed dated 2 February 2021, each between the Issuer and Citicorp International Limited as trustee (the "**Trustee**"), and an amended and restated trust deed dated [●] 2024 between the Issuer, the Trustee and the Subsidiary Guarantors (collectively, the "**Trust Deed**"), and are subject to, and have the benefit of, the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule 1 to the Trust Deed and herein, as modified by the provisions of this Restricted Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein.

Owners of interests in the Bonds in respect of which this Restricted Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates (free of charge to the holder) if: (i) DTC (or any other clearing system (an "**alternative clearing system**") as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by this Restricted Global Certificate may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "**Clearing Agency**" registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice

of such ineligibility on the part of DTC (or, as the case may be, such alternative clearing system); or (ii) if instructions have been given for the transfer of an interest in the Bonds evidenced by this Restricted Global Certificate to a person who would otherwise take delivery thereof in the form of an interest in the Bonds evidenced by the Unrestricted Global Certificate where such Unrestricted Global Certificate has been exchanged for definitive Certificates.

In such circumstances, the Issuer, failing whom, the Subsidiary Guarantors, will cause sufficient individual definitive Certificates to be executed and delivered to the Principal Agent for completion, authentication and despatch to the relevant Bondholders within 21 days following a request therefor by the relevant Bondholders. A person with an interest in the Bonds in respect of which this Restricted Global Certificate is issued must provide the Registrar with: (i) a written order containing instructions and such other information as the Issuer, the Subsidiary Guarantors and the Registrar may require to complete, execute and deliver such individual definitive Certificates; and (ii) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous sale pursuant to Rule 144A under the Securities Act ("**Rule 144A**"), Regulation S under the Securities Act ("**Regulation S**") or Rule 144 under the Securities Act ("**Rule 144**"), a certification that the transfer is being made in compliance with the provisions of Rule 144A, Regulation S or Rule 144, as the case may be, in accordance with the Paying Agency Agreement. Individual definitive Certificates issued in respect of the Bonds sold in reliance on Rule 144A shall bear the legends applicable to transfers pursuant to Rule 144A.

The statements set out in the legend above are an integral part of the Bonds in respect of which this Restricted Global Certificate is issued and by acceptance hereof the holder of the Bonds evidenced by this Restricted Global Certificate or any owner of an interest in such Bonds agrees to be subject to and bound by the terms of such legend. For as long as the Bonds and the Guarantees in respect of which this Certificate is issued are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer and each Subsidiary Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). *

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* This language shall be borne by any Restricted Global Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

This Restricted Global Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the register of Bondholders and only the duly registered holder is entitled to payments on Bonds in respect of which this Restricted Global Certificate is issued.

The Conditions are modified as follows in so far as they apply to the Bonds in respect of which this Restricted Global Certificate is issued.

Meetings

The holder hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each $1,000 in principal amount of the Bonds for which this Restricted Global Certificate may be exchanged. The Trustee may allow a person with an interest in the Bonds in respect of which this Restricted Global

Certificate is issued to attend and speak at a meeting of Bondholders on appropriate proof of his identity and interest.

Trustee's Powers

In considering the interests of Bondholders the Trustee may, to the extent it considers it appropriate to do so in the circumstances; (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds; and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which this Restricted Global Certificate is issued.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which this Restricted Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of the Bonds in such principal amounts.

Purchase and Cancellation

Cancellation of any Bonds required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Bonds in the Register.

Payments

Payments of principal, interest and premium in respect of the Bonds represented by this Restricted Global Certificate will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of this Restricted Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose.

Transfers

Transfers of interests in the Bonds with respect to which this Restricted Global Certificate is issued shall be made in accordance with the Paying Agency Agreement.

Notices

So long as the Bonds are represented by this Restricted Global Certificate and this Restricted Global Certificate is held on behalf of DTC, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions. The notice given through a clearing system shall be deemed to be given to the Bondholders on the day such notice is given by the relevant clearing system.

This Restricted Global Certificate shall not be valid for any purpose until it has been duly authenticated by or on behalf of the Principal Agent

This Restricted Global Certificate is governed by, and shall be construed in accordance with, English law.

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IN WITNESS whereof the Issuer has caused this Restricted Global Certificate to be signed on its behalf.

Dated [●]

VEDANTA RESOURCES LIMITED

By: ……..

Director/Authorised Signatory

By:……

Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of the Bonds.

Citibank, N.A., London Branch as Principal Agent (without recourse, warranty or liability)

By: …….

Authorised Signatory

Dated: ……..

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Schedule A
SCHEDULE OF INCREASE OR REDUCTIONS IN PRINCIPAL AMOUNT OF THE BONDS IN RESPECT OF WHICH THIS RESTRICTED GLOBAL CERTIFICATE IS ISSUED

The following increase or reductions in the principal amount of the Bonds in respect of which this Restricted Global Certificate is issued have been made as a result of: (i) redemption of the Bonds; transfer of the Bonds (including transfers of interests between the Global Certificates); or purchase and cancellation of the Bonds.

Date of redemption/ purchase and cancellation/ transfer (stating which)	**Amount of increase/decrease in principal amount of the Bonds**	**Principal amount of the Bonds following such increase/decrease**	**Notation made by or on behalf of the Registrar**
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..

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Schedule B
INTEREST PAYMENTS IN RESPECT OF THIS RESTRICTED GLOBAL CERTIFICATE

The following payments of interest in respect of this Restricted Global Certificate and the Bonds represented by this Restricted Global Certificate have been made:

Date of made	Amount of Interest due payable	Amount of Interest paid	Notation made by or on behalf of the Registrar
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

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FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of the Bonds in respect of which the Certificate is issued, and all rights in respect thereof, to the transferee(s) lis ted below:

Principal Amount transferred	**Name, address and account for payments of transferee**

Dated: ……. Certifying Signature: …….

Name: …….

Notes:

1. A representative of the Bondholder should state the capacity in which he signs, e.g. executor.
2. The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Principal Agent or the Registrar may require.

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PRINCIPAL AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A., London Branch as Principal Agent, Transfer Agent and Registrar
c/o Citibank, N.A., Dublin Branch
Ground Floor
1 North Wall Quay
Dublin 1
Ireland


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Schedule 4
Provisions for Meetings of Bondholders

1

(a)

(i) A holder of a Bond may by an instrument in writing (a "**form of proxy**") in the form available from the specified office of the Principal Agent in English signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Principal Agent not later than 24 hours before the time fixed for any meeting, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of Bondholders.

(ii) A holder of a Bond which is a corporation may by delivering to any Agent not later than 24 hours before the time fixed for any meeting a resolution of its directors or other governing body in English authorise any person to act as its representative (a "**representative**") in connection with any meeting or proposed meeting of Bondholders.

(iii) If the holder of a Bond is DTC or a nominee of DTC, such nominee or DTC may appoint proxies in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Bondholders. Any proxy so appointed may by an instrument in writing in the form in the English language available from the specified office of the Principal Agent, or in such other form as may have been approved by the Trustee, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Principal Agent not later than 24 hours before the time fixed for any meeting, appoint the Principal Agent or any employee of it nominated by it or any other person (the "**sub-proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of the Bondholders provided that any such appointment certifies that no other person has been appointed as a sub- proxy in respect of the relevant Bonds and that no voting instruction has been given in relation to those Bonds. All references to "**proxy**" or "**proxies**" in this Schedule other than in this paragraph shall be read so as to include references to "**sub-proxy**" or "**sub-proxies**".

(iv) Any proxy appointed pursuant to sub-paragraph 1(a)(i) above, sub-proxy appointed under sub-paragraph 1(a)(iii) above or representative appointed pursuant to sub-paragraph (a)(ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with any meeting or proposed meeting of Bondholders specified in such appointment, to be the holder of the Bonds to which such appointment relates and the holder of the Bond shall be deemed for such purposes not to be the holder.

(b) For so long as the Bonds are eligible for settlement through DTC's book-entry settlement system, the Issuer may fix a record date for the purpose of any meeting.

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The person in whose name a Bond is registered on the record date shall be the holder for the purposes of the relevant meeting.

(c) "**block voting instruction**" shall mean a document in the English language issued by the Principal Agent and dated, in which:

(i) it is certified that Bonds are registered in the books and records maintained by the Registrar in the names of specified registered holders or, where the registered holder is DTC or a nominee of DTC, that the Bonds are Bonds in respect of which DTC has duly appointed a specified person as its proxy and that proxy has not to the knowledge of the Principal Agent appointed any other sub-proxy in respect of those Bonds nor given other voting instructions in relation to them;

(ii) it is certified that each holder of such Bonds or a duly authorised agent on his or its behalf has instructed the Principal Agent that the vote(s) attributable to his or its Bonds so deposited or registered should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjournment thereof and that all such instructions are, during the period of 48 hours prior to the time for which such meeting or adjourned meeting is convened, neither revocable nor subject to amendment but without prejudice to the provisions of paragraph (b) above;

(iii) the total number and the identifying numbers of the Bonds so registered are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be case in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be case against the resolution; and

(iv) any person named in such document (hereinafter called a "**proxy**") is authorised and instructed by the Principal Agent to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in (ii) and (iii) above as set out in such document.

(d) Block voting instructions and forms of proxy shall be valid for so long as the relevant Bonds shall be duly registered in the name(s) of the registered holder(s) certified in the block voting instruction or, in the case of a form of proxy, in the name of the appointor or, in the case of a form of sub-proxy, in the name of DTC or its nominee but not otherwise and notwithstanding any other provision of this Schedule (other than (b) above) and during the validity thereof the proxy shall, for all purposes in connection with any meeting of holders of Bonds, be deemed to be the holder of the Bonds to which such block voting instructions or form of proxy or form of sub-proxy relates.

2 The Issuer or the Trustee may at any time convene a meeting of Bondholders. If it receives a written request by Bondholders holding at least 15 per cent. in principal amount of the Bonds for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of Bondholders. Every meeting shall be held at a time and place approved by the Trustee.

3 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Bondholders. A copy of the notice shall be given by the

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party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting, be given in the manner provided in the Conditions and shall specify, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall include a statement to the effect that the holders of Bonds may appoint proxies by executing and delivering a form of proxy in English to the specified office of an Agent not later than 24 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution in English of their directors or other governing body and by delivering an executed copy of such resolution to the Principal Agent not later than 24 hours before the time fixed for the meeting.

4 A person (who may, but need not, be a Bondholder) nominated in writing by the Trustee may act as chairman of a meeting but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Bondholders present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

5 At a meeting two or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 10 per cent. in principal amount of the Bonds for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution of Bondholders) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted unless the requisite quorum be present at the commencement of business. The quorum at a meeting for passing an Extraordinary Resolution of Bondholders shall (subject as provided below) be two or more persons present in person holding Bonds or being proxies or representatives and holding or representing a clear majority in principal amount of the Bonds for the time being outstanding provided that the quorum at any meeting the business of which includes any of the matters specified in the proviso to paragraph 16 shall be two or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than two-thirds in principal amount of the Bonds for the time being outstanding.

6 If within 15 minutes from the time fixed for a meeting of Bondholders a quorum is not present the meeting shall, if convened upon the requisition of Bondholders or if the Issuer and the Trustee agree, be dissolved. In any other case it shall stand adjourned to such date, not less than 14 nor more than 42 days later, and to such place as the chairman may decide. At such adjourned meeting two or more persons present in person holding Bonds or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting provided that at any adjourned meeting at which is to be proposed an Extraordinary Resolution of Bondholders for the purpose of effecting any of the modifications specified in the proviso to paragraph 16 the quorum shall be two or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-third in principal amount of the Bonds for the time being outstanding.

7 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting which might not lawfully have been transacted at the meeting from which the adjournment took place.

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8 At least 10 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

9 Each question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a holder of a voting certificate or as a proxy or representative.

10 Unless a poll is (before or on the declaration of the result of the show of hands) demanded at a meeting by the chairman, the Issuer, the Trustee or by one or more persons holding one or more Bonds or being proxies or representatives and holding or representing in the aggregate not less than two per cent. in principal amount of the Bonds for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority of Bonds or lost or not carried by a particular majority of Bonds shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.

12 A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

13 The Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers may attend and speak at any meeting of Bondholders. No one else may attend or speak at a meeting of Bondholders unless he: (i) is the holder of a Bond or is a proxy or a representative; or (ii) has an interest in the Bonds and the Trustee has permitted him to attend and speak at the meeting of the Bondholders.

14 On a show of hands every holder of Bonds who is present in person or any person who is present and is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each U.S. $1,000 principal amount of Bonds held or in respect of which he is a proxy or a representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

15 A proxy need not be a Bondholder.

16 A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Trust Deed, have power exercisable by Extraordinary Resolution:

(i) to sanction any proposal by the Issuer or the Subsidiary Guarantors for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer or the Subsidiary Guarantors whether or not such rights arise under this Trust Deed;

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(ii) to sanction the exchange or substitution for the Bonds, or other obligations or securities of the Issuer, the Subsidiary Guarantors or any other entity;

(iii) to assent to any modification of this Trust Deed or the Bonds which shall be proposed by the Issuer, the Subsidiary Guarantors or the Trustee;

(iv) to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution of the Bondholders;

(v) to give any authority, direction or sanction required to be given by Extraordinary Resolution of Bondholders;

(vi) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer on them any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;

(vii) to approve the substitution of any entity for the Issuer or the Subsidiary Guarantors (or any previous substitute) as principal debtor under this Trust Deed;

(viii) to approve a proposed new Trustee and to remove a Trustee; and

(ix) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds,

provided that the special quorum provisions contained in the proviso to paragraph 5 and, in the case of an adjourned meeting, in the proviso to paragraph 6 shall apply in relation to any Extraordinary Resolution of Bondholders for the purpose of paragraph 16(ii) or (vii) or the purpose of making any modification to the provisions contained in this Trust Deed or the Bonds which would have the effect of:

(i) modifying the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds; or

(ii) reducing or cancelling the principal amount of, or rate of interest on, the Bonds; or

(iii) changing the currency of any payment in respect of the Bonds;

(iv) cancelling or modifying any Guarantee (other than any modification described in Condition 12(b));

(v) modifying the provisions contained in this Schedule concerning the quorum required at a meeting of Bondholders or the majority required to pass an Extraordinary Resolution of Bondholders or sign a resolution in writing; or

(vi) amending this proviso.

17 An Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with this Trust Deed shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.

18 The expression "**Extraordinary Resolution**" of Bondholders means a resolution passed at (a) a meeting of Bondholders duly convened and held in accordance with these provisions

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by a majority consisting of not less than two-thirds of the votes cast; (b) by a Written Resolution; or (c) by an Electronic Consent.

19 A resolution in writing (a "**Written Resolution**") signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with these provisions shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders convened and held in accordance with these provisions. Such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of the Bondholders.

For so long as the Bonds are in the form of one or more Global Certificates, in respect of any resolution proposed by the Issuer or the Trustee:

(i) *Electronic Consent:* Where the terms of the proposed resolution have been notified to the Bondholders through the relevant clearing system(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with these provisions (the "**Required Proportion**") ("**Electronic Consent**") by close of business on the Relevant Date. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. None of the Issuer or the Trustee shall be liable or responsible to anyone for such reliance;

(x) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing systems(s). The notice shall specify in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

(y) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform the Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to "**Relevant Date**" shall be construed accordingly.



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For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with paragraph 2 above, unless that meeting is or shall be cancelled or dissolved; and

(ii) *Written Resolution:* Where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system(s) with entitlements to such Global Certificate(s) and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, DTC, Euroclear, Clearstream or any other relevant clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the person identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. None of the Issuer or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Bondholders, whether or not they participated in such Written Resolution and/or Electronic Consent.

20 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

21 Subject to all other provisions contained in this Trust Deed the Trustee may without the consent of the Bondholders prescribe such further regulations regarding the holding of meetings and attendance and voting at them or regarding the making of resolutions in writing as the Trustee may in its sole discretion determine including (without limitation) such regulations and requirements as the Trustee thinks reasonable to satisfy itself that persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and that those who purport to attend or vote at a meeting or to sign a written resolution are entitled to do so.

In witness whereof this Trust Deed has been executed and delivered as a deed on the date stated at the beginning.

EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES LIMITED

.....

Director

.....

Director/Secretary

TRUE COPY

Executed and delivered as a deed for and on
behalf of **TWIN STAR HOLDINGS LTD.**

By:

Name: Name:

Title: Title:

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Executed and delivered as a deed for and on
behalf of **WELTER TRADING LIMITED**

……

Name:

Director

……

Name:

Director/Secretary



TRUE COPY

Signed as a deed by……)
Attorney for **CITICORP INTERNATIONAL**……)
LIMITED (as Trustee) under a power of……)
attorney dated ……)

By:

Name:

Title:

SIGNED as a **DEED** by)
AXIS TRUSTEE SERVICES LIMITED)
(as Onshore Collateral Agent))
)
) By: _____
Name:
Title:

Linklaters

AMENDED AND RESTATED PAYING AGENCY AGREEMENT

Relating to U.S.$1,000,000,000 originally 6.125% per cent. and increased to 13.875 per cent. Bonds originally due 2024 and extended to 2028

Dated [●] 2024

VEDANTA RESOURCES LIMITED

and

TWIN STAR HOLDINGS LTD.

and

WELTER TRADING LIMITED

and

CITIBANK, N.A., LONDON BRANCH

and

CITICORP INTERNATIONAL LIMITED

Ref: L-340394

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THIS AGREEMENT is made on [●] 2024 **between**:

(1) **VEDANTA RESOURCES LIMITED** (formerly known as Vedanta Resources plc) (the "**Company**");

(2) **TWIN STAR HOLDINGS LTD.** ("**Twin Star**");

(3) **WELTER TRADING LIMITED** ("**Welter**" and, together with Twin Star, the "**Subsidiary Guarantors**");

(4) **CITIBANK, N.A., LONDON BRANCH** as principal paying agent (the "**Principal Agent**" and together with the Singapore Agent (as defined below), the "**Paying Agents**"), as registrar (the "**Registrar**") and as transfer agent (the "**Transfer Agent**"); and

(5) **CITICORP INTERNATIONAL LIMITED** as trustee for the persons for the time being holding the Bonds referred to below (the "**Trustee**").

WHEREAS:

(A) The Company, incorporated in England and Wales, issued U.S.$1,000,000,000 originally 6.125% per cent. and increased to 13.875 per cent. Bonds originally due 2024 and extende d to 2028 (the **"Bonds**").

(B) The Bonds were constituted by a trust deed dated 9 August 2017 as supplemented by the supplemental trust deed dated 30 June 2020 and the second supplemental trust deed dated 2 February 2021, each between the Company and the Trustee (the "**Existing Trust Deed**").

(C) By extraordinary resolution dated [●] 2024 (the "**Extraordinary Resolution**"), the Bondholders consented to amend, among others, the terms and conditions of the Bonds, and authorised, directed, requested and empowered the Trustee to execute certain amendment documentation including this Amended and Restated Agency Agreement (this "**Agreement**").

(D) Pursuant to the Extraordinary Resolution, the Company, the Subsidiary Guarantors and the Trustee entered into an amended and restated trust deed dated [●] 2024 (as further amended, supplemented, replaced and/or restated from time to time, the "**Trust Deed**"), which amended and restated the Existing Trust Deed and which constitutes the Bonds.

(E) This is the Agency Agreement defined in the Trust Deed. This Agreement will take effect on, and will amend and restate the agency agreement dated 9 August 2017 between the Company, the Paying Agents, the Transfer Agent, the Registrar and the Trustee (the "**Existing Agency Agreement"**) on, the Settlement Date (as defined in the Extraordinary Resolution).

(F) The Bonds will be issued in registered form in the denomination of U.S.$200,000 each and in integral multiples of U.S.$1,000 in excess thereof.

NOW IT IS HEREBY AGREED as follows:

1 DEFINITIONS

1.1 **Definitions**: Terms defined or construed in the Conditions (as defined in the Trust Deed) or the Trust Deed shall, unless the context otherwise requires, have the same meanings when used herein. In addition:

"**Agents**" means the Paying Agents, the Registrar and the Transfer Agents referred to above or any of them;

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"**Applicable Law**" means any law or regulation;

"**Authority**" means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction

"**Business Day**" means a day other than a Saturday or Sunday on which banks are open for business in New York City and London and in any other city in which the specified office of the relevant Agent is located (if different) and on which foreign exchange dealings may be transacted in New York City and London, or such other city as applicable;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended;

"**FATCA Withholding**" means any withholding or deduction required pursuant to an agreement described in section 1471(b) of the Code, or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;

"**Principal Agent**" and "**Paying Agents**" include wherever the context so admits any successor thereto appointed from time to time in accordance with this Agreement and any of their respective successors and "Paying Agent"means any one of the Paying Agents;

"**Registrar**" includes wherever the context so admits any successor registrar appointed from time to time in accordance with this Agreement;

"**Tax**" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax;

"**Transfer Agent**" includes wherever the context so admits any successor registrar appointed from time to time in accordance with this Agreement;

"**Trustee**" includes all persons for the time appointed trustee or trustees under the Trust Deed; and

"**U.S. Dollars**" or "**U.S.$**" means the lawful currency for the time being of the United States of America.

1.2 **Supplemental Deeds and Agreements**: Except where the context otherwise requires, all references contained herein to the Trust Deed and this Agreement shall be deemed to refer to such documents as amended, restated, novated and/or supplemented from time to time.

1.3 **Party**: All references to any party or person in this Agreement include its successors in title, permitted assignees and permitted transferees.

2 APPOINTMENTS

Each of the Company and the Subsidiary Guarantors appoints the Agents as its agents in respect of the Bonds in accordance with the provisions of the Conditions and this Agreement at their respective offices referred to in the Bonds and the Agents accept such appointments. The duties and obligations of the Agents hereunder shall be several and not joint. Except in Clause 16, references to the Agents are to them acting solely through their respective specified offices.

In addition, so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Company and each Subsidiary Guarantor shall in accordance with Clause

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16.1.3(b), appoint and maintain a paying agent in Singapore (the "**Singapore Agent**") where the Bonds may be presented or surrendered for payment or redemption in the event that the Global Certificate is exchanged for Certificates in definitive form.

3 AUTHENTICATION; TRANSFER OF GLOBAL CERTIFICATES

3.1 **The Global Certificates**: Immediately before issue, the Company shall deliver to or to the order of the Principal Agent:

(i) one or more duly executed Unrestricted Global Certificates representing the Bonds sold in transactions outside the United States in reliance on, and in compliance with, Regulation S; and

(ii) one or more duly executed Restricted Global Certificates representing the Bonds sold pursuant to, and in reliance on, Rule 144A which shall bear, subject to paragraph 10 of Exhibit A hereto, the Securities Act Legend.

The Principal Agent (or its agent on its behalf) shall upon the written order of the Company authenticate and arrange for delivery of the Global Certificates to Citibank, N.A., London Branch, acting as custodian for DTC.

3.2 **Exchange of Interest in a Restricted Global Certificate for Interests in an Unrestricted Global Certificate**: If the holder of a Bond represented by a Restricted Global Certificate wishes at any time to transfer such Bond to a person who wishes to have such Bonds thereafter represented by an Unrestricted Global Certificate, such holder may, subject to the rules and procedures of DTC, so transfer and cause the transfer of such Bonds provided, however, the transferor shall deliver to a Transfer Agent a duly completed certificate substantially in the form provided for in Part II to Exhibit B hereto and provide the Transfer Agent with the relevant instructions relating to the participant's account at DTC to be debited with such Bonds and details of the participant's account at DTC to be credited with such Bonds. Each of the Transfer Agents shall, on presentation to it or to its order of a duly completed certificate substantially in the form of Part II to Exhibit B hereto, deliver such certificate together with the relevant information to the Registrar as custodian of the Restricted Global Certificate and the Unrestricted Global Certificate. The Registrar shall thereafter procure the exchange of interests in the Restricted Global Certificate representing the Bonds to be transferred for interests of an equal aggregate principal amount in the Unrestricted Global Certificate by DTC by providing it with the necessary instructions on the later of: (i) three Business Days after the trade date for the disposal of an interest in the Restricted Global Certificate resulting in such exchange; and (ii) two Business Days after receipt by the Registrar of a copy of such completed certificate. On such date, upon confirmation from DTC that it has debited the account of the transferor and credited the account of the transferee in accordance with the instructions received by it from the Registrar, the Registrar shall reduce the amount of the Bonds registered as being represented by the Restricted Global Certificate by the aggregate principal amount of the Bonds so transferred and, concurrently with such reduction, shall increase the amount of the Bonds registered as being represented by the Unrestricted Global Certificate by the aggregate principal amount of such Bonds so transferred, by making the appropriate annotations in the Register and in Schedule A to the Restricted Global Certificate and Unrestricted Global Certificate.

3.3 **Exchange of Interest in an Unrestricted Global Certificate for Interests in a Restricted Global Certificate**: If the holder of a Bond represented by an Unrestricted Global Certificate

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wishes at any time to transfer such Bond to a person who wishes to have such Bonds thereafter represented by a Restricted Global Certificate, such holder may, subject to the rules and procedures of DTC, so transfer and cause the transfer of such Bonds provided, however, that until and including the 40th day after the date of issue of the Bonds (the "**Restricted Period**") the transferor shall deliver to a Transfer Agent a duly completed certificate substantially in the form provided for in Part I to Exhibit B hereto and provide the Transfer Agent with the relevant instructions relating to the participant's account at DTC to be debited with such Bonds and details of the participant's account at DTC to be credited with such Bonds. Each of the Transfer Agents shall: (i) on presentation to it or to its order during the Restricted Period, of a duly completed certificate substantially in the form provided for in Part I to Exhibit B hereto; or (ii) in any other case, upon request of the holder of an interest in the Unrestricted Global Certificate, and together, in each case, with the provision to it by the transferring Bondholder of the details of the DTC participant accounts to be debited and credited, contact the Registrar as custodian of the Unrestricted Global Certificate and the Restricted Global Certificate. The Registrar shall thereafter procure the exchange of interests in the Unrestricted Global Certificate representing the Bonds to be transferred for interests of an equal aggregate principal amount of Bonds in the Restricted Global Certificate by DTC by providing it with the necessary instructions on the later of: (i) three Business Days after the trade date for the disposal of an interest in the Unrestricted Global Certificate resulting in such exchange; and (ii) two Business Days after receipt by the Registrar of either such completed certificate or of such request and detail. On such date, upon confirmation from DTC that it has debited the account of the transferor and credited the account of the transferee in accordance with the instructions received by it from the Registrar, the Registrar shall reduce the amount of the Bonds registered as being represented by the Unrestricted Global Certificate by the aggregate principal amount of the Bonds so transferred and, concurrently with such reduction, shall increase the amount of the Bonds registered as being represented by the Restricted Global Certificate by the aggregate principal amount of such Bonds so transferred, by making appropriate annotations in the Register and in Schedule A to the Restricted Global Certificate and Unrestricted Global Certificate.

3.4 **Transfer or Exchange of Interests in a Global Certificate for or in the form of Interests in the same Global Certificate**: Any transfer of an interest in a Restricted Global Certificate shall be subject to the certifications, restrictions and limitations set out in the Securities Act Legend and the rules and procedures of Euroclear or Clearstream, as applicable, or DTC. No other restrictions and no other certification requirements shall apply with respect to the transfer or exchange of:

(i) an interest in the Bonds represented by a Restricted Global Certificate for or in the form of an interest in the Bonds represented by such Restricted Global Certificate;

(ii) an interest in the Bonds represented by the Unrestricted Global Certificate for or in the form of an interest in the Bonds represented by such Unrestricted Global Certificate; or

(iii) an interest in the Bonds represented by an Unrestricted Global Certificate for or in the form of an interest in the Bonds represented by a Restricted Global Certificate after the Restricted Period.

Such transfer or exchange shall be effected in accordance with the rules and procedures of DTC, Euroclear or Clearstream, as applicable.

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3.5 **No Other Transfers**: Subject to Clauses 3.2 to 3.4 above and Clause 3.6 below, transfers of the Bonds represented by a Global Certificate shall be limited to transfers of all but not some of such Bonds to nominees of Euroclear, Clearstream or DTC or to a successor of Euroclear, Clearstream or DTC, such successor's nominee, or such depositary other than Euroclear, Clearstream or DTC (or a nominee thereof) as the Company may designate.

3.6 **Exchange of Interests in the Global Certificates for Individual Definitive Certificates**:

3.6.1 In the event that:

(i) DTC (or any other clearing system as shall have been designated by the Company and approved by the Trustee ("**Alternative Clearing System**") on behalf of which the Bonds evidenced by the Global Certificates may be held) notifies the Company that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "Clearing Agency" registered under the Exchange Act or is at any time no longer eligible to act as such and the Company is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, as the case may be, such Alternative Clearing System); or

(ii) if instructions have been given for the transfer of an interest in the Bonds evidenced by a Global Certificate to a person who would otherwise take delivery thereof in the form of an interest in the Bonds evidenced by the other Global Certificate where such other Global Certificate has been exchanged for individual definitive Certificates,

the Company will cause sufficient individual definitive Certificates to be executed and delivered to the Principal Agent in sufficient quantities and the Principal Agent will authenticate the same for despatch to individual holders of the Bonds in accordance with the Conditions, Clause 3.6.2 and Exhibit A hereto.

3.6.2 Upon one of the events set forth in Clause 3.6.1 occurring, a holder of the Bonds represented by a Global Certificate will provide the Registrar with:

(i) a written order containing instructions and such other information as the Company, the Subsidiary Guarantors and the Registrar may require to complete, execute and deliver such individual definitive Certificates; and

(ii) in the case of Bonds evidenced by the Restricted Global Certificates and in the case of Bonds evidenced by the Unrestricted Global Certificates until the expiration of the Restricted Period, either (a) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its Bonds at the time of such exchange or, (b) in the case of a simultaneous transfer, a duly completed certificate substantially in the form provided for in Part II to Exhibit B hereto with respect to the Restricted Global Certificates or (within the Restricted Period) Part I to Exhibit B hereto with respect to the Unrestricted Global Certificates.

3.6.3 Upon receipt of the documents referred to in Clause 3.6.1 and, if required, Clause 3.6.2, the Principal Agent shall arrange for the execution and delivery to the Registrar of an individual definitive Certificate and the Registrar shall arrange for the and delivery to or upon the order of the person or persons named in such order of an individual definitive Certificate representing the Bonds registered in the name or

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names requested by such person or persons and the Registrar shall alter the entries in the Register in respect of the Bonds accordingly.

3.6.4 Except for exchanges made in connection with a transfer of the Bonds in accordance with paragraph 10 of Exhibit A or Regulation S pursuant to Clause 3.6.2(ii), individual definitive Certificates issued in exchange for interests in the Restricted Global Certificates shall bear the Securities Act Legend.

3.7 **Transfer or Exchange of the Bonds represented by individual definitive Certificates**: Subject to the provisions of this Clause 3 and Exhibit A, the holder of the Bonds represented by individual definitive Certificates may transfer or exchange such Bonds. The Agents shall register the transfer of the Bonds represented by individual definitive Certificates, subject to the same restrictions and certifications applicable to a transfer of interests in a Bond evidenced by the Restricted Global Certificate and Unrestricted Global Certificate, respectively.

3.8 **Proxies and Authorisations**: Subject to the provisions of this Agreement, the registered holder of the Bonds represented by a Global Certificate may grant proxies and otherwise authorise any person, including participants and persons that may hold interests through participants, to take any action that a holder is entitled to take under this Agreement or the Bonds.

3.9 **No Transfer Periods**: Notwithstanding anything herein to the contrary, no holder of the Bonds may require the transfer of the Bonds during the periods set forth in Condition 2(e).

4 PAYMENT BY THE COMPANY

4.1 **Payment to the Principal Agent**: The Company, failing whom the Subsidiary Guarantors, will, at or before 1:00 p.m. (London time), unconditionally pay or procure to be paid, to an account specified by the Principal Agent on each date on which any payment in respect of the Bonds becomes due, to the Principal Agent such amount as may be required for the purposes of such payment.

4.2 **Notification of payment**: The Company, failing whom the Subsidiary Guarantors, shall procure that on or before 1:00 p.m. (London time) on the Business Day prior to each due date for payment the bank through which such payment is to be made will send to the Principal Agent confirmation that it has received from the Company an irrevocable instruction to make the relevant payment (by tested telex or SWIFT message).

4.3 **Notification in the Event of Non-payment**: The Principal Agent shall as soon as is reasonably practicable notify the Trustee, the other Agents, the Company and the Subsidiary Guarantors if it has not, by the time specified for its receipt, received the amount referred to in Clause 4.1.

5 PAYMENT BY THE AGENTS

5.1 **Payment**: Unless they receive a notification from the Principal Agent under Clause 4.3 the Agents will, subject to and in accordance with the Conditions, pay or cause to be paid on behalf of the Company or the Subsidiary Guarantors on each due date therefor the amounts due in respect of the Bonds and will be entitled to claim any amounts so paid from the Principal Agent. If any payment provided for in Clause 4.1 is made late but otherwise in accordance with this Agreement the Agents will nevertheless make such payments in respect of the Bonds. However, unless and until the full amount of any such payment has

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been made to the Principal Agent none of the Agents will be bound to make such payments until either the Principal Agent has received the full amount of moneys then due and payable in respect of the Bonds or other arrangements satisfactory to the Principal Agent have been made. If payment of any amount is made to the Principal Agent later than the due date for payment of such amount to the holders of the Bonds, the Principal Agent shall as soon as practicable after receipt thereof give notice to the other Agents, and the Trustee and, if requested by the Trustee, the holders of the Bonds in accordance with Condition 16 that such payment has been made. Nothing contained herein shall require any Agent to make a payment unless and until such Agent has received immediately available funds sufficient to make said payment.

5.2 **Reimbursements of Agents**: Subject to receipt of moneys payable pursuant to Clause 4, the Principal Agent will on demand promptly reimburse each Agent for payments in respect of the Bonds properly made by it in accordance with the Conditions and this Agreement.

5.3 **Method of payment to Principal Agent**: All sums payable to the Principal Agent hereunder will be paid in U.S. Dollars and in immediately available or same day funds to such account with such bank in New York or London as the Principal Agent may from time to time notify in advance to the Company, the Subsidiary Guarantors and the Trustee in writing.

5.4 **Surrender of Certificates to Agents**: The Agents shall accept surrender of Certificates from holders of the Bonds as a condition precedent to payment of principal, premium (if any) and/or interest (if any) in accordance with the Conditions. At close of business on the second business day (as defined in Condition 6(e)) before the due date for payment in respect of the Bonds, and, if Certificates are surrendered later than that, on any business day thereafter on which Certificates are surrendered, each Agent to whom Certificates (other than the Global Certificates) have been surrendered will notify the Registrar and the Principal Agent of the identifying numbers of Certificates surrendered to it at that time. Each Agent will cancel Certificates surrendered to it and forward the cancelled Certificates to the Principal Agent for destruction.

5.5 **Fees and expenses of the Agents**: The Principal Agent will account to each of the other Agents for their fees and expenses in respect of the services performed by them under this Agreement promptly after receipt thereof from the Company and the Subsidiary Guarantors, and the Company and the Subsidiary Guarantors need not concern itself with the apportionment of such payments between the Agents.

5.6 **Agents of the Trustee**: The Agents shall, on demand by the Trustee by notice in writing given to them at any time after any Event of Default or Potential Event of Default has occurred and until notified in writing by the Trustee to the contrary:

5.6.1 act thereafter as Agents of the Trustee under the Trust Deed and the Bonds *mutatis mutandis* on the terms provided in this Agreement (with consequential amendments as necessary and except that the Trustee's liability under any provisions hereof for the indemnification, remuneration and all other expenses of the Agents shall be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the trusts of the Trust Deed and available for that purpose) and thereafter hold all Certificates and all moneys, documents and records held by them in respect of the Bonds to the order of the Trustee; and/or

5.6.2 deliver all Certificates and all moneys, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such notice.

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5.7 **No Calculations**: None of the Agents or the Trustee shall be required to undertake any calculations with respect to any payment hereunder (including for the avoidance of doubt any calculations with respect to the Applicable Premium (as defined in the Conditions)).

5.8 **Notices of change of the Trustee**: The Company or the Subsidiary Guarantors shall forthwith give notice to the Principal Agent of any change in the person or persons comprising the Trustee.

6 EARLY REDEMPTION

6.1 **Notice of Redemption**: If the Company intends to redeem all of the Bonds under Condition 5(b), (c) or (d) before their stated maturity date it shall, at least five Business Days if the Bonds are represented by Global Certificates at such time, and seven Business Days if the Bonds are represented by individual definitive Certificates at such time, before the latest date for the publication of notice of redemption required to be given to holders of the Bonds, give notice of its intention to the Principal Agent and the Trustee stating the date on which the Bonds are to be redeemed and the amount redeemed under Condition 5(b), (c) or (d) (the "**Early Redemption Amount**").

6.2 **Redemption Notice**: On behalf of and at the request and expense of the Company or the Subsidiary Guarantors, the Principal Agent shall publish the notice required in connection with such redemption. Such notice shall specify the date fixed for redemption, the redemption price and the manner in which redemption will be effected and, if applicable, the Early Redemption Amount. The Principal Agent shall as soon as is reasonably practicable notify the other Paying Agents (if any) of the contents of such notice.

6.3 **Purchase upon a Change of Control Triggering Event**:

6.3.1 Each Agent will keep a stock of notices ("**Purchase Notices**") in the form similar to that on the reverse side of the Certificates representing the Bonds and also set out in Exhibit C hereto and will make such notices available on demand to Bondholders for redemption of Bonds following a Change of Control Triggering Event (as defined in Condition 3(i)). Upon receipt of any Certificates representing any Bonds (or in the case of Global Certificates, authority to DTC, Euroclear or Clearstream, as the case may be) and a duly completed Purchase Notice deposited in the exercise of the option provided for in Condition 5(d), the Paying Agent with which such Bond is deposited shall hold such Bonds on behalf of the depositing Bondholder (but shall not, save as provided below, release it) until the Offer to Purchase Payment Date, when, subject as provided below, it shall present such Bonds or portion thereof to itself for payment of the redemption moneys therefor (including premium (if any)) and interest accrued to or payable on such date) in accordance with the Conditions and shall pay such moneys in accordance with the directions of the Bondholder contained in the Purchase Notice. If, prior to the relevant Offer to Purchase Payment Date, such Bonds becomes immediately due and payable, a Bondholder withdraws his or its election to have his or its Bonds purchased in accordance with the Conditions or if upon due presentation or surrender, as the case may be, payment of such redemption moneys is improperly withheld or refused, the Agent concerned shall mail such Bonds by uninsured post to, and at the risk of, the relevant Bondholder at such address as may have been given by the Bondholder in the Purchase Notice (or, as the case may be, to the address appearing in the Register). At the end of each period for the exercise of such option, each Agent shall as soon as is reasonably practicable notify the Principal Agent of the nominal amount of

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Bonds in respect of which such option has been exercised together with their identifying numbers and the Principal Agent shall as soon as is reasonably practicable notify such details to the Company and the Subsidiary Guarantors.

Upon receipt of any Certificate and Purchase Notice as set out above, the relevant Agent shall inform the Principal Agent and the Principal Agent shall as soon as is reasonably practicable notify the Company and the Subsidiary Guarantors to enable the Company and the Subsidiary Guarantors to comply with its obligations under Clause 4 and the Conditions.

6.3.2 Within five Business Days of the surrender by a Bondholder of a definitive Certificate upon a portion of it being accepted for purchase pursuant to a Change of Control Offer, the Paying Agent to whom such Certificate was surrendered will deliver at its specified office to the relevant Bondholder or despatch by uninsured mail (at the request and the risk of the Bondholder) to such Bondholder's address appearing on the Register, a new Certificate representing the portion of the Bonds not purchased and in respect of which entries have been made in the Register. If the surrendered Bond was represented by a Global Certificate, the Registrar will within three Business Days make the relevant entries in the Register.

6.4 **Payment Processing**: If any of the Agents are required to process payments to the holders (including but not limited to payments to the holders in connection with the exercise of redemption rights by the holders upon a change of control event) other than the usual scheduled coupon and redemption payments to the clearing system, the Principal Agent and the Company and the Subsidiary Guarantors shall negotiate in good faith regarding any additional compensation to such Agent or the Principal Agent.

7 CANCELLATION OF THE BONDS

7.1 **Cancellation by Agents**: All Bonds which are purchased by the Company or any of the Subsidiary Guarantors, redeemed and surrendered to the Principal Agent for cancellation shall be cancelled by the removal, with respect to such Bonds, of the relevant name of the holder of the Bonds from the Register by the Registrar and cancellation of the corresponding Certificates (or appropriate amendment of a Global Certificate if the Bonds are represented thereby) by the Agent to which they were surrendered or with which they were deposited.

7.2 **Cancelled Certificates**: Each Agent shall (unless it is itself the Principal Agent) give all relevant details for the purposes of Clause 7.3 to, and shall forward Certificates cancelled by it as soon as is reasonably practicable to, the Principal Agent or, as the case may be, its designated agent.

7.3 **Certification of Payment Details**: Subject to receipt of the information described in Clause 7.2, the Principal Agent shall as soon as reasonably possible, and in any event within one month after the end of the calendar quarter during which any such redemption or payment (as the case may be) takes place, upon written request furnish the Company, the Subsidiary Guarantors, the Trustee and the Registrar with a certificate signed by its duly authorised officer (whose name and specimen signature have previously been provided to the Company and the Subsidiary Guarantors) stating (as applicable): (i) the aggregate amounts paid in respect of the Bonds redeemed and cancelled; (ii) the aggregate principal amount of the Bonds cancelled; (iii) the identifying numbers of such Bonds; and (iv) that such Bonds have been cancelled. Such certification may be accepted by the Trustee as conclusive evidence

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of repayment or discharge *pro tanto* of the Bonds or (as the case may be) of the issue of replacement Certificates.

7.4 **Cancelled Certificates**: Unless otherwise instructed by the Company, the Principal Agent or its designated agent shall destroy the cancelled Certificates in its possession or held to its order and furnish to the Company and the Subsidiary Guarantors a certificate of such destruction upon written request by the Company or the Subsidiary Guarantors for such certificate.

7.5 **Records**: Subject to receipt of the relevant information, the Principal Agent shall keep a full and complete record of all Bonds and of their redemption, cancellation, despatch to the Company, the Subsidiary Guarantors and replacement (as appropriate) and shall make such record available at all reasonable times to the Company, the Subsidiary Guarantors, the Trustee and the other Agents. Notwithstanding the foregoing, the Principal Agent shall not be required to keep a record of the Register.

7.6 **Identifying Numbers**: The Registrar shall notify the Principal Agent of the identifying numbers of the Bonds and the Certificates which are issued and the same shall form the basis of the records to be kept by the Principal Agent.

8 ISSUE OF REPLACEMENT CERTIFICATES

8.1 **Stocks of Certificates**: If the Bonds are transferred into a name other than that of the holder of the Global Certificates, the Company will cause a sufficient quantity of additional blank Certificates (other than the Global Certificates) to be available, upon request, to the Registrar at its specified office in Dublin, for the purpose of delivering replacement Certificates as provided below. The Company will promptly notify the Subsidiary Guarantors, the Trustee and the Registrar if the authorised officer of the Company whose facsimile signature appears on such stocks of replacement Certificates ceases to be so authorised. In such circumstances the Company will promptly, properly and validly appoint a replacement authorised officer and upon the request of the Registrar or the Trustee promptly deliver to the Registrar such number of replacement Certificates as each of them may reasonably request, duly signed manually or in facsimile by such replacement authorised officer. Upon receipt of such replacement Certificates the Registrar or its agent will be deemed to have been authorised by the Company to destroy any previous replacement Certificates and will notify the Company of such destruction.

8.2 **Replacement**:

8.2.1 The Principal Agent will, subject to and in accordance with Condition 11 and the following provisions of this Clause 8, authenticate and deliver or cause to be authenticated and delivered any replacement Certificates which the Company or the Subsidiary Guarantors may determine to issue or deliver in place of Certificates which have been mutilated, defaced, lost, stolen or destroyed. The Registrar will inform the Company and the Subsidiary Guarantors upon receiving any request from a holder of the Bonds for the issue of a replacement Certificate.

8.2.2 Upon replacement of Certificates bearing the Securities Act Legend, the Registrar shall only deliver or procure the delivery of replacement Certificates that bear the Securities Act Legend unless the conditions for removal of such legend set forth in paragraph 10 of Exhibit A hereto have been satisfied. Upon replacement of Certificates not bearing the Securities Act Legend, the Registrar shall deliver or

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procure the delivery of replacement Certificates that do not bear the Securities Act Legend.

8.3 **Conditions of Replacement**: The Registrar will verify with the relevant Agent, in the case of an allegedly lost, stolen or destroyed Certificate in respect of which the identifying number is known or believed to be known, that the Bonds in respect of which such Certificate is issued has not been purchased by the Company or the Subsidiary Guarantors and cancelled and the Registrar shall not deliver or cause to be delivered any replacement Certificate unless and until the applicant therefor shall have:

8.3.1 paid such costs (including, *inter alia*, taxes and duties) as may be incurred in connection therewith;

8.3.2 furnished the Registrar with such evidence (including evidence as to the identifying number of the Certificate in question if known) and indemnity as the Company, the Subsidiary Guarantors and the Registrar may reasonably require; and

8.3.3 surrendered to the Registrar any mutilated or defaced Certificate to be replaced.

8.4 **Cancellation of replaced Certificates**: The Registrar shall cancel any mutilated or defaced Certificates replaced pursuant to this Clause 8 and shall furnish the Company, the Subsidiary Guarantors, the Trustee and the Principal Agent with a certificate stating the identifying numbers of the Certificates so cancelled and, unless otherwise instructed in writing by the Company, shall destroy such cancelled Certificates and furnish the Company, the Subsidiary Guarantors, the Trustee and the Principal Agent with a certificate confirming such destruction and containing the information specified in Clause 7.3.

8.5 **Notification**: The Registrar shall, on delivering any replacement Certificate, as soon as is reasonably practicable inform the Company, the Subsidiary Guarantors and each of the other Agents, of the identifying number of such replacement Certificate and (if known) of the identifying number of the Certificate and the relevant Bonds in place of which such replacement Certificate has been delivered.

8.6 **Records**: The Registrar shall keep a full and complete record of all replacement Certificates delivered and shall make such record available at all reasonable times to the Company, the Subsidiary Guarantors, the Trustee and the Principal Agent.

8.7 **Notice of presentation of replaced Certificates**: Whenever any Certificates alleged to have been lost, stolen or destroyed in replacement for which a new Certificate has been issued shall be surrendered or delivered to an Agent prior to payment, redemption or purchase, the Agent shall as soon as is reasonably practicable send notice thereof to the Company, the Subsidiary Guarantors, the Registrar and the Principal Agent.

9 DUTIES OF THE TRANSFER AGENTS IN RESPECT OF TRANSFERS

If and to the extent specified by the Conditions and in accordance therewith and the terms of this Agreement or if otherwise requested by the Company or the Subsidiary Guarantors, each Transfer Agent will:

9.1 receive requests for the transfer of the Bonds, inform the Registrar, forward the deposited Certificate(s) to the Registrar and assist in the issue of a new Certificate in accordance with the regulations referred to in Clause 12 and in particular as soon as is reasonably practicable notify the Registrar of: (i) the name and address of the holder of the Bonds; (ii) the identifying number of the relevant Certificate and the relevant Bonds; (iii) (where not all Bonds in respect

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of which a Certificate was issued are to be transferred) the number of Bonds transferred and their identifying numbers; and (iv) the name, address and account for payments (if any) of the transferee to be entered on the Register;

9.2 keep the Registrar informed of all transfers; and

9.3 carry out such other acts as may be necessary to give effect to the Conditions and the other provisions of this Agreement.

10 DUTIES OF THE REGISTRAR

10.1 **The Register**: The Registrar shall maintain a register (the "**Register**") in Dublin (or such other city as may be approved in writing by the Trustee in its absolute discretion) in accordance with the Conditions and the Regulations referred to in Clause 12. The register shall show the amount of Bonds and the date of issue and all subsequent transfers and changes of ownership in respect thereof and the names and addresses of the holders of the Bonds. The Registrar shall at all reasonable times during office hours make the Register available to the Company, the Subsidiary Guarantors, the Trustee, the other Agents or any person authorised by any of them for inspection and for the taking of copies thereof or extracts therefrom and the Registrar shall deliver to such persons all such lists of holders of the Bonds, their addresses, registered accounts, holdings and other details as they may request. The Register will include a record of the identifying number allocated to each Bond and the identifying number allocated to each Certificate which is issued. Each Certificate will carry the identifying number of the Bonds in respect of which it is issued, as well as its own identifying number. The Registrar will maintain proper records in relation to the title to any of the Bonds including all forms of transfer, probates, letters of administration and powers of attorney. The provisions set forth in Exhibit A hereto shall apply in relation to the maintenance of the Register and the transfer of the Bonds. The Registrar will enter in the Register the details of all redemptions of the Bonds notified to it as aforesaid and the Registrar will comply with the proper and reasonable requests of the Company or the Subsidiary Guarantors with respect to the maintenance of the Register and will provide to the Company, the Subsidiary Guarantors, the Trustee and other Agents such information with respect thereto as may be requested by the Company or the Subsidiary Guarantors or may be reasonably required by the Trustee or the other Agents for the proper performance of their respective duties.

10.2 **Transfers**: The Registrar will receive requests for the transfer of the Bonds and will also receive Certificates deposited with the Agents for transfer, effect the necessary entries and issue new Certificates in accordance with the Regulations referred to in Clause 12 and deliver the new Certificate(s) to the relevant Agent.

10.3 **Replacement and Other Duties**: The Registrar will also have certain duties in connection with the replacement of certificates, which duties are set out in Clause 8. The Registrar will also carry out such other acts as may be necessary to give effect to the Conditions and the other provisions of this Agreement.

11 DOCUMENTS AND CERTIFICATES FOR THE REGISTRAR

11.1 **Supply of Certificates**: If the Bonds are transferred into a name other than that of the holder of the Global Certificates, the Company will deliver to the Registrar in reasonably sufficient time for the performance of their duties hereunder:

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11.1.1 a supply of blank Certificates sufficient to meet the Registrar's anticipated requirements for Certificates upon effecting the transfers required by the holder of the Global Certificates; and

11.1.2 from time to time, so long as any Bonds are outstanding, sufficient additional blank Certificates as may be required for the performance of the Registrar's duties.

11.2 **Safekeeping of Certificates**: The Registrar and each Transfer Agent shall maintain in safe custody all Certificates and blank Certificates delivered to and held by them and shall ensure that Certificates are issued only in accordance with the Conditions (including the provisions of the Global Certificates) and the provisions of this Agreement.

11.3 **Information**: Within seven days of any request therefor by the Company, the Subsidiary Guarantors or any Agent, so long as any of the Bonds are outstanding, the Registrar shall certify to the Company, the Subsidiary Guarantors and the relevant Agent the number of blank Certificates held by them hereunder.

12 INFORMATION AND REGULATIONS CONCERNING THE BONDS

12.1 **Provision of information**: The Agents will give to the other Agents such further information with regard to their activities hereunder as may reasonably be required by them for the proper carrying out of their respective duties.

12.2 **Regulations**: The Company or the Subsidiary Guarantors may, subject to the Conditions, from time to time with the approval of the Registrar and the Trustee promulgate Regulations concerning the carrying out of transfers and the forms and evidence to be provided. All such transfers will be made subject to the Regulations. The initial Regulations are set out in Exhibit A. The Registrar shall, at the expense of the Company, failing whom the Subsidiary Guarantors, provide copies of the current Regulations to holders of the Bonds upon request in accordance with Condition 2(f).

13 REMUNERATION

13.1 **Fees**: The Company, failing whom the Subsidiary Guarantors, will, in respect of the services to be performed by the Agents under this Agreement, the Conditions and the Trust Deed pay to the Principal Agent the commissions, fees and expenses (together with any applicable value added tax) as separately agreed with the Principal Agent and the Company or the Subsidiary Guarantors need not concern itself with the apportionment of such payments between the Agents.

13.2 **Costs**: The Company, failing whom the Subsidiary Guarantors, will pay to the Principal Agent on demand all out-of-pocket expenses (including, without limitation, advertising, cable, postage and insurance expenses and the fees and expenses of legal advisers) properly incurred by any Agent in connection with its services performed under this Agreement, the Conditions and the Trust Deed together with any applicable value added tax and stamp, issue, documentary or other similar taxes and duties.

13.3 **Stamp duties**: The Company, failing whom the Subsidiary Guarantors, will pay or reimburse all stamp, registration and other similar taxes, fees or duties in the United Kingdom, United States, Singapore, Belgium and Luxembourg, if any, to which this Agreement may be subject.

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13.4 **Obligations to survive**: Any outstanding obligations of the Company and the Subsidiary Guarantors to the Agents under this Clause 13 shall survive the termination of the Agreement, the Conditions and the Trust Deed and the resignation or removal of any of the Agents.

14 FUNDS HELD BY PRINCIPAL AGENT

The Principal Agent shall be entitled to deal with moneys paid to it by the Company and the Subsidiary Guarantors for the purposes of this Agreement in the same manner as other moneys paid to a banker by its customers, such moneys shall not be subject to the United Kingdom Financial Conduct Authority's Client Money Rules and the Principal Agent shall not be liable to account to the Company or the Subsidiary Guarantors for any interest thereon, save as otherwise agreed between the Company, the Subsidiary Guarantors and the Principal Agent. No Agent shall exercise any right of set-off or lien or similar claim over moneys paid to it or by it under this Agreement. Moneys held by the Agents need not be segregated.

15 MISCELLANEOUS

15.1 **Publication of notices**: On behalf and at the request and expense of the Company or the Subsidiary Guarantors, the Principal Agent shall arrange for the publication of all notices to Bondholders. Notices to Bondholders shall be published in accordance with the Conditions having previously, unless the Trustee otherwise directs, been approved by the Trustee.

15.2 **Notices to the Trustee**: Upon each occasion that the Company or the Subsidiary Guarantors gives to the Trustee any notice in connection with the Bonds, the Company or the Subsidiary Guarantors shall at the same time give a similar notice to the Principal Agent.

15.3 **Voting**: Each of the Agents shall perform the functions described as being performed by it in Schedule 4 to the Trust Deed and shall keep a full and complete record of forms of proxy issued by it.

15.4 **No implicit duties**: The Agents shall be obliged to perform such duties, and only such duties, as are herein and in the Conditions specifically set forth, and no implied duties or obligations shall be read into this Agreement or the Conditions against any of them.

15.5 **No agency or trust**: In acting hereunder and in connection with the Bonds, the Agents shall act solely as agents of the Company and the Subsidiary Guarantors (or, where a notice given by the Trustee pursuant to Clause 5.6 shall not have been withdrawn, the Trustee) and will not thereby assume any obligations or fiduciary duties towards, or relationship of agency or trust for, any of the holders of the Bonds.

15.6 **Appointment of Other Agents**: The Agents are entitled to appoint other agents and shall not be responsible for the acts or omissions of those agents or for supervising so long as the Agents have exercised due care in their selection process.

15.7 **Taking of advice**: Any of the Agents may consult with legal or other professional advisers satisfactory to it, and the opinion of such advisers shall be full and complete protection in respect of any action taken, omitted or suffered hereunder in good faith and in accordance with the opinion of such advisers.

15.8 **Liability**: The Agents shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from the

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Company, the Subsidiary Guarantors or the Trustee, or any Bonds, Certificate, form of transfer, resolution, direction, consent, certificate, affidavit, statement, facsimile transmission or other paper or document reasonably believed by it to be genuine and to have been delivered, signed or sent by the proper party or parties.

15.9 **Indemnity by the Company and the Subsidiary Guarantors**: The Company and the Subsidiary Guarantor jointly and severally indemnify each of the Agents against any losses, liabilities, costs, claims, actions, demands or expenses (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise or non-exercise of its functions, except such as may result from its own wilful default, gross negligence or fraud or that of its directors, officers, or employees. All payments by the Company or the Subsidiary Guarantors to the Principal Agent under Clause 13 and this Clause 15.9 shall be made without withholding or deduction for any taxes, duties, or other charges of whatever nature imposed, levied, collected, withheld or assessed by or within India or any political subdivision or authority thereof or therein having power to tax (collectively, "**Taxes**"), excluding Taxes imposed based on overall net income of the Paying Agent and Taxes that would not have been imposed but for the connection between the Paying Agent and the taxing jurisdiction (other than any such connection arising from activities contemplated by this Agreement), unless such withholding or deduction is required by law. If any withholding or deduction is required by law in respect of payments made by the Company or the Subsidiary Guarantors to the Principal Agent under Clause 13 or this Clause 15.9, the Company, failing whom the Subsidiary Guarantors, shall pay additional amounts as may be necessary in order that the net amounts received by the Principal Agent after such deduction or withholding shall equal the amounts which would have been receivable by the Principal Agent had no such deduction or withholding been required. If the Company or the Subsidiary Guarantors makes such an increased payment under this Clause and the Principal Agent subsequently obtains a refund of tax or credit against tax by reason of the Company or the Subsidiary Guarantors making such a deduction or withholding, the Principal Agent shall reimburse the Company or the Subsidiary Guarantors as soon as reasonably practicable with an amount such as the Principal Agent shall determine (acting reasonably and in good faith) to be such proportion of the said refund or credit as shall leave the Principal Agent after such reimbursement in no better or worse position than it would have been in had no deduction or withholding been required. The provisions of this Clause 15.9 shall survive the resignation or removal of any Agent and the termination of this Agreement.

15.10 **Entitlement to treat holder as owner**: Except as ordered by a court of competent jurisdiction or may be required by law, each of the Agents shall (whether or not the relevant Bond is overdue and regardless of any notice of ownership, trust or any interest, or writing on, or the loss or theft of, the Certificate issued in respect of it) be entitled to treat the registered holder of any Bonds as the absolute owner for all purposes.

15.11 **Copies of documents**: So long as any of the Bonds remains outstanding, the Company and the Subsidiary Guarantors shall provide the Agents with a sufficient number of copies of the Trust Deed and of each of the documents which are sent to the Trustee pursuant to Clause 7.4, 7.5 or 7.6 of the Trust Deed or which are required to be made available by stock exchange regulations or stated in the Offering Circular relating to the Bonds, to be available and, subject to being provided with such copies, each of the Agents will procure that such copies shall be available at its specified office for examination by holders of the Bonds and that copies thereof will be furnished to holders of the Bonds upon request.

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15.12 **Acquisition of the Bonds**: Any Agent and their respective officers, directors and employees, may become the owner of, or acquire any interest in, any Bonds with the same rights that it or they would have if it were not appointed hereunder, and may engage or be interested in any financial or other transaction with the Company or the Subsidiary Guarantors and may act on, or as depositary, trustee or agent for, any committee or body of holders of the Bonds or other obligations of the Company or the Subsidiary Guarantors as freely as if it were not appointed hereunder and profit therefrom without being obliged to account for such profit.

15.13 **Merger**: Any corporation into which any Agent may be merged or converted or any corporation with which any Agent may be consolidated or any corporation resulting from any merger, conversion or consolidation to which any Agent shall be a party or any corporation succeeding to all or substantially all of the corporate trust business of any Agent shall, to the extent permitted by applicable law, be the successor Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto. Notice of any such merger, conversion or consolidation shall forthwith be given to the Company, the Subsidiary Guarantors, the Trustee and the holders of the Bonds.

15.14 **Liability to Tax**: The Company, failing whom the Subsidiary Guarantors, shall promptly give written notice to the Principal Agent and the relevant Paying Agent (if any) if it is required by law to withhold or account for tax in respect of any payment due in respect of the Bonds and in the event that the Company or the Subsidiary Guarantors gives such notice to the Principal Agent and the relevant Paying Agent (if any) in accordance with this Clause 15.14, the Principal Agent and the relevant Paying Agent, as applicable, shall make any payments due in respect of the Bonds net of taxes or other sums deducted pursuant to such notified requirement.

15.15 **No Duty to Monitor**: Except pursuant to express obligations under this Agreement, no Agent shall be under any duty to monitor compliance with U.S. federal or state securities or other laws, or any laws of any other jurisdiction.

15.16 **No Liability**:

15.16.1 No provision of this Agreement shall require any Agent to expend or risk its own funds or otherwise incur any expense or financial liability in the performance of any of its duties hereunder, or in exercise of any of its rights or powers.

15.16.2 Notwithstanding any provision of this Agreement or the Conditions to the contrary, the Agents and the Trustee shall not in any event be liable under any circumstances for any special, indirect, punitive or consequential loss or damages of any kind whatsoever (including but not limited to lost profits, business, goodwill, reputation or opportunity), in each howsoever caused or arising and whether arising directly or indirectly and whether or not foreseeable, even if the Agents or the Trustee (as applicable) is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust or otherwise. The provisions of this Clause 15.16.2 shall survive the termination or expiry of this Agreement and/or the resignation or removal of the Trustee or the relevant Agent.

15.16.3 All moneys paid by the Company or the Subsidiary Guarantors to the Principal Agent in respect of amounts due on Bonds which have become void shall be repaid to the Company or to the Subsidiary Guarantors, as applicable. The Principal Agent shall

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not, however, be otherwise required or entitled to repay any sums received by it under this Agreement.

15.16.4 Each of the Company and the Subsidiary Guarantors understands that the Trustee and the Agents are part of a global financial organisation that operates in and provides services and products to clients through affiliates and subsidiaries located in multiple jurisdictions (such global financial organisation, the Citi Group). Each of the Company and the Subsidiary Guarantors also understands that the Citi Group may centralise in one or more affiliates, subsidiaries or unaffiliated service providers certain activities, including audit, accounting, administration, risk management, legal, compliance, sales, marketing, relationship management, and the storage, maintenance, aggregation, processing and analysis of information and data regarding the Company or the Subsidiary Guarantors. Consequently, each of the Company and the Subsidiary Guarantors hereby consents and authorises each Agent to disclose to other members of the Citi Group (and their respective officers, directors and employees) information and data regarding the Company, the Subsidiary Guarantors, their employees and representatives, or any accounts established pursuant to this Agreement in connection with the foregoing activities, subject to maintaining the confidentiality of such information and data. To the extent that information and data includes personal data encompassed by relevant data protection legislation applicable to the Company or the Subsidiary Guarantors, each of the Company and the Subsidiary Guarantors represents and warrants that it is authorised to provide the foregoing consents and authorisations and that the disclosure to each Agent will comply with the relevant data protection legislation; provided that neither the Company nor the Subsidiary Guarantors shall be obliged to send any such personal data if it is not satisfied that it is able to provide the foregoing representation and warranty. Each of the Company and the Subsidiary Guarantors acknowledges and agrees that information concerning the Company and the Subsidiary Guarantors may be disclosed to unaffiliated service providers, third parties and agents who are required to maintain the confidentiality of such information, to governmental and regulatory authorities in jurisdictions where the Citi Group operates, and otherwise as required by law.

15.16.5 Each of the Company and the Subsidiary Guarantors hereby irrevocably waives, in favour of the Agents, any conflict of interest which may arise by virtue of the Agents acting in various capacities under the Trust Deed and this Agreement or for other customers of the Agents. Each of the Company and the Subsidiary Guarantors acknowledges that the Agents and their affiliates (together, the "**Principal, Paying, Transfer and Registrar Parties**") may have interests in, may be providing or may in the future provide financial or other services to other parties with interests which either the Company or the Subsidiary Guarantors may regard as conflicting with its own interests and may possess information (whether or not material to the Company or the Subsidiary Guarantors) other than as a result of the Agents acting in their capacities hereunder that they may not be entitled to share with the Company and/or the Subsidiary Guarantors. No Agent will disclose confidential information obtained from the Company (without its consent) to any of such Agent's other customers nor will such Agent use on either the Company's or the Subsidiary Guarantors' behalf any confidential information obtained from any other customers. Without prejudice to the foregoing, each of the Company and the Subsidiary Guarantors agrees that the Principal, Paying, Transfer and Registrar Parties may deal (whether for their own



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or their customers' account) in, or advise on, securities of any party and that such dealing or giving of advice will not constitute a conflict of interest for the purposes of the Trust Deed or this Agreement.

15.17 **No Liabilities under Certain Conditions**: No Agent shall be responsible for any loss or damage, or failure to comply or delay in complying with any duty or obligation, under or pursuant to this Agreement arising as a direct or indirect result of any Force Majeure Event or any event where, in the reasonable opinion of the Agent, performance of any duty or obligation under or pursuant to this Agreement would or may be illegal or would result in that Agent being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organisation to which that Agent is subject.

15.18 **Right to refrain**: Notwithstanding anything else herein contained, each Agent may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Hong Kong, Germany, the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation. In the event that any Agent shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from the Company or the Subsidiary Guarantors which, in its opinion, are unclear or conflicting or which conflict with any of the provisions of this Agreement and/or the Conditions, it shall be entitled to refrain from taking any action until it is directed in writing by a final order or judgment of a court of competent jurisdiction.

15.19 **Mutual Undertaking Regarding Information Reporting and Collection Obligations**: Without prejudice to the other provisions of this Agreement, each of the Company, the Subsidiary Guarantors and the Agents (for the purposes of this Clause 15.19, each a party) shall, within ten business days of a written request by any other party, supply to that other party such forms, documentation and other information relating to it, its operations, or the Bonds as that other party reasonably requests for the purposes of that other party's compliance with Applicable Law and shall notify the relevant other party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such party is (or becomes) inaccurate in any material respect; provided, however, that no party shall be required to provide any forms, documentation or other information pursuant to this Clause 15.19 to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such party and cannot be obtained by such party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality.

15.20 **Notice of Possible Withholding under FATCA**: Each of the Company and the Subsidiary Guarantors shall notify each Agent in writing within 30 days in the event that it determines that any payment to be made by an Agent under the Bonds is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the respective obligations of the Company and the Subsidiary Guarantors under this Clause 15.20 shall apply only to the

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extent that such payments are so treated by virtue of characteristics of the Company and/or the Subsidiary Guarantors, the Bonds, or any of the aforesaid together.

15.21 **Company's and Subsidiary Guarantors' Right to Redirect**: In the event that either the Company or the Subsidiary Guarantors determines in its sole discretion that any deduction or withholding for or on account of any Tax will be required by Applicable Law in connection with any payment due to any of the Agents on any Bonds, then the Company or the Subsidiary Guarantors, as the case may be, will be entitled to redirect or reorganise any such payment in any way that it sees fit in order that the payment may be made without such deduction or withholding provided that, any such redirected or reorganised payment is made through a recognised institution of international standing and otherwise made in accordance with this Agreement and the Trust Deed. The Company or the Subsidiary Guarantors, as the case may be, will promptly notify the Agents and the Trustee of any such redirection or reorganisation. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this Clause 15.21.

15.22 **Agent Right to Withhold**: Notwithstanding any other provision of this Agreement, each Agent shall be entitled to make a deduction or withholding from any payment which it makes under the Bonds for or on account of any Tax, if and only to the extent so required by Applicable Law, in which event the Agent shall make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld or, at its option, shall reasonably promptly after making such payment return to the Company or the Subsidiary Guarantors, as applicable, the amount so deducted or withheld, in which case, the Company or the Subsidiary Guarantors, as applicable, shall so account to the relevant Authority for such amount. For the avoidance of doubt, FATCA Withholding is a deduction or withholding which is deemed to be required by Applicable Law for the purposes of this Clause 15.22.

16 CHANGES IN AGENTS

16.1 **Appointment and termination of appointment**: The Company or the Subsidiary Guarantors may with the prior approval of, and on the terms approved in writing by the Trustee, appoint further or other Agents. The Company or the Subsidiary Guarantors may also terminate the appointment of any Agent at any time subject to the prior written approval of the Trustee (such approval to be subject to the completion of any applicable "know your client" or other legal compliance checks that the Trustee may require in respect of the successor Agent and further subject to any approval of the Bondholders that the Trustee may deem necessary). Such termination shall be effective by giving:

16.1.1 to the Trustee;

16.1.2 in the case of any Agent other than the Principal Agent, to the Principal Agent; and

16.1.3 to the Agent whose appointment is to be terminated.

at least 30 days' written notice to that effect. However, no such notice relating to the termination of the appointment of the Principal Agent or the Registrar shall take effect until a new Principal Agent or, as the case may be, Registrar approved in writing by the Trustee (such approval to be given as soon as practicable and not to be unreasonably withheld) has been appointed on terms approved in writing by the Trustee (such approval to be given as soon as practicable and not to be unreasonably withheld). The Company or the Subsidiary Guarantors shall procure that there is at all times:

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(a) a Principal Agent;

(b) a Paying Agent in Singapore so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require; and

(c) a Registrar.

The termination of the appointment of any Agent shall not take effect (1) until 14 days prior notice thereof shall have been given to the holders of the Bonds in accordance with Condition 16 and (2) within the period commencing 30 days immediately preceding any due date for a payment in respect of the Bonds and ending 15 days after such date, provided that termination may take immediate effect in case of insolvency of any Agent.

16.2 **Resignation**: Any Agent may resign its appointment hereunder at any time by giving to the person(s) referred to in Clauses 16.1.1 and 16.1.2 and the Company and the Subsidiary Guarantors at least 30 days' written notice to that effect, provided that (i) in the case of the resignation of the Principal Agent or the Registrar, no such resignation shall take effect until a new Principal Agent or, as the case may be, Registrar approved in writing by the Trustee has been appointed (such approval to be given as soon as practicable and not to be unreasonably withheld) by the Company and the Subsidiary Guarantors on terms approved in writing by the Trustee (such approval to be given as soon as practicable and not to be unreasonably withheld), (ii) no such resignation shall take effect unless upon the expiry of the notice period there are Agents as required by Clause 16.1, (iii) no such resignation shall take effect until 14 days prior notice thereof shall have been given to the holders of the Bonds in accordance with Condition 16 and (iv) no such notice shall be given so as to expire within a period commencing 45 days immediately preceding any due date for a payment in respect of the Bonds and ending 15 days after such date.

Notwithstanding the above:

(a) each of the Company and the Subsidiary Guarantors agrees with each Agent that if, by the day falling 10 days before the expiry of any notice referred to above, the Company or the Subsidiary Guarantors has not appointed a replacement Agent, then the relevant Agent shall be entitled, on behalf of the Company and the Subsidiary Guarantors, to appoint in its place any reputable financial institution of good standing on terms approved by the Trustee (such approval not to be unreasonably withheld) and neither the Company nor the Subsidiary Guarantors shall unreasonably object to such appointment;

(b) no appointment of an Agent shall take effect unless and until notice thereof shall have been given to the Bondholders where required by, and in accordance with, the Conditions and the Trust Deed; and

(c) notwithstanding any other provision of this Clause 16, the appointment of any Agent shall forthwith terminate if such Agent becomes incapable of acting, is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes an assignment for the benefit of its creditors, consents to the appointment of a receiver, administrator or other similar official of all or a substantial part of its property or assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding up or dissolution of such Agent or any analogous event under any applicable law.

16.3 **Delivery of Records by Principal Agent on Termination**: If the appointment of the Principal Agent hereunder is terminated or the Principal Agent resigns its appointment

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hereunder, the Principal Agent shall subject to payment of all outstanding fees and expenses, on the date on which such termination or resignation takes effect, pay to the successor Principal Agent the amounts held by it in respect of the Bonds the Certificates relating to which have not been presented for payment and any other amounts held by it in respect of the Bonds and shall deliver to the successor Principal Agent Certificates surrendered to it but not yet destroyed, held by it, all records concerning the Bonds and the Certificates maintained by the Principal Agent pursuant to this Agreement, but shall have no other duties or responsibilities to provide services as Principal Agent hereunder.

16.4 **Delivery of Records by Registrar on Termination**: If the appointment of the Registrar is terminated or the Registrar resigns its appointment hereunder, the Registrar shall subject to payment of all outstanding fees and expenses, on the date on which such termination or resignation takes effect, deliver to the successor Registrar, the Register, all Certificates and blank Certificates held by it and all other records concerning the Bonds maintained by it pursuant to this Agreement, but shall have no other duties or responsibilities to provide services as Registrar hereunder.

16.5 **Delivery of Records by Agents on Termination**: If the appointment of any Agent is terminated or any Agent or the Registrar resigns its appointment hereunder, such Agent or the Registrar shall subject to payment of all its outstanding fees and expenses, on the date on which such termination or resignation takes effect, deliver to any successor Agent or the Registrar or, if none, the Principal Agent any records or other documents concerning the Bonds maintained by it pursuant to this Agreement, but shall have no other duties or responsibilities hereunder.

16.6 **Change of Office**: If any Agent shall change its specified office, it shall give to the Company, the Subsidiary Guarantors, the Principal Agent and the Trustee not less than 30 days' prior written notice to that effect giving the address of the new specified office. As soon as practicable thereafter, the Principal Agent shall give to the holders of the Bonds, on behalf of and at the expense of the Company, failing whom the Subsidiary Guarantors, notice of such change and the address of the new specified office in accordance with Condition 16.

16.7 **Successor Principal Agent**: Upon the execution by the Company, the Subsidiary Guarantors, the Trustee and any successor Principal Agent of an instrument effecting the appointment of such successor Principal Agent, such successor Principal Agent shall, without any further act, deed or conveyance, become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as Principal Agent herein and such predecessor shall thereupon become obliged to transfer, deliver and pay over, and such successor Principal Agent shall be entitled to receive, all moneys, records and Bonds held by such predecessor as Principal Agent hereunder.

17 NOTICES

Any communication shall be by letter sent by pre-paid registered post or courier or facsimile transmission or by telephone (and any communication not by letter shall be confirmed by letter):

to the Company and the Subsidiary Guarantors:	Vedanta Resources Limited 30 Berkeley Square London W1J 6EX United Kingdom

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Attention: Deepak Kumar, Company Secretary
Telephone: +44 20 7499 5900
Fax no.: +44 20 7491 8440

to the Trustee:

Citicorp International Limited
20/F, Citi Tower
One Bay East
83 Hoi Bun Road Kwun Tong, Kowloon, Hong Kong

Attention: Agency and Trust
Fax no.: +852 2323 0279

and, in the case of any of the Agents, to the Principal Agent care of

Citibank, N.A., London Branch
c/o Citibank, N.A., Dublin Branch
Ground Floor
1 North Wall Quay
Dublin 1
Ireland

Attention: Agency and Trust – PPA Payments
Fax no.: +353 1 662 2210

With a copy to:

20/F, Citi Tower
One Bay East
83 Hoi Bun Road Kwun Tong, Kowloon, Hong Kong

Attention: Agency and Trust
Fax no.: +852 2323 0279

Any notice or demand sent by post as provided in this Clause 17 shall be deemed (unless any relevant part of the postal service is affected by industrial action) to have been given, made or served three days (in the case of inland post) or seven days (in the case of overseas post) after despatch and any notice sent by fax as provided in this Clause 17 shall be deemed to have been given, made or served 24 hours after despatch and receipt of confirmation of error-free transmission (if received during business hours and, if not, on the next business day in the place of receipt). Subject thereto, neither the non-receipt of, nor the time of receiving, any such confirmation of a notice given by fax as is referred to above shall invalidate or affect such notice or the time at which it is deemed as provided above to have been given.

Any of the parties named above may change its address for the purpose of this Clause by giving notice of such change to the other parties to this Agreement.

18 GOVERNING LAW, THIRD PARTY RIGHTS AND JURISDICTION

18.1 **Governing Law**: This Agreement, and all non-contractual matters arising from or connected with this Agreement are governed by and shall be construed in accordance with English law.

18.2 **Third Party Rights**: A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act of 1999 to enforce any term of this Agreement.

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18.3 **Jurisdiction**: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or in connection with this Agreement and all non-contractual matters arising from or in connection with it and accordingly any legal action or proceedings relating to a Dispute ("**Proceedings**") may be brought in such courts. Each party irrevocably submits to the jurisdiction of the courts of England and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Agents and the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

18.4 **Process Agent**: Each Subsidiary Guarantor hereby irrevocably appoints the Company, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings in England. If the Company ceases to be able to accept service of process in England and Wales, each Subsidiary Guarantor shall immediately appoint a new agent to accept such service of process in England and notify the Trustee and the Agents of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.5 **Entire Agreement**: This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

19 COUNTERPARTS

This Agreement may be executed in counterparts which when taken together shall constitute one and the same instrument.

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EXHIBIT A
REGULATIONS CONCERNING THE TRANSFER AND REGISTRATION OF THE BONDS

1 Each Bond shall be in the denomination of U.S.$200,000 and in integral multiples of U.S.$1,000 in excess thereof. Certificates, each evidencing entitlement to one or more Bonds, shall be issued in accordance with the Conditions.

2 The Bonds are transferable by execution of the form of transfer on each Certificate endorsed under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing. In this Exhibit "transferor" shall where the context permits or requires include joint transferors and be construed accordingly.

3 The Certificate issued in respect of the Bonds to be transferred must be delivered for registration to the office of a Transfer Agent accompanied by such other evidence (including certificates and/or legal opinions) as Transfer Agent may reasonably require to prove the title of the transferor or his right to transfer the Bonds and his identity and, if the form of transfer is executed by some other person on his behalf or in the case of the execution of a form of transfer on behalf of a corporation by its officers, the authority of that person or those persons to do so. The signature of the person effecting a transfer of a Bond shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Agent may require.

4 The executors or administrators of a deceased holder of the Bonds (not being one of several joint holders) and in the case of the death of one or more of joint holders the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Subsidiary Guarantors as having any title to such Bonds.

5 Any person becoming entitled to the Bonds in consequence of the death or bankruptcy of the holder of such Bonds may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Transfer Agent shall require (including certificates and/or legal opinions), be registered himself as the holder of such Bonds or, subject to the preceding paragraphs as to transfer, may transfer such Bonds. The Company and the Agents may retain any amount payable upon the Bonds to which any person is so entitled until such person shall be so registered or shall duly transfer the Bonds.

6 Unless otherwise requested by him and agreed by the Company, a holder of the Bonds shall be entitled to receive only one Certificate in respect of his holding.

7 The joint holders of a Bond shall be entitled to one Certificate only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint holder whose name appears first in the Register in respect of the joint holding.

8 The Company, the Subsidiary Guarantors and the Transfer Agents shall make no charge to the holders for the registration of any holding of the Bonds or any transfer of the Bonds or for the issue of any Certificates or for the delivery of Certificates at the specified office of the Agent to whom the request for registration, transfer or delivery was delivered or by uninsured post to the address specified by the holder. If any holder entitled to receive a Certificate wishes to have it delivered to him otherwise than at the specified office of such Agent, such

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delivery shall be made upon his written request to such Agent, at his risk and (except where sent by uninsured post to the address specified by the holder) at his expense.

9 Each Transfer Agent will within five business days (as defined in Condition 2(c) of the Terms and Conditions of the Bonds) of receipt of a request to effect a transfer of a Bond (or within 21 days if the transfer is of a Bond represented by a Global Certificate) deliver at its specified office to the transferee or despatch by mail (at the risk of the transferee) to such address as the transferee may request, a new Certificate in respect of the Bonds transferred. In the case of a transfer, purchase or redemption of fewer than all the Bonds in respect of which a Certificate is issued, a new Certificate in respect of the Bonds not transferred will be so delivered to the holder to its address appearing on the Register.

10 Unless there is delivered to a Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Company or the Subsidiary Guarantors, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act, in accordance with applicable laws, all Bonds or Certificates, as the case may be, issued in replacement for or on exchange or transfer of the Bonds or Certificates, as the case may be, bearing the Securities Act Legend, will bear such legend.

11 Unless and until otherwise determined by the Company or the Subsidiary Guarantors, in accordance with applicable law, all Bonds or Certificates, issued in substitution for or on exchange or transfer of the Bonds or Certificates, as the case may be, that do not bear the Securities Act Legend will not bear such legend.

12 Notwithstanding any other provisions of this Agreement, the Registrar shall register the transfer of any Bonds only upon presentation of an executed and duly completed form of transfer substantially in the form set forth in the form of Certificate in Schedule 2 or the Form of Global Certificates in Schedule 3-A and 3-B to the Trust Deed together with any other documents thereby required.

13 The Registrar and Transfer Agents may promulgate any other regulations that they may deem necessary for the registration and transfer of the Bonds.

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EXHIBIT B - PART I
FORM OF RULE 144A TRANSFER CERTIFICATE

VEDANTA RESOURCES LIMITED (the "Company")
U.S.$1,000,000,000 originally 6.125% per cent. and increased to 13.875 per cent. Bonds originally due 2024 and extended to 2028
(the "Bonds")

Reference is hereby made to the amended and restated Paying Agency Agreement (the "**Agency Agreement**") dated [●] 2024 between the Company and the other parties named therein. Capitalised terms used but not defined herein shall have the meanings given to them in the Agency Agreement.

[NOTE: INSERT [A] FOR TRANSFERS OF INTERESTS IN THE BONDS EVIDENCED BY INDIVIDUAL DEFINITIVE CERTIFICATES NOT BEARING THE SECURITIES ACT LEGEND TO TRANSFEREES THAT TAKE DELIVERY IN INDIVIDUAL DEFINITIVE CERTIFICATES BEARING THE SECURITIES ACT LEGEND. INSERT [B] FOR TRANSFERS OF INTERESTS IN THE BONDS EVIDENCED BY THE UNRESTRICTED GLOBAL CERTIFICATE TO TRANSFEREES THAT TAKE DELIVERY IN INDIVIDUAL DEFINITIVE CERTIFICATES BEARING THE SECURITIES ACT LEGEND. INSERT [C] FOR TRANSFERS OF INTERESTS IN THE BONDS EVIDENCED BY THE UNRESTRICTED GLOBAL CERTIFICATE TO TRANSFEREES THAT TAKE DELIVERY IN INTERESTS IN THE BONDS EVIDENCED BY THE RESTRICTED GLOBAL CERTIFICATE.]

[A] This letter relates to U.S.$[●] principal amount of Bonds registered in the name of [*insert name of transferor*] (the "**Transferor**") and evidenced by individual definitive Certificates. The Transferor has requested a transfer or exchange of such Bonds for individual Bonds registered in the name of [insert name of transferee] (the "**Transferee**").

[B] This letter relates to U.S.$[●] principal amount of Bonds which are held in the form of an interest in the Bonds evidenced by the Unrestricted Global Certificate (ISIN No. USG9328DAP53 and CUSIP No. G9328D AP5) with DTC for the account of [Euroclear][Clearstream] in the name of [*insert name of transferor*] (the "**Transferor**"). The Transferor has requested a transfer or exchange of such interest for individual definitive Certificates registered in the name of [*insert name of transferee*] (the "**Transferee**").

[C] This letter relates to U.S.$[●] principal amount of Bonds which are held in the form of an interest in the Bonds evidenced by the Unrestricted Global Certificate (ISIN No. USG9328DAP53 and CUSIP No. G9328D AP5) with DTC for the account of [Euroclear][Clearstream] in the name of [*insert name of transferor*] (the "**Transferor**"). The Transferor has requested a transfer or exchange of such interest for an interest in the Bonds evidenced by the Restricted Global Certificate (CUSIP No. 92241T AM4) to be held with DTC in the name of [*insert name of transferee*] (the "**Transferee**").

In connection with such request, and in respect of such Bonds, we represent that we are acquiring the Bonds for our own account or an account with respect to which we exercise sole investment discretion, and we are and, if applicable, each such accountholder is a "qualified institutional buyer" within the meaning of Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

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This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Name of Transferee]
By:

Authorised Signature

[Date]

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EXHIBIT B - PART II
FORM OF REGULATION S TRANSFER CERTIFICATE

VEDANTA RESOURCES LIMITED (the "Company")
U.S.$1,000,000,000 originally 6.125% per cent. and increased to 13.875 per cent. Bonds originally due 2024 and extended to 2028
(the "Bonds")

Reference is hereby made to the amended and restated Paying Agency Agreement (the "**Agency Agreement**") dated [●] 2024 between the Company and the other parties named therein. Capitalised terms used but not defined herein shall have the meanings given to them in the Agency Agreement. Other terms shall have the meaning given to them in Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

[NOTE: INSERT [A] FOR TRANSFERS OF THE BONDS EVIDENCED BY INDIVIDUAL DEFINITIVE CERTIFICATES BEARING THE SECURITIES ACT LEGEND TO TRANSFEREES THAT TAKE DELIVERY IN INDIVIDUAL DEFINITIVE CERTIFICATES NOT BEARING THE SECURITIES ACT LEGEND. INSERT [B] FOR TRANSFERS OF INTERESTS IN THE BONDS EVIDENCED BY THE RESTRICTED GLOBAL CERTIFICATE TO TRANSFEREES THAT TAKE DELIVERY IN INDIVIDUAL DEFINITIVE CERTIFICATES NOT BEARING THE SECURITIES ACT LEGEND. INSERT [C] FOR TRANSFERS OF INTERESTS IN THE BONDS EVIDENCED BY THE RESTRICTED GLOBAL CERTIFICATE TO TRANSFEREES THAT TAKE DELIVERY IN INTERESTS IN THE BONDS EVIDENCED BY THE UNRESTRICTED GLOBAL CERTIFICATE.]

[A] This letter relates to U.S.$[●] principal amount of Bonds registered in the name of [*insert name of transferor*] (the "**Transferor**") and evidenced by individual definitive Certificates. The Transferor has requested a transfer or exchange of such Bonds for individual definitive Certificates registered in the name of [*insert name of transferee*] (the "**Transferee**").

[B] This letter relates to U.S.$[●] principal amount of Bonds which are held in the form of an interest in the Bonds evidenced by the Restricted Certificate (CUSIP No. 92241T AM4) with DTC in the name of [*insert name of transferor*] (the "**Transferor**"). The Transferor has requested a transfer or exchange of such interest for individual Bonds registered in the name of [*insert name of transferee*] (the "**Transferee**").

[C] This letter relates to U.S.$[●] principal amount of Bonds which are held in the form of an interest in the Bonds evidenced by the Restricted Global Certificate (CUSIP No. 92241T AM4) with DTC in the name of [*insert name of transferor*] (the "**Transferor**"). The Transferor has requested a transfer of such interest for an interest evidenced by the Unrestricted Global Certificate to be held with DTC for the account of [Euroclear][Clearstream] (ISIN No. USG9328DAP53 and CUSIP No. G9328D AP5) in the name of [*insert name of transferee*] (the "**Transferee**").

In connection with such request and in respect of such Bonds, the Transferor does hereby certify that (i) such transfer has been effected in accordance with the transfer restrictions set forth in the Agency Agreement and the Bonds and in accordance with any applicable securities laws of any state of the United States and any other jurisdiction and (ii) such transfer has been effected pursuant to and in accordance with Regulation S, for the purposes of which the Transferor certifies that:

(1) the offer of the Bonds was not made to a person in the United States;

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[(2) at the time the buy order was originated, the Transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the Transferee was outside the United States;]*

[(2) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States;]*

(3) no directed selling efforts have been made in contravention of the requirements of Regulation S;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(5) if the undersigned is an officer or director of the Company, or a distributor or any affiliate of the Company, such sale is made in accordance with the applicable provisions of Regulation S.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Name of Transferor]
By:

Authorised Signature

[Date]

* Insert one of these two provisions, which are derived from the definition of “offshore transaction”in Regulation S.

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EXHIBIT C
FORM OF PURCHASE NOTICE

VEDANTA RESOURCES LIMITED
U.S.$1,000,000,000 originally 6.125% per cent. and increased to 13.875 per cent. Bonds originally due 2024 and extended to 2028
(the "Bonds")

By depositing this duly completed Purchase Notice with an Agent for the Bonds, the undersigned holder of such of the Bonds (as are represented by the Certificate surrendered with this Notice and referred to below) exercises its option to elect to have such Bonds repurchased on [date of redemption] under Condition 5(d) of the Bonds.

This Bondholder Purchase Notice relates to Certificates representing Bonds in the aggregate principal amount of U.S.$..... The identifying numbers of such Certificates are as follows:

.....

.....

.....

.....

.....

.....

If any Certificate issued in respect of the Bonds referred to above is to be returned to the undersigned under Clause 6.3 of the Agency Agreement, it will be returned or issued by post to the address of the Bondholder appearing on the register of Bondholders.

Payment in respect of the above-mentioned Bonds will be made in accordance with the Conditions of the Bonds.

Dated: ..... Signature: .....

Name: .....

[To be completed by recipient Agent]

Received by: .....

[Signature and stamp of Agent]

At its office at: .....

On: .....

Notes:

1. Certificates so returned or issued will be sent by post, uninsured and at the risk of the holder of Bonds.

2. This Purchase Notice is not valid unless all of the paragraphs requiring completion are duly completed and it is duly executed by or on behalf of the Bondholder.

3. The Agent with whom Certificates are deposited will not in any circumstances be liable to the depositing Bondholder or any other person for any loss or damage arising from any act,

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default or omission of such Agent in relation to such Certificates or any of them unless the loss or damage was caused by the gross negligence, wilful default or bad faith of such Agent.



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IN WITNESS whereof the parties hereto have executed this Paying Agency Agreement on the date first above written.

VEDANTA RESOURCES LIMITED

By:

By:

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TWIN STAR HOLDINGS LTD.

By:



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WELTER TRADING LIMITED

By:

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CITIBANK, N.A., LONDON BRANCH

By:

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CITIGROUP INTERNATIONAL LIMITED

By:

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ANNEX B
FORM OF SUB-PROXY

[*to be included from Schedule 4 of the Consent Solicitation Memorandum*]



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SCHEDULE 2
FORM OF NOTICE OF MEETING IN RESPECT OF THE 2024 BONDS II

THIS NOTICE OF MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

NOTICE OF MEETING

to the holders of

Vedanta Resources Finance II Plc (the "Issuer"), in its capacity as issuer
(*a public company with limited liability incorporated under the laws of England and Wales*)
Legal Entity Identifier: 8945002DGA3BBXO3N634

Vedanta Resources Limited (the "Parent Guarantor" or the "Company"), in its capacity as guarantor
(*a private company with limited liability incorporated under the laws of England and Wales*)

Twin Star Holdings Ltd. ("Twin Star"), in its capacity as guarantor
(*a company with limited liability incorporated under the laws of Mauritius*)

Welter Trading Limited ("Welter", and together with Twin Star, the "Subsidiary Guarantors", and together with the Company, the "Guarantors"), in its capacity as guarantor
(*a company with limited liability incorporated under the laws of Cyprus*)

U.S.$1,000,000,000 13.875% Bonds due 2024 (the "Bonds")
(of which U.S.$1,000,000,000 is outstanding)

(Regulation S Bonds – CUSIP: V9667MAA0, ISIN: USV9667MAA00, Common Code: 227224584)
(Rule 144A Bonds – CUSIP: 92243XAD3, ISIN: US92243XAD30, Common Code: 227224495)

NOTICE OF MEETING IS HEREBY GIVEN that, pursuant to the provisions of Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed (as defined below) made between the Issuer, the Company, the Subsidiary Guarantors and Citicorp International Limited (the "**Trustee**"), a meeting (the "**Meeting**") of the holders of securities convened by the Issuer, the Company and the Subsidiary Guarantors will be held on 4 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:15 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing the following extraordinary resolution (the "**Extraordinary Resolution**") which will be proposed as a resolution in accordance with the provisions for meetings of holders of Bonds set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed.

NOTICE OF MEETING IS ALSO HEREBY GIVEN that, if the necessary quorum for the Extraordinary Resolution is not obtained, or if the necessary quorum is obtained and the Extraordinary Resolution is passed but the Eligibility Condition (as defined below) is not satisfied, an adjourned Meeting of the holders of the Bonds convened by the Issuer, the Company and the Subsidiary Guarantors will be held on 18 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:15 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing the Extraordinary Resolution, which will be proposed as a resolution in accordance with the provisions for meetings of holders of Bonds set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed.

The Trustee may prescribe further or alternative regulations regarding the holding of the relevant Meeting, which may include providing access to the relevant Meeting by conference or video call. In such circumstances, those Bondholders who have indicated that they wish to attend the meeting in person will be provided with further details about access to the relevant Meeting. Bondholders who have requested

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that their votes be cast in accordance with a valid Consent Instruction (as defined in the Consent Solicitation Memorandum) submitted by no later than 5:00 p.m. (EST) on 2 January 2024 (or, if earlier, before the expiration time and/or expiration date set by the relevant DTC Direct Participant, Euroclear and Clearstream) (the "**Voting Deadline**") will not be affected by these alternative regulations and will not be requested to take any further action.

Unless the context otherwise requires, terms used in this Notice of Meeting shall bear the meanings given to them in the Trust Deed or, as applicable, the consent solicitation memorandum dated 13 December 2023 (as supplemented or amended from time to time, the "**Consent Solicitation Memorandum**").

EXTRAORDINARY RESOLUTION

"THAT THIS MEETING (the "**Meeting**") of the holders of the U.S.$1,000,000,000 13.875% Bonds due 2024 (Regulation S Bonds – CUSIP: V9667MAA0, ISIN: USV9667MAA00, Common Code: 227224584) (Rule 144A Bonds – CUSIP: 92243XAD3, ISIN: US92243XAD30, Common Code: 227224495) (the "**Bonds**") issued by Vedanta Resources Finance II Plc (the "**Issuer**") and guaranteed by Vedanta Resources Limited (the "**Parent Guarantor**" or the "**Company**"), Twin Star Holdings Ltd. ("**Twin Star**") and Welter Trading Limited ("**Welter**", and together with Twin Star, the "**Subsidiary Guarantors**" and together with the Company, the "**Guarantors**"), pursuant to the trust deed dated 21 December 2020 as supplemented by the supplemental trust deed dated 2 February 2021, each among the Issuer, Parent Guarantor, the Subsidiary Guarantors and the Trustee in respect of the Bonds (the "**Trust Deed**"), by Extraordinary Resolution HEREBY:

(1) (subject to paragraph 8 of this Extraordinary Resolution) assents and consents to:

(a) the amendments as set out in Annex A to this Notice of Meeting;

(b) on the Upfront Redemption Date, the redemption of an aggregate principal amount equal to 53% of the principal amount of Bonds outstanding at a redemption price equal to 100% of the principal amount of the Bonds being redeemed plus accrued and unpaid interest thereto from (and including) the last Interest Payment Date (as defined in the Terms and Conditions) to (but excluding) the Upfront Redemption Date (the "**Upfront Principal Redemption**"). The Upfront Principal Redemption will be paid to all Bondholders on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000; and

(c) the irrevocable and unconditional waiver of any requirement to comply with the Terms and Conditions for the purposes of any transaction relating to the Proposed Demerger, including any transfer of assets or liabilities contemplated in connection therewith.

(2) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs and requests the Issuer, the Company and/or the Subsidiary Guarantors, as the case may be, to: (a) give effect to the amendments and waivers referred to in paragraph (1) of this Extraordinary Resolution by way of execution of the Amendment Document (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer, the Company and the Subsidiary Guarantors and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) enter into and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal in respect of the Bonds, including, among others, the Intercreditor Agreement (as defined in the Terms and Conditions);

(3) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs and requests the Trustee to: (a) to execute the Amendment Document (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer, the Company and the Subsidiary Guarantors and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) enter into and do all such other deeds, instruments, acts and things as may be

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necessary, desirable or expedient to carry out and give effect to the implementation of the Proposal in respect of the Bonds, including, among others, the Intercreditor Agreement;

(4) (subject to paragraph 8 of this Extraordinary Resolution) sanctions and assents to every abrogation, amendment, waiver, modification, compromise or arrangement in respect of the rights of the Bondholders against the Issuer, the Company and the Subsidiary Guarantors or against any of its property whether such rights shall arise under the Trust Deed or otherwise involved in or resulting from the convening of this Meeting, the Proposal in respect of the Bonds, this Extraordinary Resolution, the Amendment Document or their implementation and/or the amendments to the Trust Deed or their implementation;

(5) (subject to paragraph 8 of this Extraordinary Resolution) acknowledges and agrees that the Amendment Document will (a) be executed as soon as reasonably practicable after the Consent Conditions, other than the payment of the Consent Fee and the Ineligible Bondholder Payment, are satisfied (the "**Amendment Date**"); and (ii) become effective from and on the Settlement Date;

(6) (subject to paragraph 8 of this Extraordinary Resolution) acknowledges that the payment of the relevant Consent Fee and any Ineligible Bondholder Payment shall be conditional on (a) the Meeting being quorate and validly held, the Extraordinary Resolution being passed at such Meeting; and (b) the Amendment Document being executed;

(7) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs, requests and empowers the Trustee to: (a) concur in the amendments and waivers referred to in paragraph (1) of this Extraordinary Resolution and, in order to give effect to and implement such amendments or waivers, on or after the passing of this Extraordinary Resolution, execute the Amendment Document (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer, the Company and the Subsidiary Guarantors and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) concur in and execute and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient, in the sole discretion of the Trustee, to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal;

(8) declares that the effectiveness and implementation of this Extraordinary Resolution shall be conditional on (the "**Consent Conditions**"):

(a) the quorum required for, and the requisite majority of votes cast at, this Meeting being satisfied by Eligible Bondholders, irrespective of any participation at this Meeting by Ineligible Bondholders (the "**Eligibility Condition**") and that if the Extraordinary Resolution is passed at this Meeting but such Eligibility Condition is not satisfied, the chair of this Meeting and the Trustee are hereby authorised, directed, requested and empowered to adjourn this Meeting to 18 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:15 a.m. (Singapore time) for the purpose of reconsidering Resolutions 1 to 9 of this Extraordinary Resolution with the exception of this resolution 8(a) of this Extraordinary Resolution. At any such adjournment of this Meeting, two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding shall form a quorum and shall have the power to pass the Extraordinary Resolution, and the Eligibility Condition set out in this resolution 8(a) will be satisfied if the quorum required for, and the requisite majority of votes cast at, such adjourned Meeting are satisfied by Eligible Bondholders irrespective of any participation at the adjourned Meeting by Ineligible Bondholders;

(b) the relevant Extraordinary Resolution (in the respective forms set out in the relevant notice of meeting dated on or about the date of this Notice) in respect of each of:

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(i) the U.S.$1,000,000,000 6.125% Bonds due 2024 (Regulation S Bonds – CUSIP: G9328DAP5, ISIN: USG9328DAP53, Common Code: 163545764) (Rule 144A Bonds – CUSIP: 92241TAM4, ISIN: US92241TAM45, Common Code: 163545721) issued by the Company (the "**2024 Bonds I**");

(ii) the U.S.$1,200,000,000 8.95% Bonds due 2025 (Regulation S Bonds – CUSIP: G9T27HAD6, ISIN: USG9T27HAD62, Common Code: 230809038) (Rule 144A Bonds – CUSIP: 92243XAE1, ISIN: US92243XAE13, Common Code: 230809046) issued by Vedanta Resources Finance II Plc and guaranteed by the Guarantors (the "**2025 Bonds**", together with the 2024 Bonds I, the "**Other Bonds**"),

being duly passed at the relevant meeting or, as the case may be, adjourned meeting of the holders of those Series of Other Bonds, the Eligibility Condition (as defined in the notice of meeting of such Other Bonds) thereof being satisfied and there being no increase to the consent fee, ineligible bondholder payment or upfront principal redemption offered to holders of those Series of Other Bonds from the amounts set out the relevant notice of meeting dated on or about the date of this Notice;

(c) the relevant extraordinary resolution in respect of the U.S.$600,000,000 9.25% Bonds due 2026 (Regulation S Bonds – CUSIP: G9T27HAA2, ISIN: USG9T27HAA24, Common Code: 198421677) (Rule 144A Bonds – CUSIP: 92243XAA9, ISIN: US92243XAA90, Common Code: 198421413) issued by Vedanta Resources Finance II Plc and guaranteed by the Company being duly passed at the relevant meeting or, as the case may be, adjourned meeting (the "**2026 Bonds**");

(d) the Company having signed one or more financing agreements, including the Private Credit Facility, and having submitted one or more drawdown request(s) thereunder, whereby the amount(s) to be drawn down thereunder (as notified pursuant to the drawdown request(s)) would be sufficient to pay, among others, the Consent Fee, the Ineligible Bondholder Payment, the Upfront Principal Redemption, any similar amount payable with respect to the Other Bonds and any consent fee payable in connection with the consent solicitation of the 2026 Bonds, as the Company may determine in its sole and absolute discretion (the "**Financing Condition**"); and

(e) the Company having paid the applicable Consent Fee and Ineligible Bondholder Payment to the relevant Bondholders (as of the Record Date only) on the Settlement Date; and

(9) discharges, waives and exonerates the Trustee from all loss or liability in consenting to the Proposal and in respect of any act or omission for which it may have become responsible under the Trust Deed and/or the Bonds in connection with the Proposal, this Extraordinary Resolution or its implementation, or the implementation of the approvals, consents, amendments, modifications, authorisations, directions, empowerments, sanctions and assents referred to in the Proposal and this Extraordinary Resolution.

Unless the context otherwise requires, capitalised terms used in this Extraordinary Resolution shall bear the meanings given to them in the Trust Deed, or as applicable, the consent solicitation memorandum dated 13 December 2023 (as supplemented or amended from time to time, the "**Consent Solicitation Memorandum**")."

The Issuer, the Company and the Subsidiary Guarantors have convened the Meeting for the purpose of enabling holders of Bonds to consider the Proposal set out in the Consent Solicitation Memorandum and, if they think fit, to pass the Extraordinary Resolution set out above.

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Background to the Proposal

The main purpose of the Consent Solicitations is to: (1) extend the debt maturity profile of the Company, together with its subsidiaries (the "**Vedanta Group**"), thereby improving its capital structure and overall financial position, (2) amend certain covenants and seek certain waivers to allow the Vedanta Group to accommodate the existing indebtedness (including, without limitation, private credit facilities) with a higher average cost of debt, (3) amend certain terms of the Bonds in order to improve the credit package of the Bonds to incentivise Bondholders to consent to the proposed amendments highlighted earlier and (4) amend certain covenants and seek certain waivers to account for the Proposed Demerger (as defined below) (see "*— Proposed Demerger of Vedanta Limited*").

Proposed Demerger of Vedanta Limited

On 29 September 2023, Vedanta Limited, an indirect subsidiary of the Company listed on the BSE Limited and the National Stock Exchange of India Limited, announced its plan to demerge its business units into independent companies (the "**Proposed Demerger**"), namely: Vedanta Aluminium Metal Limited, Malco Energy Limited, Talwandi Sabo Power Limited, Vedanta Iron and Steel Limited and Vedanta Base Metals Limited. Pursuant to the announcement of the Proposed Demerger, the composite scheme of arrangement between Vedanta Limited, Vedanta Aluminium Metal Limited, Talwandi Sabo Power Limited, Malco Energy Limited, Vedanta Base Metals Limited, Vedanta Iron and Steel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, was approved by the board of directors of Vedanta Limited on 29 September 2023 and filed (seeking no objection letter) with BSE Limited and National Stock Exchange of India Limited on 20 October 2023, respectively. The Proposed Demerger aims to simplify Vedanta Group's corporate structure with sector focussed independent businesses and to provide opportunities to global investors, including sovereign wealth funds, retail investors and strategic investors, with direct investment opportunities in each sector focused company linked to India's remarkable growth story through Vedanta Group's assets.

Amendment Document

The Proposal will be implemented and effective by the execution of the Amendment Document.

Documents Available for Inspection

Holders of the Bonds may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) from the date of the Consent Solicitation Memorandum up to and including the date of the Meeting (or any adjourned Meeting) (and, in each case, for 15 minutes prior thereto), inspect copies of the documents set out below at the registered offices of the Issuer, the Company and the Subsidiary Guarantors:

(a) the trust deed dated 21 December 2020 constituting the Bonds;

(b) the supplemental trust deed dated 2 February 2021 relating to the Bonds; and

(c) the form of Sub-Proxy.

The Consent Solicitation Memorandum will also be available on the Consent Website for Eligible Bondholders.

Consent Fee

The Company will pay to each Eligible Bondholder (other than where such Eligible Bondholder is a Sanctions Restricted Person) from whom a valid Consent Instruction in favour of the Extraordinary Resolution is received at or prior to 5:00 p.m. (EST) on 27 December 2023 (the "**Early Consent Deadline**") (and not revoked in the limited circumstances in which revocation is permitted) the Early Consent Fee, or after the Early Consent Deadline but at or prior to 5:00 p.m. (EST) on 2 January 2024 (the "**Voting Deadline**") (and not revoked in the limited circumstances in which revocation is permitted) the Late Consent Fee. The applicable Consent Fee will be paid as consideration for the Eligible Bondholder's

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agreement to the Extraordinary Resolution and is subject to the Meeting being quorate and validly held, the Extraordinary Resolution being passed, the other Consent Conditions having been satisfied and the Amendment Document being executed. Only Eligible Bondholders who deliver, or arrange to have delivered on their behalf, valid Consent Instructions at or prior to the Early Consent Deadline or the Voting Deadline (and who do not revoke such Consent Instructions, in the limited circumstances in which revocation is permitted) will be eligible to receive the Early Consent Fee or the Late Consent Fee, respectively.

No Consent Fee shall be payable to any Eligible Bondholder to the extent that the Extraordinary Resolution set out above in respect of the Bonds is not duly passed at the Meeting or, as the case may be, adjourned Meeting, the Consent Conditions are not satisfied and/or the Amendment Document in respect of the Bonds are not executed.

Eligible Bondholders who submit their Consent Instructions in favour of the Extraordinary Resolution after the Early Consent Deadline will not be eligible to receive the Early Consent Fee, but will be eligible to receive the Late Consent Fee. Eligible Bondholders will not be eligible to receive either the Early Consent Fee or the Late Consent Fee if they (i) appoint a proxy other than the Information and Tabulation Agent (or its nominee) to attend and vote at the Meeting or are not represented at the Meeting, (ii) attend the Meeting in person, (iii) submit a Consent Instruction against or abstaining from the relevant Extraordinary Resolution or in favour of the Extraordinary Resolution but after the Voting Deadline, or do not vote at all, (iv) revoke their Consent Instructions (in the limited circumstances permitted) before the Meeting, or (v) are a Sanctions Restricted Person. The provisions of this paragraph are without prejudice to the right of a Beneficial Owner of the Bonds under the Terms and Conditions, the Meeting Provisions and the Trust Deed in respect of the Bonds to arrange for the appointment of a proxy to attend and vote at the Meeting entitling them or their nominee to attend and vote at the Meeting in accordance with the provisions of the Terms and Conditions, the Meeting Provisions, the Trust Deed and this Notice of Meeting.

Subject to the other Consent Conditions having been satisfied and the execution of the Amendment Document, Eligible Bondholders will be notified through the Clearing System of the date on which the applicable Consent Fee will be paid to Eligible Bondholders. The applicable Consent Fee shall be paid to the relevant DTC Direct Participant for payment to the cash account of each relevant Eligible Bondholder (as of the Record Date only) as soon as possible following the Amendment Date and, in any case, no later than the Longstop Date (the "**Settlement Date**").

Each relevant Eligible Bondholder that is a Beneficial Owner of the Bonds must look solely to the DTC Direct Participant or other intermediary through which they hold their Bonds for its share of the aggregate payments made by the Issuer, the Company and the Subsidiary Guarantors to the relevant DTC Direct Participant, in respect of the applicable Consent Fee. Under no circumstances will any interest be payable because of any delay by the relevant DTC Direct Participant or any other party in the transmission of funds to Beneficial Owners of the Bonds.

General

The attention of Eligible Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in "*Voting and Quorum*" below. Having regard to such requirements, Eligible Bondholders are strongly urged either to submit valid Consent Instructions in accordance with the Consent Solicitation Memorandum, the Terms and Conditions, the Meeting Provisions and the Trust Deed or to attend or to take steps to be duly represented at the Meeting, as referred to below, as soon as possible.

None of the Solicitation Agents, the Information and Tabulation Agent or the Trustee expresses any view as to the merits of the Proposal or the Extraordinary Resolution. None of the Solicitation Agents, the Information and Tabulation Agent or the Trustee has been involved in negotiating the

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Proposal or the Extraordinary Resolution or makes any representation that all relevant information has been disclosed to the Beneficial Owners of the Bonds in or pursuant to the Consent Solicitation Memorandum and the Notice of Meeting. Furthermore, none of the Solicitation Agents, the Information and Tabulation Agent or the Trustee makes any assessment of the impact of the Proposal presented to Beneficial Owners of the Bonds in the Consent Solicitation Memorandum on the interests of the Beneficial Owners of the Bonds or makes any recommendations on the Consent Solicitation relating to the Bonds or whether agreement to the Proposal should be made. Accordingly, Beneficial Owners of the Bonds who are unsure of the impact of the Proposal and the Extraordinary Resolution should seek their own financial, legal and tax advice.

Beneficial Owners of the Bonds wishing to attend in person have the right to attend in accordance with the provisions set out in the Consent Solicitation Memorandum and the Meeting Provisions.

Only DTC Direct Participants may submit or deliver a Form of Sub-Proxy. Bondholders whose Bonds are held on their behalf by a broker, dealer, commercial bank, custodian, trust company or accountholder must contact and request such broker, dealer, commercial bank, custodian, trust company or accountholder to effect the relevant Form of Sub-Proxy on their behalf sufficiently in advance of 5:00 p.m. (EST) on the Voting Deadline in order to be eligible for Late Consent Fee (or sufficiently in advance of the Early Consent Deadline in order to be eligible for the Early Consent Fee) and in order for such Form of Sub-Proxy to be delivered in accordance with any deadlines as described in the Consent Solicitation Memorandum.

If Forms of Sub-Proxy are not received from or on behalf of a Bondholder in accordance with the voting instructions set out herein (and such Bondholder does not otherwise make arrangements to vote at the Meeting or to attend in person by appointing a proxy also in advance of the Voting Deadline), such Bondholder will be deemed to have declined to vote in respect of the Extraordinary Resolution.

If the Consent Conditions are not satisfied by 29 January 2024 (the "Longstop Date"), the Consent Solicitations shall be terminated.

Voting and Quorum

The provisions governing the convening and holding of the Meeting are set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed, a copy of which is available for inspection as referred to above. An Eligible Bondholder who has delivered or procured the delivery of a Consent Instruction (as defined in the Consent Solicitation Memorandum) need take no further action. Eligible Bondholders who have not submitted or have submitted and subsequently revoked (in the limited circumstances in which such revocation is permitted) a Consent Instruction should take note of the provisions set out below detailing how such Eligible Bondholders can attend or take steps to be represented at the Meeting (references to which, for the purpose of such provisions, include, unless the context otherwise requires, any meeting held following any adjournment of the Meeting).

A. DTC

IMPORTANT: The Bonds are currently represented by a registered global certificate registered in the name of Cede & Co. as the registered holder (the "**Registered Holder**"). Only persons shown in the records of DTC or DTC's participants ("**DTC Direct Participants**") and are Eligible Bondholders may deliver Consent Instructions in accordance with the procedures described below.

(1) The procedures under this paragraph assume that in accordance with its usual procedures, DTC will appoint the DTC Direct Participants as at 26 December 2023 (the "**Record Date**") as its proxies under an omnibus proxy (the "**Omnibus Proxy**") in respect of the principal amount of the Bonds shown on its records as being held by them on the Record Date (in each case, their "**Recorded Principal Amount**").

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DTC Direct Participants

(2) DTC Direct Participants that are Eligible Bondholders may, in respect of their Recorded Principal Amount, either (i) attend and vote at the Meeting if they are individuals or (ii) appoint an employee of the Information and Tabulation Agent (nominated by the Information and Tabulation Agent) as their sub-proxy to attend and cast their votes at the Meeting (including any adjourned Meeting) in a particular way on their behalf or (iii) appoint any other person (including Beneficial Owners of the Bonds) as sub-proxies (each, together with the sub-proxy referred to in sub-paragraph (ii), a "**Sub-Proxy**"), to attend and vote at the Meeting on their behalf, in the case of (ii) and (iii) by an instrument in writing in the form available from the Information and Tabulation Agent (which form is also contained in the Annex to this Notice of Meeting), and signed by such DTC Direct Participant or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation which should be medallion guaranteed as described in the form of sub-proxy and the Consent Solicitation Memorandum and then submit a pdf version of the Form of Sub-Proxy by email to the Information and Tabulation Agent at the email address set out in the Consent Solicitation Memorandum, not later than the Voting Deadline (or, in order to be eligible for the Early Consent Fee, not later than the Early Consent Deadline, or in order to be eligible for the Late Consent Fee, after the Early Consent Deadline but not later than the Voting Deadline).

Beneficial Owners

(3) A Beneficial Owner who is an Eligible Bondholder but is not a DTC Direct Participant and who does not wish to attend the Meeting may arrange for the votes relating to the Bonds of which he is a Beneficial Owner to be cast at the Meeting by requesting the DTC Direct Participant through whom he holds his Bonds to issue a form of sub-proxy, as described in paragraph (2) above, to a third person (including the Information and Tabulation Agent) to attend and vote at the Meeting in accordance with the Beneficial Owner's instructions, provided that the Bonds in respect of which the form of sub-proxy is to be given are Bonds in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date. Such person must produce the form of sub- proxy to the Meeting.

(4) A Beneficial Owner who is an Eligible Bondholder and is (a) not a DTC Direct Participant and who wishes to attend and vote at the Meeting in person or (b) the representative of a DTC Direct Participant who is not an individual but who wishes its representative to attend and vote at the Meeting in person must produce to the Meeting a form of sub-proxy issued by the DTC Direct Participant through whom he holds Bonds appointing him as a Sub-Proxy, provided that the Bonds in respect of which the sub-proxy is to be given are Bonds in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date.

(5) Beneficial Owners should contact the DTC Direct Participant through whom they hold their Bonds in sufficient time to enable votes to be cast on their behalf and Sub-Proxies to be appointed.

DTC Direct Participants or Beneficial Owners should direct any questions regarding appointing proxies or the voting procedures to the Information and Tabulation Agent.

Form of sub-proxy

(6) Sub-proxies may be appointed using the form of sub-proxy available via the Consent Website: http://projects.morrowsodali.com/Vedanta or in the form set out in Annex B hereto, subject to eligibility confirmation and registration. Duly completed forms of sub-proxy must be delivered to and received by the Information and Tabulation Agent prior to the Voting Deadline (or, in order to be eligible for the Early Consent Fee, not later than the Early Consent Deadline, or in order to be eligible for the Late Consent Fee, after the Early Consent Deadline but not later than the Voting Deadline) and are irrevocable (unless in the limited circumstances in which revocation is permitted). A pdf

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version of the Form of Sub-Proxy is to be submitted to the Information and Tabulation Agent by email to the email address set out in this Notice of Meeting.

(7) In respect of the Bonds, only those DTC Direct Participants shown in DTC's records on the Record Date as holding the Recorded Principal Amount will be entitled to vote on the Extraordinary Resolution or appoint Sub-Proxies to do so and shall remain so entitled notwithstanding any transfer of such holders of Bonds after the Record Date, provided that votes submitted by any DTC Direct Participant and any Sub-Proxies appointed by it shall not exceed the holding of such DTC Direct Participant as evidenced by the Omnibus Proxy issued as of such Record Date. **If such votes do exceed the holding of such DTC Direct Participant (alone or when aggregated with any Sub-Proxy previously issued by the DTC Direct Participant and not validly withdrawn), any Sub-Proxy appointed by it which exceeds such holding shall be invalid and any applicable Consent Fee which may otherwise have been payable will not be paid. Transferees of the Bonds after the Record Date will not be entitled to vote on the Extraordinary Resolution. Only an Eligible Bondholder who procures that its DTC Direct Participant appoints the Information and Tabulation Agent (or one of more of its employees nominated by it) as Sub-Proxy will be entitled to the applicable Consent Fee**.

B. General

(1) The quorum required for, and the requisite majority of votes cast at, the Meeting (including any adjourned Meeting) will need to be satisfied by Eligible Bondholders of such Series, irrespective of any participation at such Meeting by Ineligible Bondholders, for the Proposal in the relevant Extraordinary Resolution to be implemented.

(2) The Meeting of the holders of Bonds shall be entitled to pass the Extraordinary Resolution if two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding are present, and the Extraordinary Resolution shall be passed if a majority of not less than two-thirds of the votes cast at the Meeting are in favour of the Extraordinary Resolution. In the case that two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding are not present within 15 minutes from the time initially fixed for the Meeting, or the necessary quorum is satisfied at the Meeting and the Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, an adjourned Meeting in respect of the Bonds will be convened to be held on 18 January 2024 at 9:15 a.m. (Singapore time) and will be validly constituted if two or more persons holding or representing not less than one-third in principal amount of the Bonds for the time being outstanding are present at the adjourned Meeting and the Extraordinary Resolution shall be passed if a majority of not less than two-thirds of the votes cast at the adjourned Meeting are in favour of the Extraordinary Resolution.

For the purposes of determining whether the requisites of quorum and majority of votes referred to above are complied with, the Information and Tabulation Agent will attend and vote at the relevant Meeting in accordance with the Consent Instructions delivered by the Beneficial Owners of the Bonds in the manner contemplated in the Consent Solicitation Memorandum as well as the Meeting Provisions.

If a quorum is not present within 15 minutes at any adjourned Meeting, such adjourned Meeting shall be dissolved.

(3) If passed, the Extraordinary Resolution shall be deemed effective, provided that (i) the Minutes of the Meeting at which the Extraordinary Resolution was passed has been signed by the Chairman and (ii) the Consent Conditions are satisfied. The Extraordinary Resolution once passed and effective will be binding on the holder of Bonds and all Beneficial Owners of the Bonds whether represented at the Meeting and whether voting.

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(4) This Notice of Meeting and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law. By submitting a Consent Instruction or any other instruction through the Clearing System, a Beneficial Owner of the Bonds irrevocably and unconditionally agrees for the benefit of the Issuer, the Company the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Consent Solicitation or any of the documents referred to above and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

(5) All of the above dates are subject to earlier deadlines that may be specified by DTC Direct Participants, Euroclear and Clearstream or any intermediary. Eligible Bondholders held via Euroclear or Clearstream, who are not direct participants of DTC, must contact their custodian to arrange for their direct participants in the Clearing System through which they hold Bonds to submit the electronic acceptance and to instruct the Clearing System to instruct the relevant Bonds in accordance with the procedures of the Clearing System and the deadlines required by the Clearing System.

(6) Euroclear or Clearstream may impose additional deadlines in order to properly process such instructions. As part of instructing through Euroclear or Clearstream, you should be aware of and comply with any such deadlines.

(7) Eligible Bondholders whose Bonds are held by DTC should contact the Information and Tabulation Agent.

C. Ineligible Bondholders

(1) Ineligible Bondholders are not entitled to receive any Consent Fee.

(2) However, an Ineligible Bondholder, to the extent permitted by applicable laws and regulations, subject to the terms and conditions specified in the Consent Solicitation Memorandum, the other Consent Conditions being satisfied and the Amendment Document being executed, is eligible to receive: (i) an amount equivalent to the Early Consent Fee (the "**Early Ineligible Bondholder Payment**"), subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution being received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) by no later than the Early Consent Deadline, unless the applicable Early Consent Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein; or (ii) an amount equivalent to the Late Consent Fee (the "**Late Ineligible Bondholder Payment**" and together with the Early Ineligible Bondholder Payment, the "**Ineligible Bondholder Payments**"), subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution being received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) after the Early Consent Deadline but by no later than the Voting Deadline, unless the applicable Voting Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein.

Subject to the other Consent Conditions having been satisfied and the execution of the Amendment Document, Ineligible Bondholders will be notified through the Clearing System of the date on which the applicable Ineligible Bondholder Payment will be paid to Ineligible Bondholders. The applicable Ineligible Bondholder Payment shall be paid on the Settlement Date to the relevant DTC Direct Participant for payment to the cash account of each relevant Ineligible Bondholder (as of the Record Date only). Each relevant Ineligible Bondholder that is a Beneficial Owner of the Bonds must look solely to the DTC Direct Participant or other intermediary through which they hold their Bonds for

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its share of the aggregate payments made by the Issuer, the Company and the Subsidiary Guarantors to the relevant DTC Direct Participant, in respect of the applicable Ineligible Bondholder Payment. Under no circumstances will any interest be payable because of any delay by the relevant DTC Direct Participant or any other party in the transmission of funds to Beneficial Owners of the Bonds.

No Ineligible Bondholder Payment shall be payable to any Ineligible Bondholder to the extent that the Extraordinary Resolution set out above in respect of the Bonds is not duly passed at the Meeting or, as the case may be, adjourned Meeting, the Consent Conditions are not satisfied and/or the Amendment Document in respect of the Bonds are not executed.

(3) By delivering, or arranging for the delivery on its behalf of, an Ineligible Bondholder Instruction, an Ineligible Bondholder will:

(a) waive its right to attend and vote (or be represented) at the Meeting (or any adjourned Meeting) (as the consequence of the applicable Eligibility Condition is that the relevant Extraordinary Resolution will only be implemented where such Extraordinary Resolution is passed irrespective of any participation at the Meeting (or any adjourned Meeting) by Ineligible Bondholders, such that the attendance and voting at the Meeting (or any adjourned Meeting) by an Ineligible Bondholder will be of no consequence for such implementation);

(b) acknowledge and agree that, if passed, the relevant Extraordinary Resolution shall be binding on it, and it shall be bound to give effect to it accordingly;

(c) be deemed to agree, acknowledge and represent to each of the Issuer, the Company, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee that at the time of submission of the Ineligible Bondholder Instruction at the Early Consent Deadline (if applicable), at the Voting Deadline (if applicable), at the Settlement Date and at the Upfront Redemption Date:

(i) it is an Ineligible Bondholder;

(ii) it acknowledges that it has received and reviewed, understands and accepts the terms, conditions, risk factors, offer and distribution restrictions and other considerations set out in the Consent Solicitation Memorandum;

(iii) it acknowledges that none of the Issuer, the Company, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee or any of their respective directors, officers, employees, representatives, affiliates or advisers has made any recommendation as to whether (or how) to vote in respect of the relevant Extraordinary Resolution and it represents that it has made its own decision with regard to the Ineligible Bondholder Instruction based on any legal, tax or financial advice that it has deemed necessary to seek;

(iv) it acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings and every of its obligation shall to the extent permitted by applicable law be binding upon its successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, its death or incapacity;

(v) it acknowledges that no information has been provided to it by the Issuer, the Company, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee, or any of their respective directors, officers, employees, representatives, affiliates or advisers with regard to the tax consequences to it arising from the relevant Extraordinary Resolution, or the receipt of the Ineligible

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Bondholder Payment and hereby acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Company, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee, or any of their directors, officers, employees, representatives, affiliates or advisers or any other person in respect of such taxes and payments;

(vi) it acknowledges that (i) it will be paid any cash amounts owed to it (if any) in dollars and (ii) such cash amounts will be deposited by or on behalf of the Company to the account specified in the relevant Ineligible Bondholder Instruction and that such deposit will be good discharge for the Company;

(vii) it acknowledges that any of the Solicitation Agents may submit Consent Instructions or Ineligible Bondholder Instructions for their own account as well as on behalf of other Beneficial Owners of the Bonds;

(viii) it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it, in each respect, in connection with the Consent Solicitation or submitting an Ineligible Bondholder Instruction, in any jurisdiction and that it has not taken or omitted to take any action in breach of these representations or which will or may result in the Issuer, the Company, the Subsidiary Guarantors or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Consent Solicitation;

(ix) it has full power and authority to submit an Ineligible Bondholder Instruction;

(x) it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Company to be necessary or desirable to effect delivery of the Ineligible Bondholder Instruction or to evidence his or her powers and authority hereunder;

(xi) with respect to the Bonds, it holds the Bonds as the subject of the Ineligible Bondholder Instruction as at the Record Date;

(xii) the Ineligible Bondholder Instruction is being submitted in compliance with all applicable law and/or regulations of the jurisdiction in which the Bondholder is located and/or in which it is resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the Ineligible Bondholder Instruction;

(xiii) the terms and conditions of the Consent Solicitation shall be deemed to be incorporated in, and form a part of, the Ineligible Bondholder Instruction which shall be read and construed accordingly and that the information given by or on behalf of such Bondholder in the Ineligible Bondholder Instruction is true and will be true in all respects at the time of the relevant Meeting (and any adjourned Meeting);

(xiv) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Company, any of its directors or any person nominated by the Company in the proper exercise of his or her powers and/or authority hereunder;

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(xv) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Company to be desirable, in each case to perfect any of the authorities expressed to be given hereunder;

(xvi) it acknowledges that the consummation of the Consent Solicitation is subject to the Consent Conditions;

(xvii) the Bonds have not been and will not be registered under the Securities Act, or any state securities laws. The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of "U.S. Persons" as defined in Regulation S, other than to "Qualified Institutional Buyers" as defined in Rule 144A, except pursuant to an exemption from such registration requirements;

(xviii) it is not a Sanctions Restricted Person or, if it is a Sanctions Restricted Person, it will not be eligible to receive any Ineligible Bondholder Payment in any circumstances, notwithstanding the delivery (and non-revocation) of an Ineligible Bondholder Instruction by it in favour of the relevant Extraordinary Resolution on or before the Early Consent Deadline or the Voting Deadline; and

(xix) all communications, payments or notices to be delivered to or by it will be delivered by or sent to or by it at its own risk.

If the relevant Ineligible Bondholder is unable to give any of the representations and warranties described in (i) to (xix) above, such Ineligible Bondholder should contact the Information and Tabulation Agent.

(4) Only DTC Direct Participants may submit Ineligible Bondholder Instructions. Each Beneficial Owner who is an Ineligible Bondholder and is not a DTC Direct Participant must arrange for the DTC Direct Participant through which such Beneficial Owner holds its Bonds to submit an Ineligible Bondholder Instruction on its behalf, as applicable, before the deadlines specified.

Concurrent Consent Solicitation

The Company and VRF II are also concurrently seeking the approval of the holders of the 2026 Bonds by way of an extraordinary resolution at a meeting of the holders of the 2026 Bonds to make certain amendments and waivers relating to the 2026 Bonds (the "**Concurrent Consent Solicitation**"). A separate consent solicitation memorandum and notice of meeting in respect of the Concurrent Consent Solicitation has been prepared by the Company and VRF II for the holders of the 2026 Bonds. The effectiveness and implementation of the Extraordinary Resolution herein is subject to, among others, the relevant extraordinary resolution in respect of the 2026 Bonds being duly passed at the relevant meeting or, as the case may be, adjourned meeting(s).

Financing Condition

The effectiveness and implementation of the Extraordinary Resolution herein is subject to, among others, the Financing Condition.

As of the date of this Notice of Meeting, the Company is in the process of obtaining certain consents and waivers from lenders under its various financing agreements with respect to existing and potential breaches of representations and covenants under such financing agreements, including, without limitation, in relation to the provision of guarantees by the Subsidiary Guarantors (including the subsidiary guarantees proposed to be provided under the 2024 Bonds I), as well as related events of default. The Company has already executed the required formal documentation in respect of some consents and waivers and is in discussions with the remaining lenders to finalise and sign formal documentation in respect of the remaining consents and waivers.

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Certain of these waivers and consents are condition precedents to the drawdown under the Private Credit Facility and required for the effectiveness and implementation of the Extraordinary Resolutions. Therefore, if such consents and waivers are not obtained, the Private Credit Facility will not be drawn down and the Financing Condition will not be satisfied and the Consent Solicitations will be terminated. In addition, if the Company fails to obtain such consents and waivers, the relevant lenders could declare the Company to be in default under the terms of its financing agreements and accelerate the maturity and/or enforce security thereunder, which would in turn trigger an event of default under the Bonds. Although the Company has, in the past, successfully obtained covenant waivers from its lenders, there can be no assurance that it will be able to obtain the required consents and waivers with respect to the aforementioned existing or potential breaches.

The Information and Tabulation Agent with respect to the Proposal is:

Morrow Sodali Ltd
Consent Website: http://projects.morrowsodali.com/Vedanta
Email: vedanta@investor.morrowsodali.com

In London:
103 Wigmore Street, W1U 1QS
London
Telephone: +44 20 4513 6933

In Hong Kong:
29/F, No. 28 Stanley Street
Central
Hong Kong
Telephone: +852 2319 4130

In Stamford:
333 Ludlow Street
South Tower, 5th Floor
Stamford, CT 06902
Telephone: +1 203 658 9457

The Solicitation Agents with respect to the Proposal are as follows:

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

In London: +44 20 7742 5940
In Hong Kong: +852 2800 8220
In the U.S.: +1 212 834 4533
Attention: Asia Syndicate Desk
Email: liability_management_asia@jpmorgan.com

Standard Chartered Bank
One Basinghall Avenue

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London EC2V 5DD
United Kingdom

In Hong Kong: +852 3983 8658
In London: +44 20 7885 5739
In Singapore: +65 6557 8286
Attention: Liability Management
Email: liability_management@sc.com

The Trustee with respect to the Bonds is:

Citicorp International Limited
20/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Investor Relations

Vedanta Resources Limited
Attention: Deepak Kumar
Address: 13th Floor, 1 Angel Court, London EC2R 7HJ
Telephone: 020 7499 5900
Email: dk@vedantaresources.com

Vedanta Resources Finance II Plc
Attention: Deepak Kumar
Address: 13th Floor, 1 Angel Court, London EC2R 7HJ
Telephone: 020 7499 5900
Email: dk@vedantaresources.com

This Notice of Meeting is given by:
Vedanta Resources Limited, Vedanta Resources Finance II Plc, Twin Star Holdings Ltd. and Welter Trading Limited
13 December 2023

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ANNEX A
PROPOSED AMENDMENTS

PART I
TERMS AND CONDITIONS OF THE NOTES



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TERMS AND CONDITIONS OF THE BONDS

The following, other than the paragraphs in italics, is the text of the terms and conditions of the Bonds which will be endorsed on the individual certificates ("Individual Certificates") issued in respect of the Bonds.

The issue of the U.S.$1,000,000,000 13.875% guaranteed secured bonds due 2027 (the "Bonds"), which expression shall, unless the context requires, include any bonds issued pursuant to Condition 15 and forming a single series with the Bonds issued on 21 December 2020 (the "Closing Date") was authorised by resolutions of the board of directors of Vedanta Resources Finance II PLC (the "Issuer"). The Bonds are guaranteed jointly and severally by Vedanta Resources Limited (the "Parent Guarantor") and the Subsidiary Guarantors (as defined in Condition 1(c)) (collectively, the "Guarantors"). Subject to certain conditions outlined in these Conditions, the Bonds will have the benefit of the Security over the Collateral to be granted by VRIL or the Parent Guarantor, as the case may be (the "Security Provider"). The Bonds are constituted by a Trust Deed (as amended and supplemented from time to time, the "Trust Deed") dated on or about the Closing Date among the Issuer, the Guarantors and Citicorp International Limited as trustee for the Bondholders (as defined in Condition 1(b)) (the "Trustee", which expression shall include all persons for the time being acting as trustee or trustees under the Trust Deed). These terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Issuer and the Guarantors have entered into an agency agreement dated on or about the Closing Date (the "Agency Agreement") among the Issuer, the Guarantors, the Trustee, Citibank, N.A., London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability, as paying agent (the "Paying Agent"), transfer agent (the "Transfer Agent") and registrar (the "Registrar"), and any other paying agents, transfer agents and registrars appointed under it. The Paying Agent, the Transfer Agent, the Registrar and any other paying agents, transfer agents and registrars, each of which expressions shall include the successors and assigns from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to herein as the "Agents". Subject to certain conditions outlined in these Conditions, the Issuer, the Guarantors, the Trustee, the Security Provider and the Collateral Agent will enter into the Intercreditor Agreement (as defined in Condition 1(f)) and certain security agreements defining the terms of the Security over the Collateral that will secure the Bonds and the Guarantees (as defined in Condition 1(c)) (the "Collateral Documents"). Copies of the Trust Deed, the Agency Agreement, the Collateral Document and the Intercreditor Agreement are available for inspection during usual business hours at the specified office of the Paying Agent. The Bondholders (as defined in Condition 1(b)) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Collateral Document and the Intercreditor Agreement, and are deemed to have notice of the provisions of the Agency Agreement applicable to them. Except where the context otherwise requires, all references herein to the Trust Deed, the Agency Agreement, the Collateral Document and the Intercreditor Agreement shall be deemed to refer to such documents as amended, restated, novated and/or supplemented from time to time (to the extent such amendment, restatement, novation and/or supplement is permitted by these Conditions and the Trust Deed).

1 Form, Denomination, Title, Status, Guarantees and Security

(a) Form and denomination

The Bonds are in registered form in the minimum denomination of U.S.$200,000 each and in integral multiples of U.S.$1,000 in excess thereof, without coupons attached. A bond certificate (each, a "Certificate") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will have an identifying number which will be recorded on the relevant Certificate and in the Register (as defined in Condition 2(a)).

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Certificates issued with respect to Rule 144A Bonds will bear the Securities Act Legend (as defined in the Trust Deed), unless determined otherwise in accordance with the provisions of the Agency Agreement by reference to applicable law. Certificates issued with respect to the Regulation S Bonds will not bear the Securities Act Legend. Upon issue, the Rule 144A Bonds will be represented by the Restricted Global Certificate and the Regulation S Bonds will be represented by the Unrestricted Global Certificate. The Restricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company ("DTC") and the Unrestricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC for the accounts of Euroclear Bank SA/NV and Clearstream Banking S.A. The Conditions are modified by certain provisions contained in the Global Certificates. See "Summary of Provisions relating to the Bonds while in Global Form."

Except in the limited circumstances described in the Global Certificates and "Summary of Provisions relating to the Bonds while in Global Form," owners of interests in Bonds represented by the Global Certificates will not be entitled to receive Individual Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

(b) **Title**

Title to the Bonds passes only by transfer and registration in the Register (as defined in Condition 2(a)). The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or the theft or loss of, the Certificate (if any) issued in respect of it or anything written on it or on the relevant Certificate) and no person will be liable for so treating the holder. In these Conditions, "Bondholder" and (in relation to a Bond) "holder" mean the person in whose name a Bond is registered in the Register from time to time.

(c) **Guarantees**

The Parent Guarantor and each initial Subsidiary Guarantor has unconditionally and irrevocably guaranteed, on a joint and several basis, the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The obligations of each Guarantor in that respect (each a "Guarantee" and collectively the "Guarantees") are contained in the Trust Deed. The obligations of each Guarantor under its Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 1(e) and Condition 3(a), at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

The initial Subsidiary Guarantors on the Closing Date are Twin Star Holdings Ltd. ("Twin Star") and Welter Trading Limited ("Welter").

The Parent Guarantor may, in its sole discretion, from time to time, cause any of its Subsidiaries to execute and deliver to the Trustee a supplemental trust deed to the Trust Deed (a "Supplemental Trust Deed") pursuant to which such Subsidiary will guarantee, on a joint and several basis with the then existing Subsidiary Guarantors, the payment of amounts payable under the Bonds or the Trust Deed, *provided* that (other than with respect to VRIL) on the date of such execution and delivery after giving pro forma effect thereto, either (i) such Subsidiary would be permitted to Incur at least U.S.$1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(g) or (ii) the Subsidiary Guarantor Attributable Leverage Ratio would be no greater than the actual Subsidiary Guarantor Attributable Leverage Ratio on such date. Each such Subsidiary that guarantees the Bonds after the Amendment Date, upon execution of the applicable Supplemental Trust Deed, will be a "Subsidiary Guarantor".

Notwithstanding anything contrary contained in these Conditions, the Trust Deed, the Agency Agreement, the Collateral Document, the Intercreditor Agreement or any other document or agreement relating



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to any of the foregoing, the Issuer and the Guarantors shall ensure that Indian Subsidiaries shall not provide any direct or indirect loan, guarantee, security, collateral or other form of financial assistance in connection with the Bonds or for any acquisition of shares of Indian Subsidiaries or its holding company, including by way of disposal or encumbrance over their assets or Incurring Borrowings, and shall at all times comply with their obligations under Section 67(2) of the (Indian) Companies Act, 2013, as amended and other applicable laws.

(d) **Status**

The Bonds constitute senior, unsubordinated, direct, unconditional and (subject to Condition 1(e) and Condition 3(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

(e) **Collateral and Brand Fee Agreements**

The obligations of the Issuer with respect to the Bonds and the performance of all other obligations of the Issuer and the Guarantors under the Trust Deed and the Bonds will, within thirty (30) calendar days following repayment in full of the Private Credit Facility and any Permitted PCF Refinancing Borrowings, and the release of the Security benefiting the creditors of the Private Credit Facility and any Permitted PCF Refinancing Borrowings, be secured on a first priority basis by the Collateral (the date of such security creation, the "Security Creation Date"). On the Security Creation Date, the Issuer, the Security Provider, the Trustee, the Collateral Agent (as defined in Condition 1(f)) and/or the other parties thereto will enter the Collateral Documents (as applicable), without requiring any instruction or consent from the Bondholders.

On the Security Creation Date, the Collateral will secure on a *pari passu* basis the obligations of the Issuer and the Guarantors under (i) the Bonds and the Trust Deed and (ii) the Amended 2025 Bonds and the Amended 2025 Bonds Trust Deed (as defined in Condition 1(f)) (collectively, the "Pari Passu Secured Bonds").

The Parent Guarantor shall ensure that, on and after the Security Creation Date:

(i) the Collateral shall at all times be held by VRIL; *provided* that, to the extent that holding the Collateral by VRIL would have any negative regulatory, legal or tax implications for the Parent Guarantor, the Issuer or VRIL, then the Parent Guarantor shall instead hold the Collateral at all times;

(ii) so long as VRIL holds the Collateral, VRIL shall (x) guarantee the Bonds and become a Subsidiary Guarantor and (y) not incur any Borrowings (other than the guarantee of (A) the Bonds, (B) the Amended 2025 Bonds and (C) any Permitted Refinancing Borrowings thereof);and

(iii) no amendments shall be made to the Brand Fee Agreement which would, at the time agreed to, be expected to materially and adversely affect the ability of the Parent Guarantor, the Issuer or the Subsidiary Guarantors to make required payments on the Bonds or any Guarantee.

(f) **Intercreditor Agreement and Priority**

Subject to certain conditions outlined in these Conditions, on or about the Security Creation Date, the Issuer, the Security Provider, the Trustee, the Collateral Agent (as defined in this Condition 1(f)) and the other parties thereto will enter into an intercreditor agreement, substantially in the form as attached as Schedule 6 to the Trust Deed (the "Intercreditor Agreement"), without requiring any instruction or consent from the Bondholders.

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Under the Intercreditor Agreement, the holders of any Pari Passu Secured Bonds (or their representative) (the "Pari Passu Secured Parties") will appoint a collateral agent (the "Collateral Agent") selected by the Issuer or the Parent Guarantor and notified in writing to the Trustee to act as the collateral agent with respect to the Collateral, to exercise remedies (subject to the terms of the Trust Deed or the trust deed constituting the Amended 2025 Bonds (the "Amended 2025 Bonds Trust Deed"), as applicable) in respect thereof upon the occurrence of an event of default under the Trust Deed or the Amended 2025 Bonds Trust Deed, as applicable, and to act as provided in the Intercreditor Agreement.

By accepting the Bonds, each Bondholder shall be deemed to have approved and consented to the selection and appointment of the Collateral Agent, the execution of the Intercreditor Agreement, any supplements, amendments or modifications thereto, and any future Intercreditor Agreement required under the Trust Deed and to do any acts or execute any other documents (including the accession of the Trust Deed if required) in order for the Collateral to be secured on a first priority basis in favour of the Bondholders and to be shared on a pari passu basis with holders of the Amended 2025 Bonds.

(g) **Collateral Enforcement**

All payments received and all amounts held by the Collateral Agent in respect of the Collateral will, in accordance with the terms of the Intercreditor Agreement (if in effect), be applied as follows:

first, to the Trustee, the Collateral Agent, the Agents and, to the extent applicable, any representative of holders of any Pari Passu Secured Bonds, to the extent necessary to reimburse the Trustee, the Collateral Agent, the Agents and any such representative for any unpaid fees, costs and expenses (including any fees and expenses of legal counsel) incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses (including any fees and expenses of legal counsel) incurred in enforcing its remedies under the applicable collateral documents (including the Collateral Document) and preserving the Collateral and all amounts for which the Trustee, the Collateral Agent, the Agents and any such representative are entitled to indemnification under the applicable collateral documents (including the Collateral Document) and the Intercreditor Agreement;

second, to (i) the Trustee for the benefit of the Bondholders and (ii) holders of the Amended 2025 Bonds (or their representative) on a *pro rata* and *pari passu* basis until all amounts under the Bonds and the Amended 2025 Bonds are paid in full; and

third, any surplus remaining after such payments will be paid to the Issuer or whomever may be lawfully entitled thereto.

2 Transfer of Bonds

(a) **The Register**

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register (the "Register") on which shall be entered, on behalf of the Issuer, the names and addresses of the Bondholders from time to time and the particulars of the Bonds held by them and of all transfers and redemptions of Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding.

(b) **Transfers**

Subject to the terms of the Agency Agreement and to Conditions 2(e) and 2(f), a Bond may be transferred by delivering the Certificate issued in respect of it, with the form of transfer on the back duly completed and signed, to the specified office of the Registrar or any of the Transfer Agents. No transfer of a Bond will be valid unless and until entered on the Register.

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Transfers of interests in the Bonds evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

Upon the transfer, exchange or replacement of a Rule 144A Bond, a Transfer Agent will only deliver Certificates with respect to Rule 144A Bonds that bear the Securities Act Legend unless there is delivered to such Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Issuer and the Transfer Agent, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the US Securities Act of 1933, as amended (the "Securities Act").

Interests in Bonds represented by the Restricted Global Certificate may be transferred to a person who wishes to take delivery of any such interest in the form of an interest in Bonds represented by the Unrestricted Global Certificate only if a Transfer Agent receives a written certificate from the transferor (in the form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S under the Securities Act ("Regulation S") or Rule 144 under the Securities Act ("Rule 144A") (if available).

Prior to the 40th day after the day of issue of the Bonds (the "Restricted Period"), an interest in Bonds represented by the Unrestricted Global Certificate may be exchanged for an interest in Bonds represented by the Restricted Global Certificate only if a Transfer Agent receives a written certificate from the transferee of the interest in Bonds represented by the Unrestricted Global Certificate (in the form provided in the Agency Agreement) to the effect that the transferee is a qualified institutional buyer (as defined in Rule 144A) and is obtaining such interest in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction. After the expiration of the Restricted Period, this certification requirement will no longer apply to such transfers.

Transfers of Bonds are also subject to the restrictions described under "Plan of Distribution" and "Transfer Restrictions" below.

(c) **Delivery of new Certificates**

Each new Certificate to be issued on transfer of a Bond or Bonds will, within five Business Days of receipt by the relevant Transfer Agent of the duly completed and signed form of transfer, be made available for collection at the specified office of the relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds transferred (free of charge to the holder), to the address specified in the form of transfer.

Except in the limited circumstances described in "Summary of Provisions relating to the Bonds while in Global Form — Registration of Title", owners of interests in Bonds represented by the Global Certificates will not be entitled to receive physical delivery of Individual Certificates. Issues of Certificates upon transfers of Bonds are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of Rule 144A Bonds, compliance with the Securities Act Legend.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred or redeemed, a new Certificate in respect of the Bonds not so transferred or redeemed, will, within five Business Days of delivery or surrender of the original Certificate to the relevant Transfer Agent or Registrar, be made available for collection at the specified office of the Registrar or, if so requested by the holder, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred or redeemed (free of charge to the holder), to the address of such holder appearing on the Register.

In this Condition 2, "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for business in the city in which the specified office of the Registrar and the relevant Transfer Agent

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to which the Certificate in respect of the Bonds to be transferred or relevant form of transfer is delivered is situated.

(d) **Formalities free of charge**

Registration of transfer of Bonds will be effected without charge by or on behalf of the Issuer or any of the Transfer Agents, but only upon the person making such application for transfer, paying or procuring the payment (or the giving of such indemnity as the Issuer or any of the Transfer Agents may require) of any tax, duty or other governmental charges which may be imposed in relation to such transfer.

(e) **Closed periods**

No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on (and including) the due date for any payment of principal of that Bond or seven days ending on (and including) any Interest Record Date (as defined in Condition 6(a)).

(f) **Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon written request.

3 Covenants

(a) **Negative pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed):

(i) The Parent Guarantor will not, directly or indirectly, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon the Collateral to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness; *provided* that this clause (i) shall not apply to Security over the Collateral (x) arising by operation of law, (y) created in respect of the Private Credit Facility and any Permitted PCF Refinancing Borrowings and/or (ii) on or after the Security Creation Date, created in respect of (a) the Bonds and (b) the Amended 2025 Bonds.

(ii) Neither the Issuer nor any Guarantor will create or permit to subsist any Security upon any assets (other than the Collateral) directly held by the Issuer or any Guarantor, present or future, to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (x) are secured equally and rateably therewith in substantially identical terms thereto, in each case to the satisfaction of the Trustee; or (y) have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the Bondholders; *provided* that this clause (a)(ii) shall not apply to Security (x) arising by operation of law or (y) created in respect of Indebtedness (which for this purpose shall exclude Relevant Debt) in an aggregate principal amount not exceeding 10% of Total Assets (or the Dollar Equivalent thereof). For the avoidance of doubt, the foregoing restriction shall not apply to Security upon assets held by any Subsidiary (other than the Issuer or any Subsidiary Guarantor) (other than assets that are jointly held with the Issuer or any Guarantor).

As used in these Conditions:

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"Excluded Indebtedness" means any Indebtedness to finance or refinance the ownership, acquisition, development and/or operation of projects, assets or installations (the "Relevant Property") in respect of which the person or persons (in this definition the "Lender") to whom any Indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group for the repayment of all or any portion of such indebtedness other than recourse to:

(i) such borrower for amounts limited to the present and future cash flow or net cash flow from the Relevant Property; and/or

(ii) the proceeds of enforcement of any Security given by such borrower over the Relevant Property or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such Indebtedness, *provided* that:

(A) the extent of such recourse to such borrower is limited solely to the amount of any recoveries made on any such enforcement; and

(B) such Lender is not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness, to commence proceedings for the winding-up or dissolution of such borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of such borrower generally or any of its projects, assets or installations (save for the Relevant Property the subject of such security); and/or

(C) such borrower generally, or directly or indirectly to a member of the Group, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another person or an indemnity in respect thereof or an obligation to comply or to procure compliance by another person with any financial ratios or other tests of financial condition) by the person against whom such recourse is available; and/or

(D) any Subsidiary of the Parent Guarantor by way of guarantee of such Indebtedness (but not benefiting from any security or quasi-security from that Subsidiary of the Parent Guarantor);

"Group" means the Parent Guarantor and its Subsidiaries;

"Indebtedness" means any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money;

"Relevant Debt" means any present or future indebtedness (other than Excluded Indebtedness) of the Issuer, any Guarantor or any other person in the form of, or represented by, bonds, notes, debentures, loan stock or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, have an original maturity of more than one year from their date of issue and are denominated, payable or optionally payable in a currency other than Rupees or are denominated in Rupees and more than 50% of the aggregate principal amount of which is initially distributed outside India by or with the authority of the Parent Guarantor;

"Subsidiary" means any company or other business entity of which the Parent Guarantor owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of the Parent Guarantor or which, under English or other applicable law or regulations,



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or International Financial Reporting Standards, as the case may be, from time to time, should have its accounts consolidated with those of the Parent Guarantor; and

"Total Assets" means the aggregate of consolidated total current assets and consolidated total non-current assets of:

(i) the Parent Guarantor as shown in the balance sheet of the latest available audited consolidated financial statements of the Parent Guarantor; and

(ii) any Subsidiary of the Parent Guarantor acquired by the Parent Guarantor or any Subsidiary of the Parent Guarantor since the date of the latest available audited consolidated financial statements of the Parent Guarantor as shown in the balance sheet of the latest available audited consolidated financial statements of such Subsidiary.

(b) **Dividend restriction**

The Issuer shall not, each Guarantor shall not, and the Parent Guarantor shall procure that each of the Material Subsidiaries shall not, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of the Issuer, any Subsidiary Guarantor or any Material Subsidiary to pay dividends or make any other distribution with respect to its Share Capital or to make or repay loans to the Issuer, any Guarantor or any Material Subsidiary, other than:

(a) the subordination of any Indebtedness made to the Issuer, any Guarantor or any of the Material Subsidiaries to any other Indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries; *provided* that:

(i) such other Indebtedness is permitted under these Conditions; and

(ii) such subordination would not singly or in the aggregate have a materially adverse effect on the ability of the Issuer or any Guarantor to meet its obligations under the Bonds and the Guarantees;

(b) such encumbrance or restriction in relation to any Indebtedness of the Issuer, any Subsidiary Guarantor or any Material Subsidiary or other assurance against financial loss where such encumbrance or restriction relates to payment of dividends or other distributions during the continuance of an event of default (howsoever described) which has occurred pursuant to the terms of that Indebtedness;

(c) such encumbrance or restriction arising by operation of law;

(d) such encumbrance or restriction as is in existence on the date of issue of the Bonds; or

(e) in respect of any Person (including any existing Subsidiary of the Parent Guarantor) which becomes a Material Subsidiary after the date of issue of the Bonds, any encumbrance or restrictions on such Person as may be in existence on the date such Person becomes a Material Subsidiary, provided such restrictions were not imposed in contemplation of such Person becoming a Material Subsidiary;

provided that this Condition 3(b) shall not restrict any Material Subsidiary from issuing Preferred Stock otherwise in accordance with these terms of the Conditions.

(c) **Limitation on Borrowings**

(i) The Parent Guarantor shall not, and shall procure that each of its Subsidiaries shall not, Incur directly or indirectly any Borrowings, and the Parent Guarantor shall procure that each of its

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Subsidiaries shall not issue any Preferred Stock; *provided* that the Parent Guarantor may Incur Borrowings and any Subsidiary of the Parent Guarantor may Incur Borrowings or issue Preferred Stock if, after giving pro forma effect to the Incurrence of such Borrowings or issuance of Preferred Stock and the application of the proceeds thereof, the Fixed Charge Coverage Ratio would be not less than:

(w) 1.75 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2025, become available (prepared in accordance with Applicable Accounting Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts);

(x) 2.00 to 1.0 if such Incurrence occurs thereafter but prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2026, become available (prepared in accordance with Applicable Accounting Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts);

(y) 2.25 to 1.0 if such Incurrence occurs thereafter but prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2027, become available (prepared in accordance with Applicable Accounting Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts); and

(z) 2.50 to 1.0 if such Incurrence occurs thereafter.

(ii) Notwithstanding the foregoing, the Parent Guarantor and any Subsidiary of the Parent Guarantor may Incur, to the extent provided below, each and all of the following ("Permitted Borrowings"):

(a) Borrowings represented by the Bonds issued on the Closing Date and the Guarantees;

(b) Borrowings of the Parent Guarantor or any Subsidiary of the Parent Guarantor outstanding on the Closing Date;

(c) Borrowings Incurred (w) by the Parent Guarantor or any Subsidiary of the Parent Guarantor which is issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "refinance", and "refinancing", "refinances" and "refinanced" shall have correlative meanings) ("Permitted Refinancing Borrowings") then outstanding Borrowings (or Borrowings that are no longer outstanding, but that were refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Borrowings) Incurred under clause (c)(i) or sub-clauses (c)(ii)(a), (c)(ii)(b), (c)(ii)(c) or (c)(ii)(e) and any refinancing thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses), *provided that*, such Borrowings to be refinanced are fully and irrevocably repaid no later than 90 days after the Incurrence of such Permitted Refinancing Borrowings; (x) by the Parent Guarantor or any Subsidiary of the Parent Guarantor used to pay any accrued interest on then outstanding Borrowings; and (y) by Hindustan Zinc Limited (or any of its successors or assigns) ("HZL") in an aggregate principal amount at any one time outstanding (together with refinancings thereof) not exceeding the product of (I) the amount of any Borrowings of Vedanta Limited (or any of its successors or assigns) which have been refinanced (together with any



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accrued interest and premium, if any, paid thereon) from dividends received directly or indirectly from HZL no earlier than 90 days before and no later than 90 days after the Incurrence of such Borrowings by HZL and (II) the quotient of (A) 100% *divided by* (B) the percentage ownership of Capital Stock in HZL held directly by Vedanta Limited (or any of its successors or assigns) or any of its wholly-owned Subsidiaries at the time such dividends were paid by HZL (or the Dollar Equivalent thereof);

(d) Borrowings incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor with a maturity of one (1) year or less used by the Parent Guarantor or any Subsidiary of the Parent Guarantor for working capital purposes (or any guarantee or indemnity given by the Parent Guarantor or any Subsidiary of the Parent Guarantor in relation thereto) (together with refinancings thereof);

(e) Borrowings Incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor represented by Capitalized Lease Obligations or purchase money obligations in the ordinary course of business to finance all or any part of the Incurred or to be Incurred purchase price or cost of construction, installation or improvement of property (real or personal) (including the lease purchase price of land use rights), plant or equipment (including through the acquisition of Capital Stock of any Person that owns property, plant or equipment which has or will, upon such acquisition, become a Subsidiary of the Parent Guarantor) to be used in the Permitted Business; *provided that* on the date of Incurrence of such Borrowings and after giving effect thereto, the aggregate principal amount of such Borrowings at any time outstanding (together with refinancings thereof) shall not exceed an amount equal to 5.0% of Total Assets (or the Dollar Equivalent thereof); and

(f) guarantees by the Parent Guarantor or any Subsidiary of the Parent Guarantor of Borrowings of the Parent Guarantor or any Subsidiary of the Parent Guarantor that was permitted to be Incurred by another provision of this covenant.

For purposes of determining compliance with this Condition (3)(c), if an item of Borrowings meets the criteria of more than one of the types of Permitted Borrowings or is permitted to be Incurred pursuant to paragraph (c)(i) of this covenant, the Parent Guarantor may, in its sole discretion, classify such item of Borrowings and only be required to include the amount of such Borrowings as one of such types.

Notwithstanding any other provision of this covenant, the maximum amount of Borrowings that the Parent Guarantor or any Subsidiary of the Parent Guarantor may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Borrowings, the Dollar Equivalent principal amount of Borrowings denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Borrowings was incurred (or first committed, in the case of revolving credit debt); *provided,* that if such Borrowings is incurred to refinance other Borrowings denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Borrowings does not exceed the principal amount of such Borrowings being refinanced. The principal amount of any Borrowings Incurred to refinance other Borrowings, if Incurred in a different currency from the Borrowings being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Borrowings is denominated that is in effect on the date of such refinancing.

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(d) **Material Subsidiaries**

So long as any of the Bonds are outstanding (as defined in the Trust Deed), the Parent Guarantor or any of its Subsidiaries shall retain Control over, or, directly or indirectly, own more than 50% of the issued equity share capital of, each of the Material Subsidiaries.

The Issuer shall and shall procure that the Subsidiaries make relevant filings and disclosures, as may be applicable, under applicable laws, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Indian Takeover Code) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Indian Listing Regulations).

(e) **Accounts**

The Parent Guarantor agrees that:

(i) as soon as reasonably practicable after the issue or publication thereof and in any event within 180 days after the end of each financial year (beginning with 31 March 2021) it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its annual report and audited Accounts (in the English language) as of the end of and for such financial year, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such annual report and audited Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

(ii) as soon as reasonably practicable after the issue or publication thereof (and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange), it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its unaudited interim Accounts (in the English language) as of the end of and for each six-month period ending on 30 September (beginning with 30 September 2020), *provided* that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with that used for the preceding relevant semi-annual or annual fiscal period, that fact shall be stated, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such unaudited interim Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

(iii) if the Common Stock of Vedanta Limited or any Material Demerged Entity is not listed on an internationally recognized stock exchange, as soon as reasonably practicable after the issue or publication thereof:

a. and in any event within 180 days after the end of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the annual report and audited accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of the end of and for such financial year, along with key production data for such financial year;

b. and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the unaudited interim accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of the end



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of and for each six-month period ending on 30 September, along with key production data for such six-month period; and

c. and in any event within 90 days after the end of each quarterly period ending 30 June and 31 December of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the unaudited interim accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of and for each quarterly period ending on 30 June and 31 December, along with key production data for each such quarterly period;

(iv) with each set of Accounts delivered by it under Conditions 3(e)(i) and 3(e)(ii), it will deliver to the Trustee and the specified office of each of the Paying Agents the Compliance Certificate.

(f) **Limitation on Issuer's activities**

The Issuer shall not, and the Parent Guarantor will procure that the Issuer will not, carry on any business activity whatsoever other than in connection with the issue of debt (including the Bonds) and any other activities reasonably incidental thereto (such activities shall, for the avoidance of doubt, include (i) the entry into currency and interest rate swap transactions and the on-lending of the proceeds of the issue of such debt and/or such swap transactions to the Parent Guarantor or any other Subsidiaries of the Parent Guarantor, (ii) activities undertaken to fulfill its obligations under such debt including under the Bonds, the Trust Deed, the Agency Agreement, the Collateral Documents and the Intercreditor Agreement (including entering into the Collateral Documents and the Intercreditor Agreement), and such swap transactions, (iii) redemptions, purchases, consent solicitations and tender and exchange offers in respect of such debt and (iv) activities directly related to the establishment and maintenance of the Issuer's corporate existence).

(g) **Additional limitations relating to Subsidiary Guarantors**

In addition to the limitations in Condition 3(c), the Subsidiary Guarantors (other than VRIL) shall not, directly or indirectly, Incur any Borrowings (other than (i) Permitted Refinancing Borrowings that refinances outstanding Borrowings of such Subsidiary Guarantor and (ii) Borrowings Incurred by such Subsidiary Guarantor where the obligee is the Parent Guarantor or another Subsidiary Guarantor); *provided* that the Subsidiary Guarantors may Incur Borrowings (other than Borrowings to refinance any Short-Term Acquisition Financing or refinancing thereof) if, (x) such Incurrence (other than the Incurrence of (a) Borrowings existing on the Amendment Date and (b) any Permitted Borrowings) does not take place within ten (10) Indian Business Days of any Demerger and (y) after giving *pro forma* effect to such Incurrence and the application of the proceeds thereof:

(i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed:

(A) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements become available as of, and for the semi-annual period ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts); or

(B) 5.5 to 1.0 if such Incurrence occurs thereafter;

(ii) the aggregate amount of Borrowings of the Subsidiary Guarantors as of the applicable date of determination would not exceed the amount equal to the product of:

(x) U.S.$3.1 billion, *multiplied by*:

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(y) either:

(1) prior to the First Demerger Date, the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; or

(2) on or after the First Demerger Date, the aggregate of:

(u) the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular First Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such First Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other First Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable First Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(v) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Second Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Second Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Second Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Second Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(w) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Third Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Third Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Third Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Third Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(x) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Fourth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fourth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*



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(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Fourth Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Fourth Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case *divided by* (b) 38.14%; *plus*

(y) if applicable, the aggregate of the product of (i) the applicable Weighted Percentage of the Fifth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fifth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(z) the product of (i) the difference between (X) 100% and (Y) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) (expressed as a percentage) *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date, *divided by* (b) 38.14%; and

(ii) the aggregate amount of Borrowings of the Subsidiary Guarantors as of the applicable date of determination (excluding Borrowings owed by Twin Star to Cairn India Holdings Limited outstanding on the Closing Date) would not exceed the amount equal to the product of:

(x) U.S.$2.65 billion, *multiplied by*:

(y) either:

(1) prior to the First Demerger Date, the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; or

(2) on or after the First Demerger Date, the aggregate of:

(u) the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular First Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such First Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other First Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable First Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(v) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Second Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Second Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Second Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Second Demerged

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Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(w) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Third Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Third Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Third Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Third Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(x) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Fourth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fourth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Fourth Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Fourth Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(y) if applicable, the aggregate of the product of (i) the applicable Weighted Percentage of the Fifth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fifth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(z) the product of (i) the difference between (X) 100% and (Y) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) (expressed as a percentage) *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date, *divided by* (b) 38.14%.

In addition to the limitations in Condition 3(c), any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Parent Guarantor shall procure that any such Subsidiary shall not, directly or indirectly, Incur any Borrowings; provided, however, that any such Subsidiary may Incur Borrowings if the Subsidiary Guarantor Attributable Leverage Ratio, as of the last date of the most recent four quarter period for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available, after giving pro forma effect to such Incurrence and the Incurrence of all other Borrowings Incurred by such Subsidiary after such four quarter period and the application of the proceeds thereof would not exceed (i) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its

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best efforts to compile in a timely manner and which may be internal management accounts) or (ii) 5.5 to 1.0 if such Incurrence occurs thereafter. Notwithstanding the foregoing, any such Subsidiary may Incur Permitted Borrowings and Short-Term Acquisition Financing.

The Subsidiary Guarantors and any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Parent Guarantor shall procure that such Persons shall not, directly or indirectly, issue, sell, transfer or otherwise dispose of, or purchase or otherwise acquire any Capital Stock; provided, however, that any such Person may issue, sell, transfer or dispose of, or purchase or otherwise acquire, any Capital Stock if, after giving pro forma effect to such transaction and the application of the proceeds thereof, (i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed (A) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) or (B) 5.5 to 1.0 if such Incurrence occurs thereafter or (ii) (A) in the case of any such transaction in respect of Capital Stock of a Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary Guarantor owned, directly or indirectly, by the Parent Guarantor would be the same as such percentage ownership immediately prior to such transaction or (B) in the case of any such transaction in respect of Capital Stock of a Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary owned, directly or indirectly, by such Subsidiary Guarantor would be the same as such percentage ownership immediately prior to such transaction; *provided, further*, that Twin Star and Welter (being the initial Subsidiary Guarantors on the Amendment Date) shall not sell, transfer or otherwise dispose of any Capital Stock held by them on the Closing Date (other than in connection with the enforcement of Security upon Capital Stock of any borrower of Short-Term Acquisition Financing that secures such Short-Term Acquisition Financing).

So long as any Bond remains outstanding (as defined in the Trust Deed), no Subsidiary Guarantor will create or permit to subsist any Security upon any Capital Stock directly held by such Subsidiary Guarantor, present or future; *provided* that this paragraph shall not apply to (i) Security arising by operation of law and (ii) Security upon Capital Stock of any borrower of Short-Term Acquisition Financing to secure such Short-Term Acquisition Financing.

For the avoidance of doubt, nothing in this Condition 3(g) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.

As used in these Conditions:

"Applicable VWAP" means, as of a particular date of determination, the ten (10) Indian Business Day volume weighted average price of the applicable Capital Stock of the applicable Demerged Entity determined as of such date.

"Demerged Entity" means Vedanta Limited or any other person to whom any assets of Vedanta Limited are directly or indirectly transferred as part of a demerger or equivalent corporate reorganisation of Vedanta Limited or of any other Demerged Entity (pursuant to a Demerger or otherwise) and, in each case, shares in whom are issued to shareholders of Vedanta Limited or, as applicable, such other Demerged Entity, as consideration for such transfer, and shall include each Resulting Company which has undergone a Demerger.

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"Demerger" means each transfer of a business undertaking of Vedanta Limited into a Demerged Entity (other than Vedanta Limited) and the listing of equity shares of such Demerged Entity on either the BSE Limited, the National Stock Exchange of India Limited and/or any other internationally recognized stock exchange, pursuant to the implementation of the Scheme.

"EBITDA" for any Person means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

for such Person, in each case as it is presented on the standalone financial statements of such Person prepared in accordance with Applicable Accounting Principles for such period.

"Fifth Demerged Entity" means such Demerged Entity, if any, which has undergone a Demerger on the Fifth Demerger Date.

"Fifth Demerger Date" means the last date on which the Demerger, as envisaged in the Scheme, is made effective in respect of the Fifth Demerged Entity, if any.

"First Demerged Entity" means such Demerged Entity/Entities which has undergone a Demerger on the First Demerger Date, and if more than one, collectively the "First Demerged Entities".

"First Demerger Date" means the first of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more First Demerged Entities.

"Fourth Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Fourth Demerger Date, and if more than one, collectively the "Fourth Demerged Entities".

"Fourth Demerger Date" means the fourth of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Fourth Demerged Entities, if any.

"Second Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Second Demerger Date, and if more than one, collectively the "Second Demerged Entities".

"Second Demerger Date" means the second of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Second Demerged Entities, if any.

"Third Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Third Demerger Date, and if more than one, collectively the "Third Demerged Entities".

"Third Demerger Date" means the third of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Third Demerged Entities, if any.

"Scheme" means the Composite Scheme of Arrangement between Vedanta Limited and Vedanta Aluminium Metal Limited and Talwandi Sabo Power Limited and Malco Energy Limited and Vedanta Base Metals Limited and Vedanta Iron and Steel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, approved



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by the board of directors of Vedanta Limited on 29 September 2023, uploaded on BSE Limited on 20 October 2023 and on National Stock Exchange of India Limited on 20 October 2023.

"Short-Term Acquisition Financing" means Borrowings Incurred by any Subsidiary (other than any Subsidiary Guarantor) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the net cash proceeds of which are used by such Subsidiary to acquire Capital Stock of any Subsidiary that is listed in India and to pay costs, fees and expenses in connection therewith, *provided* that such Borrowings have a final stated maturity not exceeding four months from the date of such Incurrence.

"Subsidiary Guarantor Attributable Borrowings" means, as of any Transaction Date, the amount equal to the aggregate amount of (i) the Borrowings of each Subsidiary Guarantor (calculated on a standalone basis) outstanding as of such Transaction Date and (ii) the product of (x) the Borrowings of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor outstanding as of such Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date; *provided*, however, that (i) any Borrowing Incurred by a Subsidiary that is not a Subsidiary Guarantor and owed to another Subsidiary that is not a Subsidiary Guarantor or owed to a Subsidiary Guarantor and (ii) any Borrowing Incurred by a Subsidiary Guarantor and owed to another Subsidiary Guarantor, shall be excluded from the foregoing calculation; *provided* further that if on any date (a) any Subsidiary to which such Borrowing is owed ceases to be a Subsidiary or (b) such Borrowing is transferred to any Person (other than to another Subsidiary that is not a Subsidiary Guarantor or to a Subsidiary Guarantor), then such Borrowing shall be included in the foregoing calculation and shall be deemed to have been Incurred on such date.

"Subsidiary Guarantor Attributable EBITDA" means, for any period, the amount equal to the aggregate of (i) the EBITDA for each Subsidiary Guarantor (calculated on a standalone basis) and (ii) the product of (x) the EBITDA of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor as of the Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date.

"Subsidiary Guarantor Attributable Leverage Ratio" means, on any Transaction Date, the ratio of:

(i) Subsidiary Guarantor Attributable Borrowings as of such Transaction Date; to

(ii) the aggregate amount of Subsidiary Guarantor Attributable EBITDA for the most recent four quarterly periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available.

"Weighted Percentage" means:

(i) in relation to any First Demerged Entity, as of the date which is ten (10) Indian Business Days after the First Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such First Demerged Entity as of such date, *divided by*:
(2) the sum of:



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(x) the Applicable VWAP of such First Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other First Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) 100%;

(ii) in relation to any Second Demerged Entity, as of the date which is ten (10) Indian Business Days after the Second Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Second Demerged Entity as of such date, *divided by*:
(2) the sum of:

(x) the Applicable VWAP of such Second Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Second Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date;

(iii) in relation to any Third Demerged Entity, as of the date which is ten (10) Indian Business Days after the Third Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Third Demerged Entity as of such date, *divided by*:
(2) the sum of:

(x) the Applicable VWAP of such Third Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Third Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date;

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(iv) in relation to any Fourth Demerged Entity, as of the date which is ten (10) Indian Business Days after the Fourth Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Fourth Demerged Entity as of such date, *divided by*:
(2) the sum of:

(x) the Applicable VWAP of such Fourth Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Fourth Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date; and

(v) in relation to any Fifth Demerged Entity, as of the date which is ten (10) Indian Business Days after the Fifth Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Fifth Demerged Entity as of such date, *divided by*:
(2) the sum of:

(x) the Applicable VWAP of such Fifth Demerged Entity as of such date; and

(y) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date.

(h) **Limitation on Restricted Affiliate Payments**: In the event that (i) the Bonds are rated by no more than two (2) Rating Agencies, then for so long as the rating of the Bonds remains below 'B-' by any Rating Agency, (ii) the Bonds are rated by more than two (2) Rating Agencies, then for so long as the rating of the Bonds remains below 'B-' by at least two (2) Rating Agencies or (iii) there is no rating of the Bonds, then, in each such case, the Parent Guarantor will not, and will not permit any of its Subsidiaries to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Affiliate Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any of its Subsidiaries' (other than any Listed Indian Subsidiary) Capital Stock (other than dividends or distributions payable solely in shares of the Parent Guarantor's Capital Stock or by a Subsidiary in its Capital Stock or in options, warrants or other rights to acquire shares of any such Capital Stock) held by any shareholder of the Parent Guarantor

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or by any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (or options, warrants or other rights to acquire such shares of Capital Stock) of the Parent Guarantor or any of its Subsidiaries held by any shareholders of the Parent Guarantor or any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Borrowings that is subordinated or junior in right of payment to the Bonds or any Subsidiary Guarantee ("Subordinated Borrowings") (excluding any intercompany Borrowings between or among the Parent Guarantor and any of its Subsidiaries or between or among any such Subsidiaries) where the obligee thereunder is a shareholder of the Parent Guarantor or an Affiliate or the Parent Guarantor (other than any of the Parent Guarantor's Subsidiaries); or

(4) make, on or after the Amendment Date, any Investment in any shareholders of the Parent Guarantor or any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

provided that, in the event that (i) the Bonds are rated by one (1) or two (2) Rating Agency(ies), then for so long as the rating of the Bonds is 'B-' or above by any such Rating Agency(ies) or (ii) the Bonds are rated by more than two (2) Rating Agencies, then for so long as the rating of the Bonds is 'B-' or above by at least two (2) Rating Agencies, then, in each such case, the Issuer and its Subsidiaries may make Restricted Affiliate Payments in an amount not to exceed U.S.$15 million (or the Dollar Equivalent there) per calendar year.

The foregoing provision shall not be violated by reason of:

(1) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Borrowings of the Parent Guarantor or any Subsidiary Guarantor with the net cash proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Borrowings;

(2) any Restricted Affiliate Payment made in exchange for, or out of the net cash proceeds of a substantially concurrent capital contribution to or sale (other than to a Subsidiary of the Parent Guarantor) of, shares of Capital Stock of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock);

(3) (x) the payment of any dividends or distributions declared, paid or made by a Subsidiary or (y) the redemption, repurchase, defeasance or other acquisition by a Subsidiary of any shares of its Capital Stock, in each case payable, on a *pro rata* basis or on a basis more favorable to the Parent Guarantor, to all holders of any class of Capital Stock of such Subsidiary, a majority of which is held, directly or indirectly through Subsidiaries, by the Parent Guarantor;

(4) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights to acquire Capital Stock to the extent such Capital Stock represents a portion of the exercise price thereof; and



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(5) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible or exchangeable for Capital Stock of the Parent Guarantor; *provided* that any such cash payment shall not be for the purpose of evading the limitations of this covenant.

The Parent Guarantor shall and shall procure that the Subsidiaries make relevant filings and disclosures, as may be applicable, under the applicable laws including the Indian Takeover Code and the Indian Listing Regulations.

(i) **Qualified Amended 2026 Bond Refinancing Borrowings**: The Parent Guarantor shall ensure that, other than in connection with a change of control which triggers a redemption event or an event of default under the Amended 2026 Bonds, any payment of principal and premium (if any) on, and any purchase, redemption, defeasance or other acquisition or retirement for value of, any of the Amended 2026 Bonds, are only made with proceeds from Qualified Amended 2026 Bond Refinancing Borrowings.

The Parent Guarantor shall not, and shall procure its Subsidiaries not to, commence, conduct or consummate any offers to purchase (other than in connection with a change of control that triggers a redemption event under the Amended 2026 Bonds) or exchange the Amended 2026 Bonds, in whole or in part, other than in connection with a Qualified Amended 2026 Bond Refinancing Borrowing.

(j) **VRL Offshore Entities Mandatory Prepayment**: The Parent Guarantor shall ensure that:

(x) the Parent Guarantor and any of the Parent Guarantor's Subsidiaries which are incorporated outside of India (other than (a) Konkola Copper Mines plc and (b) any Subsidiaries of Vedanta Limited) (the Parent Guarantor, together with such Subsidiaries, the "VRL Offshore Entities"), shall not incur any Borrowings (other than (a) Borrowings existing on the Amendment Date and (b) any Permitted Refinancing Borrowings of such Borrowings) which are secured over any assets (other than Capital Stock of Konkola Copper Mines plc) of the VRL Offshore Entities; and

(y) within 30 days of the receipt by any member of the VRL Group of Extraordinary Distribution Proceeds by Demerged Entities, such proceeds shall be used solely towards the repayment of the following Borrowings and in following order of priority:

(1) *first*, towards the payment of any amounts owing in respect of (i) the Private Credit Facility and (ii) any Permitted PCF Refinancing Borrowings on a *pro rata* basis until such time as the principal amount outstanding thereunder has been reduced, in the aggregate, by U.S.$750 million (or the Dollar Equivalent thereof) from the original principal amount of the Private Credit Facility; and

(2) *second*, (x) for so long as the Private Credit Facility or any Permitted PCF Refinancing Borrowings has not been repaid in full, 50% of such remaining proceeds towards the payment of any amounts owing thereunder on a *pro rata* basis and (y) the remainder of such remaining proceeds towards payment of the Bonds on a *pro rata* basis at a redemption price equal to 100% of the aggregate principal amount of the Bonds redeemed, plus accrued and unpaid interest, if any, on the Bonds redeemed, to (but not including) the applicable redemption date.



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As used in these Condition 3(j):

“Demerged Entity (HZL)" means HZL or any other person to whom any assets of HZL are directly or indirectly transferred as part of a demerger or equivalent corporate reorganisation of HZL or of any other Demerged Entity (HZL), in each case, shares in whom are issued to shareholders of HZL or, as applicable, such other Demerged Entity (HZL), as consideration for such transfer.

"Distribution" means any dividend or other distribution received by a member of the VRL Group in respect of its shareholding in a Demerged Entity.

"Extraordinary Distribution" means any Distribution derived from distributable profits (which are not Operating Profits) of a member of the VEDL Group; *provided* that, for purposes of the application of any Extraordinary Distribution Proceeds in accordance with Condition 3(j)(y), when determining the composition of Distributions (including what constitutes Extraordinary Distributions) made by a member of the VEDL Group at any time:

(i) any such Distribution shall be deemed to have been derived:

(A) in respect of a Distribution made in respect of the financial year ending 31 March 2024, from:

(a) non-Operating Profits generated since 31 March 2023; and

(b) Operating Profits (including distributions from reserves as at 31 March 2023 which were then undistributed (net of any distribution made in respect of the financial year ending 31 March 2023)),

pro rata between amounts in paragraphs (a) and (b) above (or such other proportion resulting in a greater proportion of such Distributions being treated as having been derived from amounts in paragraph (a) above, as the Parent Guarantor may elect on or prior to such Distribution being paid); and

(B) in respect of a Distribution made in respect of each financial year ending after 31 March 2024 (each, a "Relevant Financial Year"):

(a) first, from any non-Operating Profits attributable to a prior financial year but not previously treated as distributed consistent with paragraph (A) above or any prior application of this paragraph (B)); and

(b) second, in respect of a particular Relevant Financial Year, from:

(i) other non-Operating Profits (to such extent) generated in such Relevant Financial Year; and

(ii) Operating Profits (including distributions from reserves as at 31 March of the immediately prior Relevant Financial Year which were then undistributed (if any) (net of any distribution made out of those undistributed reserves as determined consistent with paragraph (A) above and this

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paragraph (B) prior to the relevant application of this paragraph (B)),

pro rata between amounts in paragraphs (i) and (ii) above (or such other proportion resulting in a greater proportion of such Distributions being derived from amounts in paragraph (i) above, as the Parent Guarantor may elect on or prior to such Distribution being paid);

(ii) any distributions received by a Demerged Entity from a direct Subsidiary of such Demerged Entity shall only be treated as Operating Profits of such Demerged Entity to the extent, consistent with paragraph (i) above, that it was a distribution of Operating Profits by such Subsidiary; and

(iii) for the purpose of determining the source of non-Operating Profits in any financial year for the purpose of paragraph (i) above, non-Operating Profits shall be deemed to be derived:

(A) first, from amounts other than sources attributable to those in paragraphs (B) and (C) below;

(B) second, from Konkola Copper Proceeds; and

(C) third, from HZL Distributable Reserves;

provided that, all distributions declared by Vedanta Limited on or before 31 December 2023 (including, for the avoidance of doubt, distributions funded from a distribution declared by HZL on 4 December 2023), shall be deemed to be derived from distributable profits which are Operating Profits.

"Extraordinary Distribution Proceeds" means the aggregate net proceeds of Extraordinary Distributions received by members of the VRL Group, in each case after *deducting* (without double counting):

(i) first, the amount of such Extraordinary Distributions received (A) from Konkola Copper Mines plc or (B) from any member of the VRL Group and which were derived from any Konkola Copper Proceeds (as determined consistent with paragraph (iii) of the definition of Extraordinary Distribution above);

(ii) second, the amount of such Extraordinary Distributions received by any member of the VRL Group and which were derived from any HZL Distributable Reserves (as determined consistent with paragraph (iii) of the definition of Extraordinary Distribution above); and

(iii) third:

(A) any Tax properly incurred in connection with the receipt of such proceeds; and

(B) any Tax properly incurred by any member of the VRL Group in connection with the distribution or transfer by way of intercompany loan of such proceeds to VRIL and Vedanta Holdings Mauritius II Limited.



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"HZL Distributable Reserves" means any dividends paid by HZL to Vedanta Limited in a financial year resulting from an increase in HZL's distributable reserves (as a result of the conversion of HZL's non-distributable reserves to distributable reserves in accordance with applicable law).

"Konkola Copper Proceeds" means any profits in a financial year of a member of the VEDL Group attributable to the disposal by such member of the VEDL Group of shares in Konkola Copper Mines plc.

"Operating Profits" means profits arising out of the ordinary course of operations of a member of the VEDL Group which, for the avoidance of doubt, shall not include amounts attributable to:

(i) the creation of distributable reserves as a result of (i) any Demerger; (ii) the conversion of non-distributable reserves to distributable reserves by a Demerged Entity or any of its Subsidiaries; or (iii) the transfer of general reserves to retained earnings by a Demerged Entity or any of its Subsidiaries as at 31 March 2023;

(ii) any profit attributable to an increase in the valuation of an asset or investment since 31 March 2023; and

(iii) any profits attributable to any sale, lease, licence, transfer, loan or other disposal of (A) shares in any Person, (B) any business (or part of a business) or (C) any interest in a joint venture (in each case, in whole or part).

"Resulting Companies" means Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5.

"Resulting Company 1" means Vedanta Aluminium Metal Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai 400093.

"Resulting Company 2" means Talwandi Sabo Power Limited a company registered under the laws of India with its registered address at Village Banawala, Mansa-Talwandi Sabo Road, Mansa, Punjab – 151302).

"Resulting Company 3" means Malco Energy Limited, a company registered under the laws of India with its registered address at SIPCOT Industrial Complex, Madurai Bypass Road, T.V. Puram P.O., Tuticorin, Tamil Nadu.

"Resulting Company 4" means Vedanta Base Metals Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link Chakala MIDC, Mumbai 400093.

"Resulting Company 5" means Vedanta Iron and Steel Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai 400093.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

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"VEDL Group" means each Demerged Entity and each of their respective (direct and indirect) Subsidiaries (including Vedanta Limited and its (direct and indirect) Subsidiaries).

"VRIL" means Vedanta Resources Investments Limited.

"VRL Group" means the Group but excluding all entities in the VEDL Group.

(k) **Anti-layering**: The Parent Guarantor shall ensure that (x) any Subsidiary of either Welter or Twin Star which directly or indirectly holds Capital Stock in any of the Demerged Entities must be a Wholly Owned Subsidiary of Welter and/or Twin Star (as applicable) and (y) any such Wholly Owned Subsidiary does not Incur any Borrowings.

(l) **Sale of Brand**: (x) The Parent Guarantor shall not sell, transfer or otherwise dispose of the Brand unless the Net Proceeds from any such sale, transfer or other disposition will be enough to repay in full each of (i) the Private Credit Facility, (ii) any Permitted PCF Refinancing Borrowings, (iii) the Amended 2025 Bonds and (iv) the Bonds and (y) to the extent that any such sale, transfer or other disposition takes place, the Parent Guarantor shall ensure that each of (i) the Private Credit Facility, (ii) any Permitted PCF Refinancing Borrowings, (iii) the Amended 2025 Bonds and (iv) the Bonds are repaid in full within 60 days of such sale, transfer or other disposition.

(m) **Limitation on dividends and other restricted payments and on asset sales**

If an Event of Default has occurred and is continuing, the Issuer and the Guarantors shall not:

(i) declare or pay any dividend or make any other payment or distribution on account of Capital Stock of the Issuer or any Guarantor, or to the direct or indirect holders of any such Capital Stock in their capacity as such;

(ii) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer or any Guarantor or any direct or indirect parent of the Issuer or any Guarantor;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Borrowings of the Issuer or any Guarantor that is contractually subordinated to the Bonds or the Guarantees, except a payment of interest, principal or premium at the stated maturity thereof;

(iv) make any Investment; or

(v) sell, lease, lend, convey, transfer or otherwise dispose of any asset unless the Issuer or such Guarantor, as applicable, receives consideration, in the form of cash or cash equivalents, at the time of such transaction at least equal to such asset's fair market value (determined in good faith by the board of directors of the Parent Guarantor) (for the avoidance of doubt, the issuance of Capital Stock by the Issuer or any Guarantor shall not be subject to this clause (v)).

For the avoidance of doubt, nothing in this Condition 3(i) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.

(n) **Covenant suspension**

If, on any date following the date of the Trust Deed, the Bonds have an Investment Grade rating (i) if the Bonds are rated by no more than two (2) Rating Agencies, from any Rating Agency or (ii) if the Bonds are rated by more than two (2) Rating Agencies, from two (2) Rating Agencies, and no Event of Default or

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Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Bonds cease to have an Investment Grade rating from such Rating Agency(ies), the provisions of the Trust Deed summarised under the following captions will not apply to the Bonds:

(a) Condition 3(c) "Limitation on Borrowings";

(b) Condition 3(g) "Additional limitations relating to Subsidiary Guarantors;"

(c) Condition 3(i) "Qualified Amended 2026 Bond Refinancing Borrowing";

(d) Condition 3(j) "VRL Offshore Entities Mandatory Prepayment"

(e) Condition 3(k) "Anti-layering"

(f) Condition 3(l) "Sale of Brand"; and

(g) Condition 3(m) "Limitation on dividends and other restricted payments and on asset sales".

Such covenants will be reinstituted and apply according to their terms as at and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event.

(o) **Definitions**

As used in these Conditions:

"Accounts" means:

(i) as of each 31 March and for the twelve-month period then ending, the audited consolidated profit and loss account and balance sheet of the Parent Guarantor prepared in accordance with Applicable Accounting Principles; and

(ii) as of each 30 September and for the six-month period then ending, the unaudited consolidated profit and loss account and balance sheet of the Parent Guarantor prepared in accordance with Applicable Accounting Principles.

"Adjusted Treasury Rate" means, with respect to any redemption date:

(3) the average of the yields in each statistical release for the immediately preceding week (from the calculation date) designated "H.15" or any successor release published by the Board of Governors of the Federal Reserve System which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the heading "U.S. government securities — Treasury constant maturities — nominal," for the maturity corresponding to the Comparable Treasury Issue; *provided* that if no maturity is within three months before or after the period from the redemption date to the maturity of the Comparable Treasury Issue, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis rounding to the nearest month; *provided* further that if the period from the redemption date to 21 December 2022 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used; or

(4) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the

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Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Amended 2024 Bonds I" means the U.S.$1,000,000,000 13.875% Bonds due 2028 issued by the Parent Guarantor.

"Amended 2025 Bonds" means the U.S.$1,200,000,000 13.875% Bonds due 2028 issued by VRF II Finance Plc.

"Amended 2026 Bonds" means the U.S.$600,000,000 9.25% Bonds due 2026 issued by VRF II Finance Plc.

"Amendment Date" means the date of execution of the amended and restated Trust Deed effecting the amendments outlined in the consent solicitation memorandum dated 13 December 2023.

"Applicable Accounting Principles" means the accounting principles and provisions of International Financial Reporting Standards applicable to the Parent Guarantor and its Subsidiaries as in effect from time to time.

"Applicable Premium" means with respect to a Bond at any redemption date, the greater of:

(i) 1.0% of the principal amount of such Bond; and

(ii) the excess of:

(A) the present value at such redemption date of the redemption price of such Bond at 21 December 2022 (such redemption price being set forth in the table under Condition 5(b)), plus all required remaining scheduled interest payments due on such Bond through 21 December 2022 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points; over

(B) the principal amount of such Bond.

"Assets" of any Person means all or any of its shares, business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital.

"Balance Sheet Date" means each 30 September and 31 March or other semi-annual date at which the Parent Guarantor prepares its audited or unaudited Accounts.

"Borrowings" means, with respect to any Person at any date, without duplication:

(i) all obligations of such Person for borrowed money;

(ii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business;



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(iii) all obligations of such Person as lessee which are capitalised in accordance with Applicable Accounting Principles;

(iv) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, except in respect of trade accounts payable arising in the ordinary course of business;

(v) all obligations of such Person representing Disqualified Stock valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, plus accrued dividends, if any;

(vi) all Borrowings of others guaranteed by such Person;

(vii) all Borrowings of others secured by Security on any Asset of such Person (whether or not such Borrowings are assumed by such Person); provided that the amount of such Borrowings will be the lesser of:

(A) the fair market value of such Asset at such date of determination; and

(B) the amount of such Borrowings; and

(viii) in the case of a Subsidiary of the Parent Guarantor, all obligations representing Preferred Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price, plus accrued dividends, if any;

provided that for the purposes of Condition 3(c), Borrowings shall not include:

(A) Borrowings of the Parent Guarantor or any of its Subsidiaries owed to the Parent Guarantor or any of its Subsidiaries; *provided* that if on any date:

(1) any Subsidiary of the Parent Guarantor to which such Borrowing is owed ceases to be a Subsidiary of the Parent Guarantor; or

(2) such Borrowing is transferred to any Person (other than the Parent Guarantor or any of its Subsidiaries),

then such Borrowing shall be deemed to constitute a Borrowing for the purposes of Condition 3(c) and shall be deemed to have been Incurred on such date; and

(B) Preferred Stock or Disqualified Stock issued by any Subsidiary of the Parent Guarantor to the Parent Guarantor or any other Subsidiary of the Parent Guarantor; *provided further* that for the purposes of clause (y) of the proviso in Condition 3(c), Borrowings shall not include the Borrowings of any Subsidiary (which is established as a special purpose entity for the sole purpose of engaging in financing activities) of the Parent Guarantor, which are guaranteed by the Parent Guarantor and have no recourse, directly or indirectly, to any other member of the Group;

provided further that for the purposes of Condition 3(g), Borrowings shall not include Borrowings of any Subsidiary Guarantor which, by their terms or the terms of any agreement or instrument pursuant to which they are issued or remain outstanding, (i) are expressly made subordinate to the prior payment in full of the Guarantee of such Subsidiary Guarantor (including upon any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of such Subsidiary Guarantor), (ii) do not mature or require any amortization and are not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise (including any redemption, retirement or repurchase which is contingent upon events or circumstance) in whole or in part, on or prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iii) do not provide for any cash payment



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of interest (or premium, if any) prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iv) are not secured by any Security on any assets of any Person, and are not guaranteed by any Person and (v) do not (including upon the happening of any event) restrict the payment of amounts due in respect of the Bonds or compliance by the Issuer or any of the Guarantors with their respective obligations under the Bonds and the Guarantees; *provided* that if on any date any event or circumstance occurs that results in such Borrowing ceasing to meet the conditions of any of clauses (i) through (v) above, such Borrowing shall constitute a Borrowing for the purposes of Condition 3(g) and shall be deemed to have been Incurred on such date.

"Brand" means the trademark "Vedanta" and its logo, as described in the License Agreement (Brand Fees).

"Brand Fee Adjustment" means in respect of a financial year of a Sub-Licensee ending on or after 31 March 2025, the annual adjustment of Brand Fees for that financial year payable by such Sub-Licensee pursuant to the relevant Brand Fee Agreement to which such Sub-Licensee is party.

“Brand Fee Agreements” means any agreement in respect of the provision of a sub-license for the use of the Brand and the provision of strategic services between the Parent Guarantor and VRIL, on the one hand, and any member of the VEDL Group, on the other hand.

“Brand Fee Receivables” means the receivables under the Brand Fee Agreements in relation to the Brand Fees payable until financial year 2032.

"Brand Fees" means the royalty and brand fee payments and strategic services fee payments payable pursuant to the Brand Fee Agreements (or any of them) by any Sub-Licensee, including all pass-through fees payable by Vedanta Limited to VRIL in respect of amounts received by it from any Demerged Entity (HZL), inclusive of each relevant Brand Fee Adjustment.

“Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong and London.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the date of the Trust Deed or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

“Capitalized Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed), which, in conformity with Applicable Accounting Principles, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Change of Control” means the occurrence of either of the following events:

(1) the Permitted Holders are the beneficial owners of less than 35% of the total voting power of the Voting Stock of the Parent Guarantor; or

(2) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”)) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Parent Guarantor greater than such total voting power held beneficially by the Permitted Holders.

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"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Decline.

"Collateral" means the Brand Fee Receivables and the security over the rights of VRIL (or the Parent Guarantor, as the case may be) under the Brand Fee Agreements.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Trust Deed, and include, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Bank having a maturity most nearly equal to the period from the redemption date to 21 December 2022.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or

(2) if the Independent Investment Bank obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

"Compliance Certificate" means a certificate signed by each of:

(i) the chief financial officer of the Parent Guarantor; and

(ii) a director or other authorised signatory of the Parent Guarantor,

confirming compliance with the financial ratios set out in this Condition 3, in each case as of each Balance Sheet Date and in respect of the whole of the financial year for each Balance Sheet Date falling on 31 March and in respect of the whole of the six-month period ending on the Balance Sheet Date for each Balance Sheet Date falling on 30 September, and setting out in reasonable detail the computations necessary to demonstrate such compliance.

"Consolidated EBITDA" means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

in each case as it is presented on consolidated financial statements of the Parent Guarantor and its Subsidiaries prepared in accordance with Applicable Accounting Principles for such period.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of:

(i) Consolidated Net Interest Expense for such period; and

(ii) all cash and non-cash dividends accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Parent Guarantor or any of its Subsidiaries held by Persons other than the Parent Guarantor or any of its Subsidiaries.

"Consolidated Net Interest Expense" means, for any period, the amount equal to "finance costs" minus "investment revenue," in each case as it is presented on a consolidated income statement of the Parent Guarantor and its Subsidiaries prepared in accordance with Applicable Accounting Principles for such period.

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"Control", "Controlling" or "Controlled" means the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body or the right to direct or cause the direction of the management and policies, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"Disqualified Stock" means any class or series of Capital Stock of any Person that by its terms or otherwise is:

(1) required to be redeemed prior to the stated maturity of the Bonds;

(2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the stated maturity of the Bonds; or

(3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Borrowing having a scheduled maturity prior to the stated maturity of the Bonds.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency into U.S. dollars at the base rate for the purchase of U.S. dollars with such foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"Fitch" means Fitch Ratings Limited, its affiliates and any successor to or assignee of its ratings business.

"Fixed Charge Coverage Ratio" means, on any Transaction Date, the ratio of:

(1) the aggregate amount of Consolidated EBITDA for the then most recent two semi-annual periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner) are available (the "Two Semi-annual Period") and have been provided to the Trustee; to

(2) the aggregate Consolidated Fixed Charges during such Two Semi-annual Period.

"Incur" means, as applied to any obligation, to directly or indirectly, create, incur, issue, assume, guarantee or in any other manner become directly or indirectly liable, contingently or otherwise. Such obligation and "Incurred", "Incurrence" and "Incurring" shall each have a correlative meaning.

"Independent Investment Bank" means a Reference Treasury Dealer appointed by the Parent Guarantor as such.

"Indian Subsidiaries" means Subsidiaries of the Parent Guarantor which are incorporated in India.

"Indian Business Days" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in Mumbai.

"Intermediate SPV" means Vedanta UK Holdings Limited, a company registered under the laws of England and Wales with company number 15119067.

"Investment" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);



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(3) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Borrowings, bonds, notes, debentures or other similar instruments or securities issued by another Person;

(4) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person; or

(5) all other items that would be classified as investments (including purchases of assets outside the ordinary course of business) on a statement of financial position of such Person prepared in accordance with Applicable Accounting Principles.

"Investment Grade" means a long term credit rating of "AAA," "AA," "A" or "BBB," as modified by a "±" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or a long term credit rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or a long term credit rating of "AAA," or "AA," "A" or "BBB," as modified by a "±," or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or the equivalent long term credit ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Parent Guarantor as having been substituted for S&P, Moody's or Fitch or all of them, as the case may be.

"License Agreement (Brand Fees)" means the license agreement between the Parent Guarantor, the Intermediate SPV and VRIL dated on or prior to the Utilisation Date under which the Parent Guarantor grants to the Intermediate SPV (which grants to VRIL) a five year exclusive license of the Brand (with a potential extension for an additional five years pursuant to the terms thereof).

"Listed Indian Subsidiary" means any Subsidiary of the Parent Guarantor in India whose Capital Stock is listed on a stock exchange.

"Material Demerged Entity" means a Demerged Entity which is a Material Subsidiary.

"Material Subsidiary" has the meaning specified in Condition 8.

"Moody's" means Moody's Investors Service, Inc., its affiliates and any successor to or assignee of its ratings business.

"Offer to Purchase" means an offer to purchase the Bonds by the Issuer from the Bondholders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Bondholder at its last address appearing in the Register stating:

(1) the provision of the Trust Deed pursuant to which the offer is being made and that all Bonds validly tendered will be accepted for payment on a pro rata basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Bond not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Guarantors, as the case may be, defaults in the payment of the purchase price, any Bond accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Bondholders electing to have a Bond purchased pursuant to the Offer to Purchase will be required to surrender the Bond, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Bond completed, to the Paying Agent at the address specified



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in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Bondholders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Bondholder, the principal amount of Bonds delivered for purchase and a statement that such Bondholder is withdrawing his election to have such Bonds purchased; and

(7) that Bondholders whose Bonds are being purchased only in part will be issued new Bonds equal in principal amount to the unpurchased portion of the Bonds surrendered; provided that each Bond purchased and each new Bond issued shall be in a minimum principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 in excess thereof.

On one Business Day prior to the Offer to Purchase Payment Date, the Issuer shall deposit with the Paying Agent money sufficient to pay the purchase price of all Bonds or portions thereof so accepted.

On the Offer to Purchase Payment Date, the Issuer shall:

(a) accept for payment on a pro rata basis Bonds or portions thereof tendered pursuant to an Offer to Purchase; and

(b) deliver, or cause to be delivered, to the Trustee all Bonds or portions thereof so accepted together with a certificate signed by two directors of the Issuer specifying the Bonds or portions thereof accepted for payment by the Issuer.

The Paying Agent shall promptly mail to the Bondholders so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Bondholders a new Bond equal in principal amount to any unpurchased portion of the Bond surrendered; *provided* that each Bond purchased and each new Bond issued shall be in a principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 in excess thereof. The Issuer will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Issuer will comply with all applicable securities laws and regulations if it is required to repurchase Bonds pursuant to an Offer to Purchase and, to the extent any applicable securities laws and regulations conflict with the Offer to Purchase obligations, the Issuer will not be deemed to have breached such obligations by virtue of such compliance.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Parent Guarantor and its Subsidiaries which the Issuer in good faith believes will assist the Bondholders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable the Bondholders to tender Bonds pursuant to the Offer to Purchase.

"Permitted Business" means any business, service or activity conducted or proposed to be conducted (as described in the offering memorandum relating to the Bonds dated 9 December 2020 (the "OM Date")) by the Parent Guarantor and its Subsidiaries and any other business, service or activity conducted by the Parent Guarantor and its Subsidiaries on the OM Date and other businesses reasonably related, complementary or ancillary thereto as approved by the board of directors of the Parent Guarantor from time to time.

"Permitted Holders" means any or all of the following:

(1) Mr Anil Agarwal, Mr. D.P. Agarwal and Mr Agnivesh Agarwal, individually or collectively;

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(2) any Affiliate or a direct family member of any of the Persons specified in clause (1) of this definition; and

(3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are more than 80% owned by Persons specified in clauses (1) and (2) of this definition.

"Permitted PCF Refinancing Borrowings" means Permitted Refinancing Borrowings Incurred to refinance (in whole or in part) (i) the Private Credit Facility and/or (ii) any other Permitted PCF Refinancing Borrowings, in each case, in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses).

"Person" means any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organisation.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation, winding up or dissolution of such Person, over any other class of Capital Stock of such Person.

"Primary Treasury Dealer" means a primary U.S. government securities dealer in New York City.

"Private Credit Facility" means the U.S.$1,250,000,000 facilities agreement between, among others, Vedanta Resources Investments Limited and Vedanta Holding Mauritius II Limited, as borrowers, the Parent Guarantor, Vedanta UK Holdings Limited, Twin Star Holdings Ltd. and Welter Trading Limited, as guarantors, Standard Chartered Bank, as arranger, Madison Pacific Trust Limited, as agent and security agent, and the original lenders named therein.

"Qualified Amended 2026 Bond Refinancing Borrowings" means Borrowings which:

(1) other than in connection with (i) a change of control that triggers a redemption event or (ii) an event of default, in each case under such Borrowings, do not mature or require any amortization and are not required to be repaid, redeemed, repurchased or otherwise retired, in whole or in part, on or prior to 9 December 2028;

(2) are not permitted to be voluntarily repaid other than with proceeds from the Incurrence of any other Qualified Amended 2026 Bond Refinancing Borrowings; and

(3) do not have the benefit of any Security or guarantees (other than from the Parent Guarantor) until such time as the Security over the Collateral has been created in favour of both the Bonds and the Amended 2025 Bonds.

"Rating Agency" means, to the extent that such agency was solicited by the Issuer to provide a rating for the Bonds, any of (i) S&P, (ii) Moody's and (iii) Fitch.

"Rating Date" means the date which is 90 days prior to the earlier of the date of consummation of Change of Control and a public announcement of a Change of Control.

"Rating Decline" means the occurrence on, or within six months after, the earlier of the date of consummation of Change of Control or public announcement of a Change of Control (which period shall be extended so long as the rating of the Bonds is under publicly announced consideration for possible ratings change by any of the Rating Agencies) of any of the events listed below:

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(1) if the Bonds are rated by three (3) Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by at least two (2) such Rating Agencies shall be below Investment Grade;

(2) if the Bonds are rated by only two (2) Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by either such Rating Agency shall be below Investment Grade;

(3) if the Bonds are rated by only one Rating Agency on the Rating Date as Investment Grade, the rating of the Bonds by such Rating Agency shall be below Investment Grade; or

(4) if the Bonds are not rated as Investment Grade by any Rating Agency on the Rating Date, the rating of the Bonds by any Rating Agency shall be below the rating it provided on the Rating Date.

"Reference Treasury Dealer" means:

(1) each of Axis Bank Limited, Singapore Branch, Barclays Bank PLC, Credit Suisse (Hong Kong) Limited, DBS Bank Ltd., First Abu Dhabi Bank PJSC, ICICI Bank Limited - IFSC Banking Unit, J.P. Morgan Securities plc and Standard Chartered Bank and their respective successors or any of their respective affiliates, so long as it is Primary Treasury Dealer; provided that, if any such Person ceases to be a Primary Treasury Dealer, the Parent Guarantor will substitute another Primary Treasury Dealer; and

(2) any other Primary Treasury Dealer selected by the Parent Guarantor.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"S&P" means S&P Global Ratings, a division of the McGraw Hill Companies, Inc., its affiliates and any successor to or assignee of its ratings business.

"Share Capital" means any and all shares, interests (including joint venture and partnership interests), participations or other equivalents of capital stock of a corporation or any and all equivalent ownership interests in a Person.

"Sub-Licensee" means (in its capacity as sub-licensee under a particular Brand Fee Agreement):

(1) Black Mountain Mining (Pty) Ltd (a company incorporated under the laws of South Africa, having its registered office at 1 Penge Road, Aggeneys, Northern Cape Province, South Africa);

(2) Cairn Energy Hydrocarbons Limited (a company incorporated in Scotland with registration number SC172470);

(3) HZL (or any Demerged Entity (HZL);

(4) Vedanta Limited;

(5) any Resulting Company; or,

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(6) any other Demerged Entity or Subsidiary thereof which has entered into a Brand Fee Agreement with the Parent Guarantor and/or the Intermediate SPV and VRIL and designated as such by the agent under the Private Credit Facility.

"Transaction Date" means, with respect to the Incurrence of any Borrowing, the date such Borrowing is to be Incurred and, with respect to the issuance, sale, transfer or other disposition of, or purchase or other acquisition of Capital Stock, the date such Capital Stock is to be issued, sold, transferred or otherwise disposed of, or purchased or otherwise acquired.

"Utilisation Date" means the date in which the facilities under the Private Credit Facility are first utilised.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"VRIL" means Vedanta Resources Investments Limited.

"Wholly Owned" means, with respect to any Subsidiary, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by Welter or Twin Star (as applicable) or one or more Wholly Owned Subsidiaries of Welter or Twin Star (as applicable).

4 Interest

The Bonds will bear interest from (and including) the Closing Date at the rate of 13.875% per annum, payable semi-annually in arrear on 21 January and 21 July of each year, commencing on 21 July 2021 (each such interest payment date, an "Interest Payment Date"). Interest on the Bonds shall accrue from (and including) the most recent date to which interest has been paid and ending on (but excluding) the next Interest Payment Date for the Bonds. Each Bond will cease to bear interest from the due date for redemption unless, upon surrender in accordance with Condition 6, payment of the full amount of principal is improperly withheld or refused or unless default is otherwise made in respect of any such payment. In such event each Bond shall continue to bear interest at the applicable rate (both before and after judgment) until, but excluding whichever is the earlier of:

(a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder; and

(b) the day which is seven calendar days after the Trustee or the Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh calendar day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5 Redemption and Purchase

(a) Final redemption

Unless previously redeemed, or purchased and cancelled as provided herein, the Bonds will be redeemed at their principal amount on 21 January 2027. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

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(b) **Redemption at the option of the Issuer**

At any time and from time to time prior to 21 December 2022, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed plus the Applicable Premium, plus accrued and unpaid interest, if any, to (but excluding) the redemption date. For the avoidance of doubt, none of the Agents or the Trustee have any responsibility with respect to the calculation or verification of the Applicable Premium.

At any time and from time to time on or after 21 December 2022, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the periods set forth below:

Period	**Redemption Price**
	(%)
On or after 21 December 2022 to (but excluding) 21 July 2023	106
Thereafter	100

Any optional redemption of Bonds and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

If fewer than all the Bonds are to be redeemed, the Bonds for redemption will be selected on a pro rata basis, by lot or by such other method as required by law or requirement of any stock exchange on which the Bonds are listed or DTC or any alternative clearing system; *provided* that Bonds with a principal amount of U.S.$200,000 will not be redeemed in part.

(c) **Redemption for taxation reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 calendar days' written notice to the Bondholders (which notice shall be irrevocable) and the Trustee, at their principal amount (together with interest accrued and unpaid to (but excluding) the date fixed for redemption), if:

(i) the Issuer (or any Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date; and

(ii) such obligation cannot be avoided by the Issuer (or as the case may be, the relevant Guarantor) taking reasonable measures available to it *(provided* that changing the jurisdiction of organisation of the Issuer (or as the case may be, the relevant Guarantor) is not a reasonable measure for purposes of this section),



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provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer (or, as the case may be, the relevant Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Bonds or the Guarantees then due and, unless at the time such notice is given, the obligation to pay additional amounts remains in effect. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer (or, as the case may be, the relevant Guarantor) shall deliver to the Trustee a certificate signed by two directors of the Issuer (or, as the case may be, the relevant Guarantor) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or, as the case may be, the relevant Guarantor) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders.

(d) **Repurchase of Bonds Upon a Change of Control Triggering Event**

Not later than 30 days following the occurrence of a Change of Control Triggering Event, the Issuer will make an Offer to Purchase all outstanding Bonds (a "Change of Control Offer") at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest, if any, to (but excluding) the Offer to Purchase Payment Date.

Notwithstanding the above, the Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner and at the same time and purchases all Bonds validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control, the Trust Deed does not contain provisions that permit the Bondholders to require that the Issuer purchase or redeem the Bonds in the event of a takeover, recapitalisation or similar transaction.

(e) **Special Mandatory Redemption**

If the Amended 2026 Bonds are not repaid in full on or before 31 December 2025, the Parent Guarantor shall redeem all of the Bonds then outstanding at their principal amount on 20 April 2026 (the "Special Mandatory Redemption Date"), plus accrued and unpaid interest, if any, to (but excluding) the Special Mandatory Redemption Date (such redemption, a "Special Mandatory Redemption").

(f) **Purchase**

Subject to the requirements (if any) of any stock exchange on which the Bonds may be listed at the relevant time, the Parent Guarantor and any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise (including through tender or exchange offers). The Bonds so purchased, while held by or on behalf of the Parent Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 12(a).

(g) **Initial Mandatory Prepayment**

The Parent Guarantor shall, as soon as possible, but no later than 7 February 2024, redeem U.S.$530,000,000] of the Bonds on a pro rata basis at a redemption price equal to 100% of the principal amount of the Bonds being redeemed, plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

(h) **Cancellation**

All Bonds so redeemed will be cancelled and may not be re-issued or resold. All Bonds purchased pursuant to this Condition may be cancelled at the discretion of the relevant purchaser. Bonds may be surrendered for cancellation by surrendering each such Bond to the Paying Agent and if so surrendered shall be

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cancelled forthwith (and may not be reissued or resold) and the obligations of the Issuer in respect of any such Bonds shall be discharged.

6 Payments

(a) Principal and Interest

Payment of principal and interest due other than on an Interest Payment Date will be made in United States dollars by transfer to the registered account of the Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Paying Agents.

Interest on Bonds due on an Interest Payment Date will be paid in United States dollars on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "Interest Record Date"). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

(b) Registered accounts

For the purposes of this Condition, a Bondholder's registered account means the United States dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(c) Payments subject to fiscal laws

All payments are subject in all cases to:

(i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7; and

(ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if it is not a business day, the first following day which is a business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day or if the Bondholder is late in surrendering its Certificate (if required to do so).

(e) Business Day

In this Condition, "business day" means:

(i) in the case of payment by transfer to a registered account, a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong and the place of the specified office of the Paying Agent; and



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(ii) in the case of the surrender of a Certificate, a day in which commercial banks are open for business in the place of the specified office of the Paying Agent to whom the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

(f) **Paying Agents**

The initial Paying Agent, Transfer Agent and Registrar and their initial specified offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent, Transfer Agent or Registrar and appoint additional or other paying agents, transfer agents or registrars; *provided* that it will maintain:

(i) a Paying Agent;

(ii) a paying agent in Singapore so long as the Bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the rules of the SGX-ST so require; and

(iii) a Registrar.

Notice of any change in the Paying Agent, Transfer Agent or Registrar or their specified offices will promptly be given to the Bondholders and the SGX-ST (so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require).

7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Bonds or the Guarantees, as applicable, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges (including, without limitation, penalties and interest and other amounts related thereto) of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom, Mauritius or Cyprus or any other jurisdiction in which the Issuer or any Guarantor is then incorporated, organised, engaged in business for tax purposes or resident for tax purposes or through which any payment on the Bonds or the Guarantees is made on behalf of the Issuer or a Guarantor (each, a "Tax Jurisdiction") or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer, or as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(a) to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of such holder (or its beneficial owner or equity holder) having some connection with a Tax Jurisdiction other than the mere holding of such Bond or exercising any rights or obligations relating thereto;

(b) in the case of payment of principal or interest (other than interest due on an Interest Payment Date) if the Certificate in respect of such Bond is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Certificate for payment on the last day of such period of 30 days;

(c) with respect to taxes, duties, assessments or governmental charges in respect of such Bond imposed as a result of the failure of the holder or beneficial owner of such Bond to comply with a written request of the Issuer or the relevant Guarantor at least 60 days before any such withholding or deduction would be payable to provide timely or accurate information concerning

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the nationality, residence or identity of the holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification, information or other reporting requirement (to the extent such holder or beneficial owner is legally eligible to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of a Tax Jurisdiction or any authority therein or thereof having the power to tax as a condition to exemption from all or part of such taxes;

(d) for any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(e) for any Taxes imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the Code, any regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection therewith or any law or regulation (or any official interpretation thereof) implementing an intergovernmental approach thereto, or any agreements entered into pursuant to Section 1471(b) of the Code; or

(f) for any taxes, duties, assessments or governmental charges payable otherwise than by deduction or withholding on payments under such Bond or the Guarantees.

Such additional amounts shall also not be payable where, had the beneficial owner of the Bond been the holder of the Bond, it would not have been entitled to payment of additional amounts by reason of clauses (a) through (f) inclusive above.

"Relevant Date" means whichever is the later of:

(i) the date on which such payment first becomes due; and

(ii) if the full amount payable has not been received by the Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

Any reference in these Conditions to principal and/or interest in respect of the Bonds shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

8 Events of Default

The Trustee at its discretion may, and if so requested by holders of not less than 25% in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to it being indemnified and/or secured (including by way of payment in advance) to its satisfaction), give notice in writing to the Issuer and the Parent Guarantor that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable, if any of the following events (each an "Event of Default") shall have occurred:

(a) **Non-Payment:**

(i) the Issuer and the Guarantors fail to pay all or any part of the principal of any of the Bonds when the same shall become due and payable, whether at maturity, upon redemption or otherwise and such failure continues for a period of seven calendar days; or

(ii) the Issuer and the Guarantors fail to pay any instalment of interest upon any of the Bonds as and when the same shall become due and payable, and such failure continues for a period of 14 calendar days; or

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(b) **Breach of Other Obligations:**

(i) the Issuer fails to make or consummate an Offer to Purchase with respect to any of the Bonds in the manner set out in Condition 5(d) or a Special Mandatory Redemption in the manner set out in Condition 5(e); or

(ii) the Issuer or any Guarantor defaults in the performance or observance of or compliance with any of its other obligations set out in the Bonds or the Trust Deed or under the Guarantees, which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is not in the opinion of the Trustee remedied within 45 calendar days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" under the Bonds and demanding that the Issuer or, as the case may be, the relevant Guarantor remedy the same, shall have been given to the Issuer and the Parent Guarantor by the Trustee; or

(c) **Cross-Default:**

(i) any other present or future indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity (otherwise than at the option of the Issuer, any Guarantor or any Material Subsidiary, as the case may be) by reason of any actual or potential default, event of default or the like (howsoever described); or

(ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for; or

(iii) the Issuer, any Guarantor or any of the Material Subsidiaries fails to pay when due (or within any applicable grace period originally provided for) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised;

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which any one or more of the events mentioned above in this Condition 8(c) has or have occurred equals or exceeds U.S.$100,000,000 (or the Dollar Equivalent thereof); or

(d) **Enforcement Proceedings:** A distress, attachment, execution or other legal process (other than distraint or attachment imposed by any government, authority or agent prior to enforcement foreclosure) is levied, enforced or sued out, as the case may be, on or against all or a substantial part of the property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries and is not:

(i) either discharged or stayed within 60 calendar days or in circumstances where the levy, enforcement or suing out, as the case may be, of such legal process is not, or does not become, materially prejudicial to the interests of the Bondholders, within 120 calendar days; or

(ii) being contested in good faith on the basis of appropriate legal advice provided by reputable independent counsel in the relevant jurisdiction or jurisdictions and by appropriate proceedings; or

(e) **Security Enforced:** An encumbrancer takes possession or a receiver, administrator, administrative receiver, liquidator, examiner, manager, receiver and manager or other similar person (any of the foregoing, an "Administrator or Receiver") is appointed over, or an attachment order is issued in respect of, the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries and in any such case such possession or appointment is not stayed or terminated or the debt on account of which such possession was taken or appointment



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made is not discharged or satisfied within 60 calendar days of such appointment or the issue of such order; or

(f) **Insolvency:** The Issuer, any Guarantor or any of the Material Subsidiaries:

(i) is insolvent or bankrupt or is deemed to be insolvent as a result of a court being satisfied that the value of the Issuer, any Guarantor or any of the Material Subsidiaries' assets is less than the amount of its liabilities, taking into account contingent and prospective liabilities, or unable to pay its debts or stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts as they mature; or

(ii) applies for or consents to or suffers the appointment of an Administrator or Receiver in respect of the Issuer, any Guarantor or any of the Material Subsidiaries or over the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries; or

(iii) proposes or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Issuer, any Guarantor or any of the Material Subsidiaries, except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution; or

(g) **Winding-up, Disposals:** An Administrator or Receiver is appointed, an order is made or an effective resolution is passed for the winding-up, dissolution, striking off the register, examinership or administration of the Issuer, any Guarantor or any of the Material Subsidiaries, or the Issuer, any Guarantor or any of the Material Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, or the Issuer, any Guarantor or any of the Material Subsidiaries sells or disposes of all or a substantial part of its assets or business whether as a single transaction or a number of transactions, related or not; except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or other similar arrangement:

(i) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(ii) in the case of a Material Subsidiary, not including arising out of the insolvency of such Material Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group or to a transferee or transferees which immediately upon such transfer become(s) a Subsidiary or Subsidiaries of the Parent Guarantor; or

(h) **Expropriation:** Any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates (excluding any distraint or attachment prior to enforcement or foreclosure) all or a



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substantial part of the assets or shares of the Issuer, any Guarantor or any of the Material Subsidiaries; or

(i) **Issuer or Subsidiary Guarantor ceases to be Subsidiary:** The Issuer ceases to be a Subsidiary wholly-owned and controlled, directly or indirectly, by the Parent Guarantor or any Subsidiary Guarantor ceases to be a Subsidiary; or

(j) **Analogous Events:** Any event occurs which under the laws of the Issuer's, the relevant Guarantor's or the relevant Material Subsidiary's (as the case may be) place of incorporation or principal place of business has an analogous effect to any of the events referred to in paragraphs (d) to (i) above; or

(k) **Guarantees:** The Guarantee of any Guarantor is not (or is claimed by any Guarantor not to be) in full force and effect; or

(l) **Collateral**: On or after the Security Creation Date, any default by the Security Provider in the performance of any of its obligations under the Collateral Document which adversely affects the enforceability, validity, perfection or priority of the Security on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole; or

(m) **Collateral Document**: On or after the Security Creation Date, the Security Provider denies or disaffirms its obligations under the Collateral Document or, other than in accordance with the Trust Deed, the Collateral Document or the Intercreditor Agreement, the Collateral Document ceases to be or is not in full force and effect or the Collateral Agent ceases to have a valid and perfected security interest in the Collateral (subject to the Intercreditor Agreement).

In addition, in the case of paragraph (a), the holders of not less than 25% in principal amount of the Bonds then outstanding may give notice in writing to the Issuer and the Parent Guarantor (with a copy to the Trustee) that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable.

Upon any such notice being given by the Trustee or such holders to the Issuer and the Parent Guarantor, the Bonds will immediately become due and payable at their principal amount together with accrued interest as provided in the Trust Deed, *provided* that no such notice may be given unless an Event of Default shall have occurred and *provided further* that, in the case of paragraphs (b)(ii), (d), (e) and (h), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

"Material Subsidiary" means, at any particular time, a Subsidiary of the Parent Guarantor:

(a) whose:

(i) total assets; or

(ii) gross revenues,

(in each case on an unconsolidated basis) attributable to the Parent Guarantor are equal to or greater than 10% of the consolidated total assets or consolidated gross revenues of the Parent Guarantor, as applicable (in each case as calculated based on the latest annual unconsolidated financial statements of the Subsidiary and the latest audited annual consolidated financial statements of the Parent Guarantor); or

(b) to which is transferred all or substantially all of the business, assets and undertaking of a Subsidiary of the Parent Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon the transferor Subsidiary of the Parent Guarantor shall immediately cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary (subject to the provisions of paragraph (a) above).



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A report by two directors of the Parent Guarantor that in their opinion a Subsidiary of the Parent Guarantor is or is not, or was or was not, at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Bondholders.

9 Consolidation, Amalgamation or Merger

The Parent Guarantor will not consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

(a) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of the Parent Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Merger or that acquired such properties and assets, if not organised under the law of the United Kingdom, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added to Condition 7 and clause (c) of Condition 5 in each place therein in which reference is made to the United Kingdom, subject to clause (d) of the first paragraph of this Condition 9;

(c) immediately after giving effect to any such Merger, no Event of Default or Potential Event of Default (as defined in the Trust Deed) shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

(i) a certificate signed by two directors of the Parent Guarantor; and

(ii) a certificate signed by two directors of the Person that would result from such Merger or that would acquire such properties and assets; and

(d) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Merger.

Each Subsidiary Guarantor will not, and the Parent Guarantor will not permit any Subsidiary Guarantor to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any Person other than the Parent Guarantor or another Subsidiary Guarantor (the consummation of any such event, a "Subsidiary Merger"), unless:

(a) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of such Subsidiary Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets, if not organised under the law of the jurisdiction of organisation of such Subsidiary Guarantor, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added to Condition 7 and clause (c) of Condition 5 in each place therein in

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which reference is made to the jurisdiction of organisation of such Subsidiary Guarantor, subject to clause (d) of the second paragraph this Condition 9;

(c) immediately after giving effect to any such Subsidiary Merger, no Event of Default or Potential Event of Default (as defined in the Trust Deed) shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

(i) a certificate signed by two directors of the Parent Guarantor; and

(ii) a certificate signed by two directors of the Person that would result from such Subsidiary Merger or that would acquire such properties and assets;

(d) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Subsidiary Merger; and

(e) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets would, on the date of such transaction after giving pro forma effect thereto, be permitted to Incur at least U.S.$1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(g).

The Issuer will not, and the Parent Guarantor will not permit the Issuer to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person.

10 Prescription

Claims in respect of principal and interest will become void unless made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

11 Replacement of Certificates

If any Certificate representing a Bond is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Parent Guarantor may require *(provided* that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification and Waiver

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement, the Collateral Document or the Intercreditor Agreement. Such a meeting may be convened by the Issuer, the Parent Guarantor or the Trustee at any time and shall be convened by the Trustee if it receives a written request by Bondholders holding not less than 15% in principal amount of the Bonds for the time being outstanding. The quorum for any such meeting convened to consider an Extraordinary Resolution will be two (2) or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting

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two (2) or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia:*

(i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds;

(ii) to reduce or cancel the principal amount of, or interest on, the Bonds;

(iii) to change the currency of payment of the Bonds;

(iv) to cancel or modify any Guarantee (other than any modification described in Condition 12(b));

(v) to modify or discharge any Security over the Collateral (other than in accordance with the Collateral Document or the Intercreditor Agreement or any modification described in Condition 12(b));

(vi) to impair or affect the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds; or

(vii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution,

in which case the necessary quorum will be two (2) or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted in favour).

The expression "Extraordinary Resolution" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than two-thirds of the votes cast.

(b) **Modification and Waiver**

The Trustee may agree, without the consent of the Bondholders, to:

(i) any modification to these Conditions or to the provisions of the Trust Deed, the Agency Agreement, the Collateral Document or the Intercreditor Agreement which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and

(ii) any other modification (except as provided for in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of these Conditions, the Trust Deed, the Agency Agreement, the Collateral Document or the Intercreditor Agreement which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders.

Any such modification, authorisation or waiver shall be binding on the Bondholders and such modification shall be notified to the Bondholders as soon as practicable.

(c) **Written resolutions of 90% holders**

The Trust Deed provides that (i) a written resolution signed, and (ii) consent given by way of electronic consents through the relevant clearing system(s) in accordance with their operating rules and procedures, by or on behalf of the holders of not less than 90% of the aggregate principal amount outstanding of Bonds who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed shall, in each case, be as valid and effective as a duly passed Extraordinary Resolution. Such written resolution and/or consent given by way of electronic consents will be binding on all Bondholders whether or not they participated in such written resolution and/or electronic consent, as the case may be.

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(d) **Entitlement of the Trustee**

In connection with the exercise of its powers, trusts, authorisations or discretions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders (including as a result of their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory) and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Guarantors any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer, the Guarantors and/or (on or after the Security Creation Date) the Security Provider as it may think fit to enforce the terms of the Trust Deed, the Bonds, the Guarantees, the Collateral Document and/or the Intercreditor Agreement, but it need not take any such proceedings unless:

(a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in principal amount of the Bonds outstanding; and

(b) it shall have been indemnified and/or secured (including by way of payment in advance) to its satisfaction.

No Bondholder may proceed directly against the Issuer and/or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing. However, such limitation does not apply to the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds.

In addition, at any time after the Bonds become due and payable following an Event of Default, the Trustee may, and shall upon request of holders of at least 25% in aggregate principal amount of outstanding Bonds, subject to receiving indemnity and/or security and/or pre-funding to its satisfaction, (i) instruct the Collateral Agent in accordance with the terms of the Intercreditor Agreement to enforce the Collateral and/or take any actions which the Collateral Agent is entitled to do under the terms of the Collateral Document and the Intercreditor Agreement and (ii) take such further action on behalf of the holders of the Bonds with respect to the Collateral as the Trustee deems appropriate.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured (including by way of payment in advance) to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, any Guarantor and any entity related to the Issuer or any Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders on any certificate or report prepared by the auditors or any other person pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the auditors liability in respect thereof is limited by a monetary cap or otherwise; any such certificate shall be conclusive and binding on the Issuer, the Guarantors, the Trustee and the Bondholders.



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15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue, *provided* that, if the securities of such further issue are not fungible with the Bonds for U.S. federal income tax purposes, such securities will have a separate CUSIP or ISIN from those of the Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in Singapore (which is expected to be *The Business Times).* Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificates and the Global Certificates are held on behalf of DTC or the alternative clearing system (as defined in the Global Certificates), notices to Bondholders may be given by delivery of the relevant notice to DTC or the alternative clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Agency Agreement, the Bonds, the Collateral Document and the Intercreditor Agreement and all non-contractual matters arising therefrom or in connection therewith are governed by and construed in accordance with English law.

(b) Jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Trust Deed or the Bonds and all non-contractual matters arising therefrom or in connection therewith (including a dispute regarding the existence, validity or termination of the Trust Deed or the Bonds or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

(c) Process Agent

Each of Twin Star and Welter hereby irrevocably appoints the Parent Guarantor, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings

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in England. If the Parent Guarantor ceases to be able to accept service of process in England and Wales, each of Twin Star and Welter shall immediately appoint a new agent to accept such service of process in England and notify the Trustee of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.



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PART II
FORM OF AMENDMENT DOCUMENT



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Linklaters

AMENDED AND RESTATED TRUST DEED

constituting US$1,000,000,000 13.875% Guaranteed Senior Bonds originally due 2024 and extended to 2027

Dated [●] 2024

VEDANTA RESOURCES FINANCE II PLC

and

VEDANTA RESOURCES LIMITED

and

TWIN STAR HOLDINGS LTD.

and

WELTER TRADING LIMITED

and

CITICORP INTERNATIONAL LIMITED

and

AXIS TRUSTEE SERVICES LIMITED

Ref: L-340394



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This Amended and Restated Trust Deed is made on [●] 2024 **between**:

(1) **VEDANTA RESOURCES FINANCE II PLC** (the "**Issuer**");

(2) **VEDANTA RESOURCES LIMITED** (the "**Parent Guarantor**");

(3) **TWIN STAR HOLDINGS LTD.** ("**Twin Star**");

(4) **WELTER TRADING LIMITED** ("**Welter**" and, together with Twin Star, the "**Subsidiary Guarantors**");

(5) **CITICORP INTERNATIONAL LIMITED** (the "**Trustee**", which expression, where the context so admits, includes any other trustee for the time being of this Trust Deed); and

(6) **AXIS TRUSTEE SERVICES LIMITED** whose principal place of business is at [●] (the "**Onshore Collateral Agent**").

Whereas:

(A) The Issuer, incorporated in England and Wales, issued US$1,000,000,000 13.875% Guaranteed Senior Bonds originally due 2024 and extended to 2027 (the "**Bonds**").

(B) The Bonds were constituted by a trust deed dated 21 December 2020 and a supplemental trust deed dated 2 February 2021, each between the Issuer, the Guarantors and the Trustee (together, the "**Existing Trust Deed**").

(C) By extraordinary resolution dated [●] 2024 (the "**Extraordinary Resolution**"), the Bondholders consented to amend, among others, the terms and conditions of the Bonds, and authorised, directed, requested and empowered the Trustee to execute certain amendment documentation including this Trust Deed.

(D) The Parent Guarantor has authorised the granting of the Security under and in accordance with the terms set out in the Collateral Documents (as defined below) and the rights of Bondholders with respect to the Security shall be further governed by the Intercreditor Agreement (as defined below).

(E) This Amended and Restated Trust Deed will take effect on, and will amend and restate the Existing Trust Deed on, the Settlement Date (as defined in the Extraordinary Resolution).

(F) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

(G) Certain provisions under this Trust Deed necessitate disclosure requirements under Regulation 29 of the Indian Takeover Code (as defined below). At the request of Issuer, Axis Trustee Services Limited has agreed to act as the Onshore Collateral Agent for the benefit of the Secured Parties on the terms and conditions set out in the OCA Appointment Agreement (VRF) (as defined below).

(H) This Amended and Restated Trust Deed is intended to take effect as a deed notwithstanding that any party may execute it under hand only.

This Amended and Restated Trust Deed witnesses and it is declared as follows:

1 Interpretation

1.1 **Definitions**: Terms defined or construed in the Conditions (as defined below) shall, unless the context otherwise requires, have the same meanings when used herein. In addition, the following expressions have the following meanings:

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"Accession Deed" means the accession deed substantially in the form of Schedule 5 to be signed by each of the parties to this Trust Deed and the Collateral Agent on the Security Creation Date;

"**Accounts**" has the meaning set out in Condition 3(k);

"**Agency Agreement**" means the agreement referred to as such in the Conditions, as altered from time to time, and includes any other agreements approved in writing by the Trustee, the Issuer, the Parent Guarantor and Subsidiary Guarantors appointing Successor Paying Agents or altering any such agreements;

"**Auditors**" means the auditors for the time being of the Parent Guarantor or, if they are unable or unwilling to carry out any action requested of them under this Trust Deed, such other firm of accountants as may be nominated or approved in writing by the Parent Guarantor; provided that after an Event of Default has occurred that is continuing such other firm of accountants shall be nominated or approved by the Trustee for the purpose;

"**Bondholder**" or, in respect of a Bond, "**holder**" means a person in whose name a Bond is registered in the register of Bondholders save that, for the purposes of enforcement of the provisions of this Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which a Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in this Trust Deed to the extent of the principal amount of the interest in the Bonds set out in the certificate of the holder as if they are themselves the holders of the Bonds in such principal amounts (and the holder of the Bonds in respect of which a Global Certificate is issued shall not be so recognised to the same extent);

"**Bonds**" means bonds in registered form comprising the $1,000,000,000 13.875% Guaranteed Senior Bonds originally due 2024 and extended to 2027, constituted by this Trust Deed and unconditionally and irrevocably guaranteed by the Parent Guarantor and each Subsidiary Guarantor, and for the time being outstanding or, as the context may require, a specific number or principal amount of them;

"**Business day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, London and Hong Kong;

"**Certificate**" means a certificate, in or substantially in the form set out in Schedule 2, issued in the name of the holder of one or more Bonds and includes any replacement Certificates issued pursuant to the Conditions; and, except for the purposes of Clause 3, includes the Global Certificates in or substantially in the form set out in Schedule 3;

"**Clearstream**" means Clearstream Banking S.A.;

"**Closing Date**" means 21 December 2020;

"**Collateral**" has the meaning set out in Condition 3(j);

"**Collateral Agent**" has the meaning set out in Condition 1(f);

"**Collateral Documents**" has the meaning set out in the Conditions;

"**Compliance Certificate**" has the meaning set out in Condition 3(k);

"**Conditions**" means the terms and conditions set out in Schedule 1 as from time to time modified in accordance with this Trust Deed and as modified in their application to the Bonds in respect of which the Global Certificates for Bonds are issued, by the provisions of such

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Global Certificates. Any reference to a particularly numbered Condition shall be construed accordingly;

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Collateral Agent or Receiver under, and in accordance with, the Intercreditor Agreement and/or the Collateral Documents;

"**Directors**" means the executive directors and non-executive directors of the Issuer, the Parent Guarantor or a Subsidiary Guarantor from time to time;

"**DTC**" means The Depository Trust Company, a New York corporation;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Event of Default**" means an event described in Condition 8;

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**Extraordinary Resolution**" has the meaning set out in Schedule 4;

"**Force Majeure Event**" means any event (including but not limited to: an act of God, fire, pandemic, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalisation, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other causes) beyond the control of any party which restricts or prohibits the performance of the obligations of such party contemplated by this Trust Deed;

"**Global Certificates**" means the Restricted Global Certificates, if any, and the Unrestricted Global Certificates, if any, issued in respect of the Bonds and "**Global Certificate**" means any one of them;

"**Indian Encumbrance Reasons Circular**" means Securities and Exchange Board of India circular bearing reference number SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated 7 August 2019, as amended;

"**Indian Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

"**Indian Takeover Code**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended;

"**Intercreditor Agreement**" has the meaning set out in Condition 1(f), substantially in the form of Schedule 6;

"**Listed Indian Subsidiary**" means any Subsidiary of the Issuer in India whose Common Stock is listed on a stock exchange;

"**Material Subsidiary**" has the meaning set out in Condition 8;

"**outstanding**" means, in relation to the Bonds, all the Bonds issued except:

(a) those which have been redeemed in accordance with the Conditions;

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(b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Agent as provided in Clause 2 and remain available for payment following surrender of Certificates in respect of Bonds;

(c) those which have become void;

(d) those which have been purchased and cancelled as provided in the Conditions; and

(e) the Bonds represented by Global Certificates to the extent that the Global Certificates have been exchanged for definitive Certificates pursuant to their provisions,

provided that for the purposes of:

(i) ascertaining the right to attend and vote at any meeting of the Bondholders;

(ii) the determination of how many Bonds are outstanding for the purposes of Conditions 8, 12 and 13 and Schedule 4;

(iii) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders; and

(iv) the certification by the Trustee as to whether an Event of Default under paragraphs (b)(ii), (d), (e) and (h) of Condition 8 is in its opinion materially prejudicial to the interests of the Bondholders,

those Bonds which are beneficially held by or on behalf of the Issuer, the Parent Guarantor, each Subsidiary Guarantor or any of their respective Subsidiaries and not cancelled shall (unless no longer so held) be deemed not to remain outstanding;

"**OCA Appointment Agreement (VRF)**" means the onshore collateral agent appointment agreement entered into between the Onshore Collateral Agent and the Issuer, dated on or about the date of this Trust Deed;

"**Paying Agents**" means the banks (including the Principal Agent) referred to as such in the Conditions or any Successor Paying Agents in each case at their respective specified offices;

"**Potential Event of Default**" means an event or circumstance which would with the giving of notice, lapse of time and/or issuing of a certificate become an Event of Default;

"**Principal Agent**" means the bank named as such in the Conditions or any Successor Principal Agent;

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security appointed by the Collateral Agent under, and in accordance with, the Intercreditor Agreement and/or the Collateral Documents;

"**Registrar**" means Citigroup Global Markets Europe AG at its specified office at Reuterweg 16, 80323 Frankfurt, Germany, or any Successor Registrar appointed under the Agency Agreement at its specified office;

"**Regulation S**" means Regulation S under the Securities Act;

"**Restricted Global Certificate**" means a global certificate substantially in the form set out in Part II to Schedule 3 bearing the Securities Act Legend and the legends required by DTC;

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"**Rule 144A**" means Rule 144A under the Securities Act;

"**Secured Parties**" means the Bondholders, the Trustee for itself and on behalf of the Bondholders, the Collateral Agent, the Paying Agents and any Receiver or Delegate appointed by the Collateral Agent;

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Securities Act Legend**" means the transfer restriction legend set out in Schedule 2 and Schedule 3 on the individual definitive Certificate and the Restricted Global Certificates;

"**Security**" has the meaning set out in Condition 3(a);

"**Security Creation Date**" has the meaning set out in Clause 8.21 (Creation of Security) of this Trust Deed;

"**Security Provider**" means the Parent Guarantor in its capacity of granting the Collateral as Security under the Conditions;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**specified office**" means, in relation to a Paying Agent, the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to Bondholders pursuant to Clause 8.14;

"**Subsidiary**" has the meaning set out in Condition 3(a);

"**Successor**" means, in relation to the Paying Agents and Registrar, such other or further person as may from time to time be appointed by the Issuer, the Parent Guarantor and Subsidiary Guarantors as a Paying Agent or Registrar, as the case may be, with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Bondholders pursuant to Clause 8.14;

"**Trust Deed**" means this Trust Deed (as from time to time altered in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so altered) and expressed to be supplemental to this Trust Deed;

"**trust corporation**" means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees; and

"**Unrestricted Global Certificate**" means a global certificate substantially in the form set out in Part I to Schedule 3.

1.2 Construction of Certain References: References to:

1.2.1 costs, charges, remuneration or expenses include withholding, any value added, turnover or similar tax charged in respect thereof;

1.2.2 "**U.S. dollars**", "**$**" and "**U.S.$**" are to the lawful currency for the time being of the United States of America; and

1.2.3 an action, remedy or method of judicial proceedings for the enforcement of creditors' rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto.

1.3 **Headings**: Headings shall be ignored in construing this Trust Deed.

1.4 **Schedules**: The Schedules are part of this Trust Deed and have effect accordingly.

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1.5 **Contracts (Rights of Third Parties) Act 1999**: A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms.

1.6 **Supplemental Deeds and Agreements**: Except where the context otherwise requires, all references contained herein to this Trust Deed, the Agency Agreement, the Collateral Documents and the Intercreditor Agreement shall be deemed to refer to such documents as amended, restated, novated and/or supplemented from time to time (to the extent such amendment, restatement, novation and/or supplement is permitted by the Conditions and this Trust Deed).

1.7 **References to Collateral Agent**: References to the Collateral Agent in this Trust Deed shall be applicable once the Collateral Agent has acceded to this Trust Deed pursuant to Clause 9.

1.8 **Party**: All references to any party or person in this Trust Deed include its successors in title, permitted assignees and permitted transferees.

2 Amount of the Bonds and Covenant to Pay

2.1 **Amount of the Bonds**: Subject to Clause 20, the aggregate principal amount of the Bonds is limited to $1,000,000,000.

2.2 **Covenant to pay**: The Issuer will on any date when any Bonds become due to be redeemed unconditionally pay to or to the order of the Trustee in Hong Kong in U.S. dollars in same day funds the principal amount of the Bonds becoming due for redemption on that date together with any applicable premium and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally so pay to or to the order of the Trustee interest on the principal amount of the Bonds outstanding as set out in the Conditions *provided that*:

2.2.1 payment of any sum due in respect of the Bonds made to the Principal Agent as provided in the Agency Agreement shall, to that extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions; and

2.2.2 a payment made after the due date or pursuant to Condition 8 will be deemed to have been made when the full amount due has been received by the Principal Agent or the Trustee and notice to that effect has been given to the Bondholders (if required under Clause 8.11), except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions.

The Trustee hereby declares itself trustee of all the covenants, undertakings and security interests made or given to it and will hold these on trust for the benefit of itself and the Bondholders according to their respective interest.

2.3 **Discharge**: Subject to Clause 2.4, any payment to be made in respect of the Bonds by the Issuer, the Parent Guarantor, each Subsidiary Guarantor or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.4) to that extent be a good discharge by the Issuer, the Parent Guarantor, each Subsidiary Guarantor or the Trustee, as the case may be.

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2.4 **Payment after a Default**: At any time after an Event of Default or a Potential Event of Default has occurred with respect to the Bonds, the Trustee may:

2.4.1 by notice in writing to the Issuer, the Parent Guarantor, each Subsidiary Guarantor and the Agents, require the Agents or any of them until notified by the Trustee to the contrary, so far as permitted by applicable law:

(i) to act as Agents of the Trustee under this Trust Deed and the Bonds on the terms of the Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and expenses of the Agents shall be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of this Trust Deed and available for that purpose) and thereafter to hold all Certificates and all moneys, documents and records held by them in respect of the Bonds to the order of the Trustee; and/or

(ii) to deliver all Certificates and all moneys, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee directs in such notice; and

2.4.2 by notice in writing to the Issuer, the Parent Guarantor and each Subsidiary Guarantor, require them to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Principal Agent.

3 Form of the Bonds and Certificates; Issue of the Bonds

3.1 **The Global Certificates**: On issue of the Bonds, the Global Certificates substantially in the form of Schedule 3 will be issued in respect of the aggregate principal amount of the Bonds and the Issuer shall procure the Registrar to make such entries in the register of the Bonds as appropriate. The Unrestricted Global Certificate will be issued in the name of a nominee of DTC for the accounts of Euroclear and Clearstream and the Restricted Global Certificate will be issued in the name of a nominee for DTC. The Global Certificates need not be security printed. The Bonds evidenced by the Global Certificates shall, subject to their terms in all respects, be entitled to the same benefits under this Trust Deed as individual Bonds.

3.2 **The Definitive Certificates**: The individual definitive Certificates, if issued, will be printed in accordance with all applicable stock exchange requirements and will be substantially in the form set out in Schedule 2 and endorsed with the Conditions.

3.3 **Signature**: The Global Certificates shall be signed manually or in facsimile by one or more Directors or officers of the Issuer duly authorised for the purpose or manually by any duly authorised attorney of the Issuer and authenticated manually by or on behalf of the Registrar (or its agent on its behalf). The individual definitive Certificates (if issued) will be signed manually or in facsimile by one or more Directors or duly authorised officers of the Issuer and authenticated manually by or on behalf of the Registrar (or its agent on its behalf). The Issuer may use the facsimile signature of any person who at the date of this Trust Deed is a Director of the Issuer even if at the time of issue of any Certificate (including the Global Certificates) he no longer holds such office. Bonds represented by Certificates (including the Global Certificates) so executed and authenticated will be binding and valid obligations of the Issuer.

3.4 **Issue**: Issue and delivery of the Bonds shall be complete on the issue and delivery of the Global Certificates to Euroclear, Clearstream and DTC, or to a custodian on behalf of any

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one of them, as referred to in Clause 3.1 by, or at the order of, the Issuer and completion of the register of holders by the Registrar.

3.5 **Entitlement to treat holder as owner**: A Bondholder will (save as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as the absolute owner of a Bond registered in its name for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or the theft or loss of the Certificate, if any, issued in respect of it or anything written on it or on the relevant Certificate) and no person will be liable for so treating the holder. Title to the Bonds passes only by transfer and registration in the Register.

4 Stamp Duties and Taxes

4.1 **Stamp Duties**: The Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, will pay any ad valorem stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties arising in respect thereof, payable in respect of the creation, issue and initial delivery of the Bonds and the execution or delivery of this Trust Deed, the Agency Agreement, the Collateral Documents and the Intercreditor Agreement. The Issuer, the Parent Guarantor and each Subsidiary Guarantor will also severally and jointly indemnify the Trustee and the Bondholders from and against all stamp, issue, registration, documentary or other similar taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be and where permitted under this Trust Deed to do so, the Bondholders of the Bonds to enforce the Issuer's, the Parent Guarantor's or the Subsidiary Guarantors' respective obligations under this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor Agreement and the Bonds.

4.2 **Change of Taxing Jurisdiction**: If the Issuer, or as the case may be, the Parent Guarantor or each Subsidiary Guarantor becomes subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax other than or in addition to Mauritius, the United Kingdom or Cyprus or any such authority of or in such territory then the Issuer, or as the case may be, the Parent Guarantor and each Subsidiary Guarantor will (unless the Trustee otherwise agrees) give the Trustee an undertaking satisfactory to the Trustee in terms corresponding to the terms of Condition 7 with the substitution for, or (as the case may require) the addition to, the references in that Condition to Mauritius, the United Kingdom or Cyprus of references to that other or additional territory or authority to whose taxing jurisdiction the Issuer, the Parent Guarantor or each Subsidiary Guarantor has become so subject. In such event this Trust Deed and the Bonds will be read accordingly.

5 Guarantees and Indemnity

5.1 **Guarantee of the Bonds**: The Parent Guarantor and the Subsidiary Guarantors unconditionally and irrevocably guarantee, on a joint and several basis, that if the Issuer does not pay any sum payable by it under this Trust Deed, the Collateral Documents or the Bonds by the time and on the date specified for such payment (whether on the normal due date or otherwise), the Parent Guarantor and the Subsidiary Guarantors will pay that sum to or to the order of the Trustee, in the manner provided in Clause 2.2, forthwith on demand. Clauses 2.2.1 and 2.2.2 will apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 10. All payments under the Guarantees by the Parent Guarantor and Subsidiary Guarantors will be made subject to Condition 1(c) and Clauses 4.1 and 10.6.

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5.2 **Parent Guarantor and Subsidiary Guarantors as Principal Debtors**: As between the Parent Guarantor, the Subsidiary Guarantors, the Trustee and the Bondholders but without affecting the Issuer's obligations, the Parent Guarantor and each Subsidiary Guarantor will be liable under this Clause 5 as if it were the sole principal debtor and not merely a surety. Accordingly, they will not be discharged, nor will their liability be affected, by anything which would not discharge them or affect their liability if they were the sole principal debtor including:

5.2.1 any time, indulgence, waiver or consent at any time given to the Issuer or any other person;

5.2.2 any amendment to any other provisions of this Trust Deed, the Conditions, the Collateral Documents or any security or other guarantee or indemnity;

5.2.3 the making or absence of any demand on the Issuer or any other person for payment;

5.2.4 the enforcement or absence of enforcement of this Trust Deed, the Collateral Documents, the Bonds or any security or other guarantee or indemnity;

5.2.5 the taking, existence or release of any security, guarantee or indemnity;

5.2.6 the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person; or

5.2.7 the illegality, invalidity or unenforceability of or any defect in any provision of this Trust Deed, the Collateral Documents, the Bonds or any of the Issuer's obligations under any of them.

5.3 **Parent Guarantor's and Subsidiary Guarantors' Obligations Continuing**: The Parent Guarantor's and each Subsidiary Guarantor's obligations under this Trust Deed are and will remain in full force and effect by way of continuing security until no sum remains payable under this Trust Deed, the Collateral Documents or the Bonds. Furthermore, those obligations of the Parent Guarantor and each Subsidiary Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Parent Guarantor or the Subsidiary Guarantors or otherwise and may be enforced without first having recourse to the Issuer, any other person or any other security or any other guarantee or indemnity. The Parent Guarantor and each Subsidiary Guarantor irrevocably waives all notices and demands of any kind in relation to the Guarantees.

5.4 **Exercise of Parent Guarantor's and Subsidiary Guarantors' Rights**: So long as any sum remains payable under this Trust Deed, the Collateral Documents or the Bonds:

5.4.1 any right of the Parent Guarantor and the Subsidiary Guarantors, by reason of the performance of any of their obligations under this Clause 5, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity will be exercised and enforced by the Parent Guarantor and the Subsidiary Guarantors only in such manner and on such terms as the Trustee may require or approve; and

5.4.2 any amount received or recovered by the Parent Guarantor and each Subsidiary Guarantor:

(i) as a result of any exercise of such right; or

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(ii) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer,

will be held in trust for the Trustee and immediately paid to the Trustee and the Trustee will hold it on the trusts set out in Clause 6.1 but so that nothing in this Clause 5.4 shall be construed as creating a charge or any other security interest.

5.5 **Suspense Accounts**: Any amount received or recovered by the Trustee (otherwise than as a result of a payment by the Issuer to the Trustee in accordance with Clause 2) in respect of any sum payable by the Issuer under this Trust Deed, the Collateral Documents or the Bonds may be placed in a suspense account and kept there for so long as the Trustee thinks fit.

5.6 **Avoidance of Payments**: The Parent Guarantor and each Subsidiary Guarantor shall on demand indemnify, on a joint and several basis, the Trustee and each Bondholder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under this Trust Deed, the Collateral Documents or the Bonds and shall in any event pay to the Trustee or such Bondholders on demand the amount as refunded by it.

5.7 **Debts of Issuer**: If any moneys become payable by the Parent Guarantor and the Subsidiary Guarantors under the Guarantees, the Issuer will not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Parent Guarantor and the Subsidiary Guarantors.

5.8 **Indemnity**: As separate, independent and alternative stipulations, the Parent Guarantor and each Subsidiary Guarantor unconditionally and irrevocably agree, on a joint and several basis:

5.8.1 that any sum which, although expressed to be payable by the Issuer under this Trust Deed, the Collateral Documents or the Bonds, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee or any Bondholder) not recoverable from the Parent Guarantor or the Subsidiary Guarantors on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Trustee on demand; and

5.8.2 as a primary obligation to indemnify the Trustee and each Bondholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under this Trust Deed, the Collateral Documents or the Bonds not being paid on the date and otherwise in the manner specified in this Trust Deed, the Collateral Documents or any payment obligation of the Issuer under this Trust Deed, the Collateral Documents or the Bonds being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee or any Bondholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

6 Application of Moneys Received by the Trustee

6.1 **Declaration of Trust**: All moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed, the Collateral Documents or the Guarantees will, despite any

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appropriation of all or part of them by the Issuer, the Parent Guarantor or any Subsidiary Guarantor, be held by the Trustee on trust to apply them (subject to Clauses 5.5 and 6.2)

6.1.1 first, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee, the Collateral Agent, any Receiver or Delegate (including remuneration payable to it) in carrying out its functions under this Trust Deed, the Collateral Documents and the Bonds;

6.1.2 second, in payment of any amounts owing in respect of the Bonds pari passu and rateably; and

6.1.3 third, in payment of any balance to the Issuer for itself or, if any moneys were received from the Parent Guarantor and the Subsidiary Guarantors and to the extent of such moneys, the Parent Guarantor and each Subsidiary Guarantor.

If the Trustee holds any moneys in respect of Bonds which have become void, the Trustee will hold such moneys upon the above trusts.

6.2 **Accumulation**: If the amount of the moneys at any time available for payment in respect of the Bonds under Clause 6.1 is less than 10 per cent. of the principal amount of the Bonds then outstanding, the Trustee may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the principal amount of the Bonds then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) will be applied as specified in Clause 6.1.

6.3 **Investment**: Moneys held by the Trustee may, pending application in accordance with Clause 6.1, be invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise. All interest or income deriving from any such investments or assets shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 10 to the Trustee and otherwise held for the benefit of and paid to the Bondholders in accordance with Clause 6.1.

6.4 **No Calculations**: The Trustee shall not be required to undertake any calculations with respect to any application of funds or other payments hereunder (including for the avoidance of doubt any calculations with respect to the Applicable Premium (as defined in the Conditions)).

7 Covenant of Compliance

7.1 Each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor hereby covenants with the Trustee that it will comply with and perform and observe all the applicable provisions of this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor

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Agreement and the Conditions which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Bondholders. The Trustee shall be entitled to enforce the respective obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

8 Covenants by the Issuer, the Parent Guarantor and Subsidiary Guarantor

So long as any Bond remains outstanding, each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor covenants, on a joint and several basis, in favour of the Trustee that:

8.1 **Books of Account**: it will keep, and, in the case of the Parent Guarantor procure that each of the Material Subsidiaries keeps, proper books of account and, so far as permitted by applicable law, it will allow and, in the case of the Parent Guarantor, procure that each such Material Subsidiary will allow, the Trustee and anyone appointed by it, access to its books of account at all reasonable times during normal business hours.

8.2 **Notice of Events of Default**: it will notify the Trustee and the Collateral Agent in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default. Neither the Trustee nor any of the Agents shall be required to take any steps to ascertain whether an Event of Default or Potential Event of Default has occurred and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer, the Parent Guarantor or any Subsidiary Guarantor.

8.3 **Information**: it will, so far as permitted by applicable law, give the Trustee such information, opinions, certificates and other evidence as it reasonably requires to perform its functions under this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor Agreement and the Conditions or by operation of law, including but not limited to a copy of the disclosures required to be made under the Indian Takeover Code and Indian Listing Regulations.

8.4 **Financial Statements etc**.: in the case of the Parent Guarantor, it will:

8.4.1 deliver to the Trustee and the specified office of each of the Paying Agents as soon as reasonably practicable after the issue or publication thereof and in any event within 180 days after the end of each financial year (beginning with 31 March 2021), a copy of its annual report and audited Accounts (in the English language) as of the end of and for such financial year, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such annual report and audited Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

8.4.2 as soon as reasonably practicable after the issue or publication thereof (and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange), it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its unaudited interim Accounts (in the English language) as of the end of and for each six-month period ending on 30 September (beginning with 30 September 2020), *provided* that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with

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that used for the preceding relevant semi-annual or annual fiscal period, that fact shall be stated, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such unaudited interim Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries; and

8.4.3 if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange, as soon as reasonably practicable after the issue or publication thereof and in any event within 90 days after the end of each three-month period ending 30 June and 31 December, it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of the unaudited consolidated statement of profit or loss for Vedanta Limited for such three-month period along with key production data for such three-month period, *provided that* if and to the extent that the statement of profit or loss is not prepared or adjusted on a basis consistent with that used for the preceding relevant three-month, semi-annual or annual fiscal period, that fact shall be stated; and

8.4.4 with each set of Accounts delivered by it under Condition 3(f)(i) and (3)(f)(ii), the Parent Guarantor will deliver to the Trustee and the specified office of each of the Paying Agents the Compliance Certificate.

8.5 **Certificate of Directors**: in the case of the Parent Guarantor, it will send to the Trustee, together with the delivery of each Compliance Certificate referred to in Clause 8.4.4, and also within 14 days of any request by the Trustee, a certificate of the Parent Guarantor signed by any two of its Directors or authorised signatories or one of its Directors and its chief financial officer that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Parent Guarantor as at a date (the "**Certification Date**") not more than five days before the date of the certificate no Event of Default or Potential Event of Default or other breach of this Trust Deed had occurred since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such an event had occurred, giving details of it. The Trustee shall be entitled to conclusively rely upon such certificates of the Parent Guarantor.

8.6 **Notices to Bondholders**: it will send to the Trustee the form of each notice to be given to Bondholders and, once given, a copy of each such notice, such notice to be in a form approved by the Trustee (such approval, unless so expressed, not to constitute approval for the purpose of Section 21 of the Financial Services and Markets Act 2000).

8.7 **Notices to all Shareholders and all Creditors**: it will send to the Trustee as soon as reasonably practicable, a copy of every report or other notice, statement or circular issued (or which under any legal or contractual obligation should be issued) to all its shareholders or all its creditors in their capacity as such at the time of the actual (or legally or contractually required) issue or publication thereof.

8.8 **Further Acts**: it will, so far as permitted by applicable law, do such further things as may be necessary in the opinion of the Trustee, acting reasonably, to give effect to this Trust Deed and the Conditions.

8.9 **Notice of Redemption or Repayment**: it will, not less than the number of days specified in the relevant Condition prior to the redemption or repayment date in respect of the Bonds or any of them, give to the Trustee notice in writing of the amount of such redemption or repayment pursuant to the Conditions and duly proceed to redeem or repay such Bonds or any of them accordingly.

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8.10 **Notice of Non-Payment**: it will use all reasonable endeavours to procure that the Principal Agent notifies the Trustee forthwith if it does not, on or before the due date for payment in respect of the Bonds or any of them, receive unconditionally in the manner and in the place provided by the Agency Agreement the full amount of the moneys payable on such due date on all such Bonds.

8.11 **Notice of Late Payment**: it will forthwith upon request by the Trustee give notice to the Bondholders of any unconditional payment to the Principal Agent or the Trustee of any sum due in respect of the Bonds made after the due date for such payment.

8.12 **Liability to Tax**: it will promptly give written notice to the Trustee if it is required by law to withhold or account for tax in respect of any payment due in respect of the Bonds.

8.13 **Listing**: it will use all reasonable endeavours to maintain the listing and the admission to trading of the Bonds on the SGX-ST and, if it is unable to do so, having used all reasonable endeavours, or if the maintenance of such listing and/or admission to trading is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the Bondholders would not be thereby materially prejudiced, instead use all reasonable endeavours to obtain and maintain a listing and/or admission to trading (if relevant) of the Bonds on another stock exchange approved in writing by the Trustee, such approval not to be unreasonably withheld or delayed.

8.14 **Change in Registrar, Paying Agents and Collateral Agent**: it will give at least 14 days' prior written notice to the Bondholders of any future appointment, resignation or removal of the Registrar, a Paying Agent or Collateral Agent or of any change by the Registrar, a Paying Agent or Collateral Agent of its specified office and not make any such appointment or removal without the Trustee's written approval, such approval not to be unreasonably withheld or delayed.

8.15 **Rule 144A(d)(4)**: for so long as any Bonds and the Guarantees are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer, the Parent Guarantor and each Subsidiary Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser in each case upon the request of such holder, beneficial owner, prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. The Trustee will hold the benefit of this covenant on trust for the holders and beneficial owners and the prospective purchasers designated by such holders and beneficial owners, from time to time, of such restricted securities. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 8.15.

8.16 **Bonds held by Issuer, the Parent Guarantor or the Subsidiary Guarantors etc**.: it will send to the Trustee as soon as practicable after being so requested by the Trustee a certificate of the Issuer, the Parent Guarantor and the Subsidiary Guarantors, as the case may be, signed by any two of the Issuer's Directors or authorised signatories or, as the case may be, any two of the Parent Guarantor's and or any two of each relevant Subsidiary Guarantor's Directors or authorised signatories, stating the number of Bonds held at the date of such certificate by or on behalf of the Issuer, the Parent Guarantor, each Subsidiary Guarantor or their respective Subsidiaries.

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8.17 **Issuer to Appoint Additional Paying Agents Following an Imposition of Taxation**: if payments made by or through each existing Paying Agent (including any additional Paying Agents appointed after the date hereof pursuant to this Clause 8.17) are or would be subject to withholding or deduction for or on account of tax, within 20 days of becoming aware of the same, the Issuer, the Parent Guarantor and the Subsidiary Guarantors shall use reasonable endeavours to appoint a Successor Paying Agent in a jurisdiction through which such payments may be made without such withholding or deduction.

8.18 **Material Subsidiaries**: in the case of the Parent Guarantor, it will give to the Trustee at the same time as sending the certificate referred to in Clause 8.5 or within 28 days of a request by the Trustee, a certificate of the Parent Guarantor signed by any two of its Directors listing those Subsidiaries of the Parent Guarantor which as at the last day of the last financial year of the Parent Guarantor or as at the date specified in such request were Material Subsidiaries. The Trustee shall be entitled to conclusively rely upon such certificates of the Parent Guarantor.

8.19 **Validity of Guarantee**: it will not carry out any act, or permit any act to be carried out, which would invalidate in whole or in part the liability of the Parent Guarantor or the Subsidiary Guarantors under the Guarantees.

8.20 **Disclosure Obligations under the Indian Takeover Code**: The Parent Guarantor, each Subsidiary Guarantor and the Issuer shall make requisite disclosures in accordance with Regulation 31 of the Indian Takeover Code (in the prescribed format) in relation to creation of encumbrance within specified timelines to (a) the Indian stock exchanges where the equity shares of the relevant Listed Indian Subsidiaries are listed i.e., BSE Limited and/or National Stock Exchange of India Limited (as applicable) ("**Indian Stock Exchanges**"); and (b) the relevant Listed Indian Subsidiary at its registered office and thereafter make requisite disclosures in accordance with Regulation 31 of the Indian Takeover Code, when such encumbrance is released. Further, the Parent Guarantor, each Subsidiary Guarantor and the Issuer shall make requisite disclosures for reasons of such encumbrance in accordance with Indian Encumbrance Reasons Circular to the Indian Stock Exchanges.

8.21 **Creation of Security**: the obligations of the Issuer with respect to the Bonds and the performance of all other obligations of the Issuer under this Trust Deed and the Bonds will, within thirty (30) calendar days following repayment in full of the Private Credit Facility and any refinancing thereof, and the release of the Security benefiting the creditors of the Private Credit Facility, be secured by the Collateral (the date of such security creation, the "**Security Creation Date**").

8.22 **Disclosure Obligations under the Indian Listing Regulations**: The Parent Guarantor, each Subsidiary Guarantor and the Issuer shall in accordance with Regulation 30A(1) of the Indian Listing Regulations, inform the relevant Listed Indian Subsidiary of the details of agreements specified in Clause 5A of Para A of Part A of Schedule III of the Indian Listing Regulations in relation to details of such agreements which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control or impose any restriction or create any liability on the relevant Listed Indian Subsidiary and to which such Listed Indian Subsidiary is not a party.

Further, the Parent Guarantor and each Subsidiary Guarantor shall ensure that the relevant Listed Indian Subsidiary shall make requisite disclosures in relation to details of such agreements which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control or impose any restriction or create any liability on such



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Listed Indian Subsidiary, to the Indian Stock Exchanges, in accordance with Regulation 30 of the Indian Listing Regulations read with Clause 5A of Para A of Part A of Schedule III of the Indian Listing Regulations.

9 Accession of Collateral Agent into this Trust Deed

9.1 On the Security Creation Date, the parties to this Trust Deed shall enter into an Accession Deed with the Collateral Agent and the Security Provider shall enter into the Collateral Documents for the purpose of creating the Security in accordance with the terms set out in the Conditions and the Collateral Documents in favour of the Collateral Agent who shall hold the Security on trust for the benefit of the Secured Parties.

9.2 The Issuer or the Parent Guarantor shall notify the Trustee of the expected Security Creation Date by no later than twenty (20) calendar days prior to the date thereof.

10 Remuneration and Indemnification of the Trustee

10.1 **Normal Remuneration**: So long as any Bond is outstanding the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, will pay the Trustee as remuneration for its services as Trustee such sum on such dates in each case as they may from time to time agree. Such remuneration will accrue from day to day from the date of this Trust Deed. However, if any payment to a Bondholder of moneys due in respect of any Bond is improperly withheld or refused, such remuneration will again accrue as from the date of such withholding or refusal until payment to such Bondholder is duly made.

10.2 **Extra Remuneration**: If an Event of Default or Potential Event of Default with respect to Bonds shall have occurred or if the Trustee finds it expedient or necessary or is requested by the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors to undertake duties which they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the Collateral Documents and the Intercreditor Agreement, the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, will pay such additional remuneration as they may agree or, failing agreement as to any of the matters in this Clause 10.2 (or as to such sums referred to in Clause 10.1), as determined by an investment bank of international repute (acting as an expert and not as arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such investment bank's fee will be borne by the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors. The determination of such investment bank will be conclusive and binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee and the Bondholders.

10.3 **Expenses**: The Issuer, failing whom, the Parent Guarantor and each Subsidiary Guarantors, will also on demand by the Trustee pay or discharge all costs, charges, liabilities and expenses properly incurred by the Trustee in the preparation and execution of this Trust Deed, the Collateral Documents and the Intercreditor Agreement and the performance of its functions under this Trust Deed, the Collateral Documents, the Intercreditor Agreement and the Conditions including, but not limited to, properly incurred legal and travelling expenses and any stamp, documentary or other similar taxes or duties paid by the Trustee in connection with any legal proceedings reasonably brought or contemplated by the Trustee against the Issuer, the Parent Guarantor and/or the Subsidiary Guarantors to enforce any provision of this Trust Deed, the Collateral Documents, the Intercreditor Agreement and/or the Conditions. Such costs, charges, liabilities and expenses will:

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10.3.1 in the case of payments made by the Trustee before such demand, carry interest from the date of the demand at the rate of two per cent. per annum over the base rate of Citibank N.A. on the date on which the Trustee made such payments; and

10.3.2 in all other cases, carry interest at such rate from 30 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

10.4 **Indemnity**: The Issuer, the Parent Guarantor and the Subsidiary Guarantors, on a joint and several basis, will on demand by the Trustee indemnify it in respect of Amounts or Claims paid or properly incurred by it or to which it may be subject in acting as trustee under this Trust Deed including:

10.4.1 any Agent/Delegate Liabilities; and

10.4.2 in respect of disputing or defending any Amounts or Claims made against the Trustee or any Agent/Delegate Liabilities,

except, with respect to taxes, to the extent covered by Clause 10.6. The Issuer will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities. "**Amounts or Claims**" are losses, damages, fees, judgments, proceedings, liabilities, taxes, costs, charges, claims, actions, demands or expenses and "**Agent/Delegate Liabilities**" are Amounts or Claims which the Trustee is or would be obliged to pay or reimburse to any of its agents or delegates (including any professional consultants) appointed pursuant to this Trust Deed. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 10.4.

10.5 **Continuing Effect**: Clauses 10.3 and 10.4 will continue in full force and effect with respect to the Trustee even if:

10.5.1 it no longer is Trustee;

10.5.2 the Bonds are no longer outstanding; or

10.5.3 this Trust Deed has been discharged.

10.6 **Taxes**: All sums payable by the Issuer, the Parent Guarantor and Subsidiary Guarantors pursuant to this Trust Deed shall be paid without any deduction or withholding for or on account of any taxes, duties, assessments or governmental charges except to the extent required by law. If such deduction or withholding is required by law, the Issuer, failing whom, the Parent Guarantor and Subsidiary Guarantors, shall pay such additional amounts as will result in receipt by the Trustee of such amounts as would have been received by the Trustee had no such deduction or withholding been required to be made. This Clause 10.6 shall not operate with respect to any sum payable by the Issuer pursuant to Clause 2.2, in respect of which the Issuer, failing whom, the Parent Guarantor and Subsidiary Guarantors, shall pay such additional amounts as may be required (if any) by the Conditions.

11 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by this Trust Deed. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act. In addition, the statutory duty of care set out in Section 3A of the Trustee Ordinance (Cap. 29) of Hong Kong, as amended

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by the Trust Law (Amendment) Ordinance 2013, shall not apply to the duties of the Trustee in relation to this Trust Deed. The Trustee shall have all of the powers conferred upon trustees by the Trustee Act 1925 and the Trustee Act 2000, and by way of supplement thereto it is expressly declared as follows:

11.1 **Advice**: The Trustee may act and rely on the opinion or advice of, or information obtained from, any expert and will not be responsible to anyone for any loss occasioned by so acting or relying whether such advice is obtained by or addressed to the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee or any other person. Any such opinion, advice or information may be sent or obtained by letter, telex, fax or electronic mail and the Trustee will not be liable to anyone for acting or relying in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic.

11.2 **Trustee to Assume Performance**: The Trustee need not notify anyone of the execution of this Trust Deed, the Collateral Documents, the Intercreditor Agreement or any other document referred to herein or therein or do anything to find out if an Event of Default or Potential Event of Default has occurred. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no Event of Default or Potential Event of Default has occurred and that the Issuer, the Parent Guarantor and the Subsidiary Guarantor are performing all their respective obligations under this Trust Deed, the Collateral Documents, the Intercreditor Agreement and the Bonds.

11.3 **Resolutions of Bondholders**: The Trustee will not be responsible for having acted in good faith on: (i) a resolution purporting to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed (or purported to be signed); or (ii) any direction or request of the Bondholders even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Bondholders.

11.4 **Certificate Signed by Directors**: If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate or any written communication signed by two Directors of the Issuer or, as the case may be, by two Directors of the Parent Guarantor and/or each Subsidiary Guarantor as to that fact or to the effect that, in his or her opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible or liable to any Bondholder or any other person for any loss occasioned by relying or acting on such a certificate.

11.5 **Deposit of Documents**: The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

11.6 **Discretion**: The Trustee will have absolute and uncontrolled discretion as to the exercise or non-exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise. Where the Trustee has discretion or permissive power pursuant to this Trust Deed, the Conditions, the Agency Agreement, the Collateral Documents or the Intercreditor Agreement or by law, it may decline to exercise the same in the absence of approval by the Bondholders and need not exercise or take any other action unless first pre-funded and/or

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indemnified and/or secured (including by way of payment in advance) to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing by the Bondholders.

11.7 **Agents**: Whenever it considers it expedient in the interests of the Bondholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money, but must give notice to the Issuer, the Parent Guarantor and Subsidiary Guarantors of any such appointment).

11.8 **Delegation**: Whenever it considers it expedient in the interests of the Bondholders, the Trustee may delegate to any person on any terms (including power to sub-delegate) all or any of its functions. The Trustee shall promptly after any such delegation or any renewal, extension or termination thereof give notice to the Issuer, the Parent Guarantor and the Subsidiary Guarantors.

11.9 **Nominees**: In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee on any terms.

11.10 **Confidentiality**: Unless and to the extent ordered to do so by a court of competent jurisdiction the Trustee shall not be required to disclose to any Bondholder any confidential financial or other information made available to the Trustee by the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors.

11.11 **Determinations Conclusive**: As between itself and the Bondholders the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor Agreement and the Conditions. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind all parties to this Trust Deed and the Bondholders.

11.12 **Currency Conversion**: Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Bondholders.

11.13 **Events of Default**: The Trustee may determine whether or not an Event of Default or Potential Event of Default with respect to the Bonds is in its opinion capable of remedy and/or whether any event is in its opinion materially prejudicial to the interests of the Bondholders. Any such determination will be conclusive and binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Bondholders.

11.14 **Payment for Bonds**: The Trustee will not be responsible for the receipt or application by the Issuer, the Parent Guarantor and/or the Subsidiary Guarantors of the proceeds of the issue of the Bonds, the exchange of interests between the Bonds evidenced by the Global Certificates or the delivery of Certificates to the persons entitled to them.

11.15 **Bonds Held by the Issuer, the Parent Guarantor or the Subsidiary Guarantors etc**.: In the absence of knowledge or express notice to the contrary, the Trustee may assume without

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enquiry (other than requesting a certificate under Clause 8.16) that no Bonds are for the time being held by or on behalf of the Issuer, the Parent Guarantor, the Subsidiary Guarantors or their respective Subsidiaries.

11.16 **Responsibility for Appointees etc**.: If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this Clause 11 (an "**Appointee**"), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

11.17 **Auditors' Reports**: The Trustee may rely on reports from the Auditors in relation to the Conditions or this Trust Deed, whether or not addressed to the Trustee and whether or not any such report or engagement letter or other document entered into by the Trustee and the Auditors in connection therewith contains any limit on the liability of the Auditors. Any such reports shall be conclusive and binding on the Trustee, the Issuer, the Parent Guarantor, the Subsidiary Guarantor and the Bondholders.

11.18 **Indemnification**: The Trustee is not obliged to institute proceedings against the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors to enforce the terms of this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor Agreement and the Bonds or to convene a meeting of Bondholders pursuant to a request made in accordance with Condition 12(a) or (save as provided in Condition 8) to take action at the request or direction of the Bondholders which may involve it in incurring personal liability or expense unless it shall have been pre-funded and/or indemnified and/or secured (including by way of payment in advance) to its satisfaction.

11.19 **Clearing System**: So long as any Global Certificate is held on behalf of a clearing system, in considering the interest of the Bondholders, the Trustee may have regard to and rely upon any information provided to it by such clearing system or its operator as to the identity (either individual or by category) of its accountholders or participants with entitlements to any such Global Certificate and may consider such interests as if such accountholders or participants were the holders thereof.

11.20 **Bondholders as a Class**: Whenever in this Trust Deed the Trustee is required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Bondholders, it shall have regard to the interests of the Bondholders as a class and, in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual Bondholder resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

11.21 **Responsibility**: The Trustee assumes no responsibility for the accuracy of Recital (A) to this Trust Deed which shall be taken as a statement by the Issuer, the Parent Guarantor or by the Subsidiary Guarantors, nor shall the Trustee by the execution of this Trust Deed be deemed to make any representation as to the validity, sufficiency or enforceability of the Bonds.

11.22 **Enforcement**: The Trustee shall not be under any obligation to take proceedings against the Issuer, the Parent Guarantor, the Subsidiary Guarantors and/or (on or after the Security Creation Date,) the Security Provider to enforce payment of the Bonds or any provision of this Trust Deed, the Bonds, the Guarantees, the Collateral Documents, the Intercreditor

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Agreement and/or the Agency Agreement nor shall it be under any obligation to declare the Bonds due and payable, unless and until:

11.22.1 it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders; and

11.22.2 it shall have been pre-funded and/or indemnified and/or secured to its satisfaction by the Bondholders (including by way of payment in advance) and shall incur no liability in taking or refraining from taking such action.

No Bondholder will be entitled to proceed directly against the Issuer, the Parent Guarantor or Subsidiary Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing. However, such limitation does not apply to the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds.

11.23 **The Parent Guarantor's instructions binding on the Issuer**: The Trustee may act on the instructions of, or requested from, the Parent Guarantor which instructions or request shall be binding on the Issuer. The Trustee shall be entitled to conclusively rely upon such instructions or requests by the Parent Guarantor on behalf of the Issuer.

11.24 **Consolidation, amalgamation etc**.: The Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer, the Parent Guarantor or of any of the Subsidiary Guarantors or any sale or transfer of all or any part of the assets of the Issuer, the Parent Guarantor or of the Subsidiary Guarantors or the form of substance of any plan relating thereto or the consequences thereof to any Bondholder.

11.25 **Bonds and documents**: The Trustee shall not be liable to the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any Bondholder if without fraud, gross negligence or wilful default on its part it has accepted as valid or has not rejected any Bonds purporting to be such and subsequently found to be forged or not authentic nor shall it be liable for any action taken or omitted to be taken in reliance on any document, certificate or communication believed by it to be genuine and to have been presented or signed by the proper parties. The Trustee shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

11.26 **Consent**: Any consent to be given by the Trustee for the purposes of this Trust Deed may be given on such reasonable terms and subject to such reasonable conditions (if any) as the Trustee thinks fit.

11.27 **Reliance**: Any certificate or report of the Auditors, professional advisers or any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purpose of this Trust Deed or the Conditions may be relied upon by the Trustee as sufficient evidence of the facts therein and shall, in the absence of manifest error, be conclusive and binding on all parties and the Trustee shall not be responsible for any loss occasioned by acting or refraining from acting in reliance on any such certificate or report. The Trustee shall be entitled to rely on any report of accountants, financial advisers or investment bank where the Issuer, the Parent Guarantor or the Subsidiary Guarantors procure the delivery of the same pursuant to their respective obligations to do so under the Conditions and such report shall be binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the holders of the Bonds in the absence of manifest or proven error.

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11.28 **Expenditure by the Trustee**: Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder or pursuant to the Conditions, the Collateral Documents, the Intercreditor Agreement and/or the Agency Agreement if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

11.29 **Illegality**: Notwithstanding anything else herein contained, the Trustee may refrain without liability from doing anything: (i) that would render it liable to any person in the relevant jurisdiction; or (ii) that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Hong Kong, Germany, the United States of America or any jurisdiction forming a part of it and England and Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

11.30 **Consequential Loss**: Notwithstanding any provision of this Trust Deed, the Collateral Documents, the Intercreditor Agreement, the Agency Agreement or the Conditions to the contrary, the Trustee shall not in any event be liable under any circumstances for any special, indirect, punitive or consequential loss or damages of any kind whatsoever (including but not limited to lost profits, business, goodwill, reputation or opportunity), in each howsoever caused or arising and whether arising directly or indirectly and whether or not foreseeable, even if the Trustee is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust or otherwise. The provisions of this Clause 11.30 shall survive the termination or expiry of this Trust Deed and/or the resignation or removal of the Trustee.

11.31 **No obligation to monitor**: The Trustee shall be under no obligation to monitor the financial performance or supervise the function of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach or obligation, to assume that each such person is properly performing and complying with its obligations.

11.32 **Error of Judgment**: The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.

11.33 **Professional Charges**: Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matter arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

11.34 **Waiver of Conflict**: Each of the Issuer, the Parent Guarantor and the Subsidiary Guarantors hereby irrevocably waives in favour of the Trustee any conflict of interest which may arise by virtue of the Trustee acting in various capacities under this Trust Deed, the Collateral Documents, the Intercreditor Agreement and the Agency Agreement or for other customers of the Trustee. Each of the Issuer, the Parent Guarantor and the Subsidiary Guarantors acknowledges that the Trustee and its respective affiliates (together, the "**Trustee Parties**")

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may have interests in, or may be providing or may in the future provide financial or other services to, other parties with interests which an issuer may regard as conflicting with its interests and may possess information (whether or not material to the Issuer, the Parent Guarantor or the Subsidiary Guarantors), other than as a result of the Trustee Parties acting as trustee hereunder, that the Trustee Parties may not be entitled to share with the Issuer, the Parent Guarantor and the Subsidiary Guarantors. The Trustee will not disclose confidential information obtained from the Issuer, the Parent Guarantor or the Subsidiary Guarantors (without their respective consents) to any of their respective other customers nor will they use on the Issuer's, the Parent Guarantor's and the Subsidiary Guarantors' behalf any confidential information obtained from any other customer. Without prejudice to the foregoing, each of the Issuer, the Parent Guarantor and the Subsidiary Guarantors agrees that the Trustee Parties may deal (whether for its own or its customers' account) in, or advise on, securities of any party and that such dealing or giving of advice will not constitute a conflict of interest for the purposes of this Trust Deed.

11.35 **Sharing of Information**: Each of the Issuer, the Parent Guarantor and each of the Subsidiary Guarantor understands that the Trustee and the Agents are part of a global financial organisation that operates in and provides services and products to clients through affiliates and subsidiaries located in multiple jurisdictions (such global financial organisation, the "**Citi Group**"). Each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor also understands that the Citi Group may centralise in one or more affiliates, subsidiaries or unaffiliated service providers certain activities, including audit, accounting, administration, risk management, legal, compliance, sales, marketing, relationship management, and the storage, maintenance, aggregation, processing and analysis of information and data regarding the Issuer, the Parent Guarantor and the Subsidiary Guarantors. Consequently, each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor hereby consents and authorises the Trustee to disclose to other members of the Citi Group (and their respective officers, directors and employees), information and data regarding the Issuer, the Parent Guarantor or the Subsidiary Guarantors, their employees and representatives, or any accounts established pursuant to this Trust Deed in connection with the foregoing activities, subject to maintaining the confidentiality of such information and data. To the extent that information and data includes personal data encompassed by relevant data protection legislation applicable to either the Issuer, the Parent Guarantor or the Subsidiary Guarantors, each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor represents and warrants that it is authorised to provide the foregoing consents and authorisations and that the disclosure to the Trustee will comply with the relevant data protection legislation; provided that neither the Issuer, the Parent Guarantor nor the Subsidiary Guarantors shall be obliged to send any such personal data if it is not satisfied that it is able to provide the foregoing representation and warranty. Each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor acknowledges and agrees that information concerning Issuer, the Parent Guarantor and any Subsidiary Guarantor may be disclosed to unaffiliated service providers, third parties and agents who are required to maintain the confidentiality of such information, to governmental and regulatory authorities in jurisdictions where the Citi Group operates, and otherwise as required by law.

11.36 **No Liabilities Under Certain Conditions**: The Trustee shall not be responsible for any loss or damage, or failure to comply or delay in complying with any duty or obligation, under or pursuant to this Trust Deed arising as a direct or indirect result of any Force Majeure Event or any event where, in the reasonable opinion of the Trustee, performance of any duty or obligation under or pursuant to this Trust Deed would or may be illegal or would result in the

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Trustee being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organisation to which the Trustee is subject.

11.37 **Valuations etc.:** Each of the Bondholders shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Parent Guarantor and the Subsidiary Guarantors, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

11.38 **No implied duties:** The Trustee shall have only those duties, obligations and responsibilities expressly specified in this Trust Deed and no others shall be implied.

11.39 **Trustee Division Separate**: In acting as trustee for the Bondholders, the Trustee shall be regarded as acting through its agency and trust division which shall be treated as a separate entity from any of its other divisions or departments. If information is received by another division or department of the Trustee, it may be treated as confidential to that division or department and the Trustee shall not be deemed to have notice of it.

11.40 **Acceptance of Title:** The Trustee shall, without investigation, request or objection, accept such right and title as the Security Provider may have to any of the security created pursuant to the Collateral Documents and shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of a Security Provider to the Security created pursuant to the Collateral Documents or any part thereof whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not.

11.41 **HKMA Stay Rules:** If this Trust Deed is or becomes a "covered contract" (within the meaning of the Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights – Banking Sector) Rules (Cap, 628C) of Hong Kong (the "**Stay Rules**")), the Issuer and the Subsidiary Guarantors agree that, despite any other term or conditions of this Trust Deed or any other agreement, arrangement or understanding, the Issuer and the Subsidiary Guarantors will be bound by a suspension of a "termination right" (within the meaning of the Stay Rules) in relation to this Trust Deed imposed by the Hong Kong Monetary Authority under section 90(2) of the Financial Institutions (Resolution) Ordinance (Cap 628) of Hong Kong.

12 Trustee Liable for Negligence

Nothing in this Trust Deed shall exempt the Trustee from or indemnify it against any liability which would otherwise attach to it in respect of any negligence or wilful default of which it may be guilty.

13 Waiver and Proof of Default

13.1 **Waiver**: The Trustee (and the Collateral Agent, to the extent relevant and permitted under this Trust Deed, the Conditions, the Bonds, the Collateral Documents, the Intercreditor Agreement or the Agency Agreement) may, without the consent of the Bondholders and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default from time to time and at any time, if in its opinion the interests of the Bondholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer, the Parent Guarantor

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and/or the Subsidiary Guarantors of this Trust Deed, the Conditions, the Bonds, the Collateral Documents, the Intercreditor Agreement or the Agency Agreement or determine that an Event of Default or Potential Event of Default will not be treated as such provided that the Trustee (and/or the Collateral Agent, as applicable) will not do so in contravention of an express direction given by an Extraordinary Resolution of the Bondholders or a request made pursuant to Condition 8. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Bondholders and shall be notified to the Bondholders as soon as practicable.

13.2 **Proof of Default**: Proof that either the Issuer, the Parent Guarantor or any Subsidiary Guarantor has failed to pay a sum due to the holder of any one Bond will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Bonds which are then payable.

14 Trustee Contracting with the Issuer, the Parent Guarantor and Subsidiary Guarantors

14.1 Neither the Trustee nor any director or officer or holding company, subsidiary or associated company of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

14.1.1 entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any person or body corporate associated with the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any other person or body corporate (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Bonds or any other notes, bonds stocks, shares, debenture stock, debentures or other securities of, Issuer, the Parent Guarantor, the Subsidiary Guarantors or any person or body corporate associated as aforesaid or any other person or body corporate); or

14.1.2 accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any such person or body corporate so associated or any other person or body corporate or any other office of profit under the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any such person or body corporate so associated or any other person or body corporate,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of the Bondholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Bondholders and shall not be responsible for any liability occasioned to the Bondholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

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14.2 Where any holding company, subsidiary or associated company of the Trustee or any director or officer of the Trustee acting other than in his capacity as such a director or officer has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Bondholders resulting from the Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

15 Deductions and Withholdings

Notwithstanding anything contained in this Trust Deed, to the extent required by applicable law, if the Trustee is required to make any deduction or withholding from any distribution or payment made by it under this Trust Deed or if the Trustee is otherwise charged to, or may become liable to, tax as a consequence of performing its duties under this Trust Deed, or otherwise, then the Trustee shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee on the trusts constituted by this Trust Deed. For the avoidance of doubt, this Clause 15 shall not apply to amounts received by the Trustee by way of remuneration or fees for acting in its capacity as Trustee pursuant to this Trust Deed.

16 Modification

The Trustee (and the Collateral Agent, to the extent relevant and permitted under this Trust Deed, the Conditions, the Bonds, the Collateral Documents, the Intercreditor Agreement or the Agency Agreement) may agree, without the consent of the Bondholders, to:

16.1.1 any modification to the Conditions or to the provisions of this Trust Deed, the Agency Agreement, the Collateral Documents or the Intercreditor Agreement which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and

16.1.2 any other modification (except as provided for in this Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of these Conditions, this Trust Deed, the Agency Agreement, the Collateral Documents or the Intercreditor Agreement which is in the opinion of the Trustee (and/or the Collateral Agent, as applicable) not materially prejudicial to the interests of the Bondholders.

Any such modification, authorisation or waiver shall be binding on the Bondholders and such modification shall be notified to the Bondholders as soon as practicable.

17 Appointment, Retirement and Removal of the Trustee

17.1 **Appointment**: The Issuer, the Parent Guarantor and the Subsidiary Guarantors have the power of appointing new trustees but no one may be so appointed unless previously approved by an Extraordinary Resolution of the Bondholders. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, to the Bondholders as soon as practicable.

17.2 **Retirement and Removal**: Any Trustee may retire at any time on giving at least three months written notice to the Issuer, the Parent Guarantor and the Subsidiary Guarantors

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without giving any reason or being responsible for any costs occasioned by such retirement and the Bondholders may by Extraordinary Resolution of Bondholders remove any Trustee provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, it will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee.

17.3 **Co-Trustees**: The Trustee may, notwithstanding Clause 17.1, by written notice to the Issuer, the Parent Guarantor and the Subsidiary Guarantors, appoint anyone to act as an additional trustee jointly with the Trustee:

17.3.1 if the Trustee considers the appointment to be in the interests of the Bondholders;

17.3.2 to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or

17.3.3 to obtain a judgment or to enforce a judgment or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Issuer, the Parent Guarantor and the Subsidiary Guarantors and that person remove that person. At the Trustee's request, the Issuer, the Parent Guarantor and the Subsidiary Guarantors will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so.

17.4 **Competence of a Majority of Trustees**: If there are more than two Trustees the majority of them will be competent to perform the Trustee's functions provided the majority includes a trust corporation.

17.5 **Merger**: Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee under this Trust Deed, provided such corporation shall be otherwise qualified and eligible under this Clause 17, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

18 Currency Indemnity

18.1 **Currency of Account and Payment**: U.S. dollars (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Issuer, the Parent Guarantor or the Subsidiary Guarantors under or in connection with this Trust Deed and the Bonds, including damages.

18.2 **Extent of Discharge**: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer, the Parent Guarantor, the Subsidiary Guarantors or otherwise), by the Trustee or any Bondholder in respect of any sum expressed to be due to it from the Issuer, the Parent Guarantor or the Subsidiary Guarantors will only discharge the Issuer, the Parent Guarantor or the Subsidiary Guarantors, as the case may be, to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in

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that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

18.3 **Indemnity**: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Bonds, the Issuer, the Parent Guarantor or the Subsidiary Guarantors, as the case may be, will indemnify the recipient against any loss sustained by it as a result. In any event, the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, will indemnify the recipient against the cost of making any such purchase.

18.4 **Indemnity Separate**: The indemnities in this Clause 18 and in Clauses 4.1 and 10.4 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Trustee and/or any Bondholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed and/or the Bonds or any other judgment or order.

18.5 **Excess on Conversion**: If by reason of any judgment or order as is referred to in Clause 18.2 the amount receivable by the Trustee or the Bondholders if converted on the date of payment into the Contractual Currency would yield a sum in excess of that due in the Contractual Currency, the Trustee shall apply such excess in accordance with Clause 6.1.

19 Communications

19.1 **Communication details**: Any communication shall be by letter or fax:

in the case of the Issuer, the Parent Guarantor and the Subsidiary Guarantors, to it at:

Vedanta Resources Limited
30 Berkeley Square
London W1J 6EX
United Kingdom

Telephone: +44 20 7499 5900
Fax: +44 20 7491 8440
Attention: Deepak Kumar, Company Secretary

and in the case of the Trustee, to it at:

Citicorp International Limited
20/F, Citi Tower, One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Fax no.: +852 2323 0279
Attention: Agency and Trust

and in the case of the Onshore Collateral Agent, to it at:

Axis Trustee Services Limited
[●]
India

Fax no.: [●]
Telephone: [●]

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Email: [●]
Attention: [●]

Communications will take effect, in the case of delivery, when delivered or, in the case of fax, when despatched. Communications not by letter shall be confirmed by letter but failure to send or receive that letter shall not invalidate the original communication.

19.2 **English language:** Any notice given under or in connection with this Trust Deed and the Conditions must be in English. All other documents provided under or in connection with this Trust Deed and the Conditions must be: (i) in English; or (ii) if not in English, and if so required by the Trustee and at the cost of the Issuer (failing which the Parent Guarantor and the Subsidiary Guarantors), accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

20 Further Issues

20.1 **Supplemental Trust Deed**: If the Issuer issues further securities as provided in the Conditions, the Issuer, the Parent Guarantor and the Subsidiary Guarantors, shall prior to the issue of any such further securities, execute and deliver to the Trustee a deed supplemental to this Trust Deed containing such provisions (corresponding to any of the provisions of this Trust Deed) as the Trustee may require.

20.2 **Meetings of Bondholders**: If the Trustee so directs, Schedule 4 shall apply equally to Bondholders of Bonds and to holders of any securities issued pursuant to the Conditions as if references in it to "**Bonds**" and "**Bondholders**" were also to such securities and their holders respectively.

21 Governing Law and Jurisdiction

21.1 **Governing Law**: This Trust Deed and all non-contractual matters arising from or connected with this Trust Deed, are governed by and shall be construed in accordance with English law.

21.2 **Jurisdiction**: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with this Trust Deed or the Bonds and all non-contractual matters arising from or in connection therewith (including a dispute regarding the existence, validity or termination of this Trust Deed or the Bonds or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

21.3 **Process Agent**: Each Subsidiary Guarantor hereby irrevocably appoints the Parent Guarantor, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings in England. If the Parent Guarantor ceases to be able to accept service of process in England and Wales, each Subsidiary Guarantor shall immediately appoint a new agent to accept such service of process in England and notify the Trustee of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.

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21.4 **Waiver of Immunity:** Each of the Issuer, the Parent Guarantor and the Subsidiary Guarantors irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

21.4.1 suit;

21.4.2 jurisdiction of any court;

21.4.3 relief by way of injunction or order for specific performance or recovery of property;

21.4.4 attachment of its assets (whether before or after judgment); and

execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

21.5 **Entire Agreement**: This Trust Deed constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

22 Counterparts

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

23 Severability

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

24 Miscellaneous

The provisions of the Hong Kong Trustee Ordinance do not apply to this Trust Deed.

25 Disclosure Obligations under the Indian Takeover Code on the Onshore Collateral Agent:

On behalf of the Secured Parties, the Onshore Collateral Agent (or, in each case, a representative or nominee on its behalf), as applicable, shall make requisite disclosures in accordance with Regulation 29 of the Indian Takeover Code (in the prescribed format) in relation to creation of encumbrance within specified timelines to (a) the Indian Stock Exchanges; and (b) the relevant Listed Indian Subsidiary at its registered office and thereafter make requisite disclosures in accordance with Regulation 29 of the Indian Takeover Code, when such encumbrance is released.

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Schedule 1
Terms and Conditions of the Bonds

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Schedule 2
Form of Definitive Certificate

On the front:

[THE BONDS OF VEDANTA RESOURCES FINANCE II PLC (THE "ISSUER") UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY VEDANTA RESOURCES LIMITED, TWIN STAR HOLDINGS LTD AND WELTER TRADING LIMITED (THE "GUARANTORS") IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED (THE "BONDS") AND THE GUARANTEES THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE BONDS.][1]

Identifying Number: [●]
ISIN: [●]

VEDANTA RESOURCES FINANCE II PLC
(incorporated with limited liability under the laws of England and Wales)

$1,000,000,000 13.875% Guaranteed Senior Bonds originally due 2024 and extended to 2027 and unconditionally and irrevocably guaranteed by VEDANTA RESOURCES LIMITED, TWIN STAR HOLDINGS LTD AND WELTER TRADING LIMITED.

The bonds in respect of which this Certificate is issued, the identifying numbers of which are noted below, are in registered form (the "**Bonds**") of Vedanta Resources Finance II plc (the "**Issuer**"), are unconditionally and irrevocably guaranteed by Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited (the "**Guarantors**"), and constituted by the Trust Deed referred to on the reverse hereof. The Bonds are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the "**Conditions**") set out on the reverse hereof.

The Issuer hereby certifies that [●] of [●] is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of $[●] ([●] United States dollars). For value received, the Issuer promises to pay the person who appears at the relevant time on the register of

[1] This legend shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

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Bondholders as holder of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions.

This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Bondholders and only the duly registered holder is entitled to payments on the Bonds in respect of which this Certificate is issued.

[The statements set forth in the legend above are an integral part of the Bonds in respect of which this Certificate is issued and by acceptance hereof each holder or beneficial owner of such Bonds agrees to be subject to and bound by the terms and provisions set forth in such legend. For as long as the Bonds and the Guarantees in respect of which this Certificate is issued are "**restricted securities**" within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the Guarantors will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.][2]

This Certificate shall not be valid for any purpose until authenticated by the Registrar (or its agent on its behalf).

The Certificate is governed by, and shall be construed in accordance with, English law.

In witness whereof the Issuer has caused this Certificate to be signed on its behalf.

Dated [●]

VEDANTA RESOURCES FINANCE II PLC

By: ……..
Director/Authorised Signatory

By: ……..
Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of Bonds with identifying numbers:

[2] This language shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on, Rule 144A under the Securities Act.

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Citigroup Global Markets Europe AG as Registrar (without recourse, warranty or liability)

By:

Name:

Title:

Dated:

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On the back:

Terms and Conditions of the Bonds

[*Terms and Conditions of the Bonds to be inserted at back of certificate*]

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Form of Transfer

FOR VALUE RECEIVED the undersigned hereby transfers to

……

……

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

$[●] principal amount of the Bonds in respect of which this Certificate is issued, and all rights in respect thereof.

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account:

Name of bank: ……..

U.S.$ account number: ……

For the account of: ……

In connection with any transfer of this Note:

[Check One]

☐ (a) these Bonds are being transferred to the Issuer, the Guarantors or any of their Subsidiaries;

☐ (b) these Bonds are being transferred pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, accordingly, the undersigned does hereby further certify that these Bonds are being transferred to a person that the undersigned reasonably believes is purchasing the Bonds for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a "**qualified institutional buyer**" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States;

☐ (c) these Bonds are being transferred pursuant to and in accordance with Regulation S and:

A. the offer of these Bonds was not made to a person in the United States;

B. either:

(i) at the time the buy order was originated, the transferee was outside the United States or the undersigned and any person acting on its behalf reasonably believed that the transferee was outside the United States, or

(ii) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the undersigned nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

C. no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and

D. the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act;

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☐ (d) these Bonds are being transferred in a transaction permitted by Rule 144; or

☐ (e) the undersigned did not purchase these Bonds as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption (other than (a) through (d) above) from the registration requirements under the Securities Act and the undersigned has delivered to the Trustee such additional evidence that the Issuer, the Guarantors or the Trustee may require as to compliance with such available exemption.

If none of the foregoing boxes is checked, none of the Trustee, the Paying Agent or the Registrar shall register these Bonds in the name of any person other than the holder hereof unless and until the conditions to any such transfer or registration set forth herein and in Exhibit A to the Agency Agreement shall have been satisfied.

Dated ..... Certifying Signature .....

Name .....

Notes:

1 A representative of the Bondholder should state the capacity in which he signs, e.g. executor.

2 The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar or the Transfer Agent may require.

TRUE COPY

Schedule 3
Part I
Form of Unrestricted Global Certificate

THIS BOND AND THE GUARANTEES IN RESPECT HEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, FOR THE ACCOUNT OR BENEFIT OF, ANY UNITED STATES PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

Unless this Unrestricted Global Certificate is presented by an authorised representative of DTC to the Registrar or its agent for registration of transfer, exchange, or payment, and any Certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Vedanta Resources Finance II Plc
(incorporated with limited liability under the laws of England and Wales)
$1,000,000,000 13.875% Guaranteed Senior Bonds originally due 2024 and extended to 2027

unconditionally and irrevocably guaranteed by
Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited

UNRESTRICTED GLOBAL CERTIFICATE

CUSIP Number: V9667M AA0
ISIN: USV9667MAA00
Common Code: 227224584

The bonds in respect of which this Unrestricted Global Certificate is issued are in registered form (the "**Bonds**") of Vedanta Resources Finance II plc (the "**Issuer**") unconditionally and irrevocably guaranteed by Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited (the "**Guarantors**").

The Issuer hereby certifies that Cede & Co., as nominee of The Depository Trust Company ("**DTC**") for the accounts of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"), is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of [●] ([●] United States dollars) or such other amount as is shown on the register of Bondholders as being represented by this Unrestricted Global Certificate and is duly endorsed (for information purposes only) in the fourth column of Schedule A to this Unrestricted Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Unrestricted Global Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions referred to below.

TRUE COPY

The Bonds are constituted by a Trust Deed dated 21 December 2020 between the Issuer, the Guarantors and Citicorp International Limited as trustee (the "**Trustee**") and are subject to, and have the benefit of, the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule 1 to the Trust Deed, as modified by the provisions of this Unrestricted Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein.

Owners of interests in the Bonds in respect of which this Unrestricted Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates (free of charge to the holder) if: (i) DTC (or any other clearing system (an "**alternative clearing system**") as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by this Unrestricted Global Certificate may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "**Clearing Agency**" registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, as the case may be, such alternative clearing system); or (ii) if instructions have been given for the transfer of an interest in the Bonds evidenced by this Unrestricted Global Certificate to a person who would otherwise take delivery thereof in the form of an interest in the Bonds evidenced by the Restricted Global Certificate where such Restricted Global Certificate has been exchanged for definitive Certificates.

In such circumstances, the Issuer, failing whom, the Guarantors, will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Bondholders within 21 days following a request therefor by the relevant Bondholders. A person with an interest in the Bonds in respect of which this Unrestricted Global Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer, the Guarantors and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

This Unrestricted Global Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the register of Bondholders and only the duly registered holder is entitled to payments on the Bonds in respect of which this Unrestricted Global Certificate is issued.

The Conditions are modified as follows in so far as they apply to the Bonds in respect of which this Unrestricted Global Certificate is issued.

Meetings

The holder hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each $1,000 in principal amount of the Bonds for which this Unrestricted Global Certificate may be exchanged. The Trustee may allow to attend and speak (but not to vote) at any meeting of Bondholders any accountholder (or the representative of any such person) of a clearing system entitled to Bonds in respect of which this Unrestricted Global Certificate is issued on confirmation of entitlement and proof of his identity.

Trustee's Powers

In considering the interests of Bondholders whether this Unrestricted Global Certificate is held on behalf of any one or more of Euroclear and Clearstream and an alternative clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances: (i) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of

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category) with entitlements in respect of the Bonds; and (ii) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which this Unrestricted Global Certificate is issued.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which this Unrestricted Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of the Bonds in such principal amounts.

Purchase and Cancellation

Cancellation of any Bonds required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Bonds in the Register.

Payments

Payments of principal, interest and premium in respect of the Bonds represented by this Unrestricted Global Certificate will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of this Unrestricted Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose,

All payments in respect of Bonds represented by this Unrestricted Global Certificate will be made to, or to the order of, the person(s) whose name is entered on the register of Bondholders at the close of business on the record date, which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

Transfers

Transfers of interests in the Bonds with respect to which this Unrestricted Global Certificate is issued shall be made in accordance with the Agency Agreement.

Notices

So long as the Bonds are represented by this Unrestricted Global Certificate and this Unrestricted Global Certificate is held on behalf of Euroclear or Clearstream or an alternative clearing system, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions. This notice given through a clearing system shall be deemed to be given to the Bondholders on the day such notice is received by the clearing system.

This Unrestricted Global Certificate shall not be valid for any purpose until it has been duly authenticated by the Registrar (or its agent on its behalf).

This Unrestricted Global Certificate is governed by, and shall be construed in accordance with, English law.

In witness whereof the Issuer has caused this Unrestricted Global Certificate to be signed on its behalf.

Dated [●] 2024

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VEDANTA RESOURCES FINANCE II PLC

By: ……..

Director/Authorised Signatory

By: ……..

Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of the Bonds.

Citigroup Global Markets Europe AG as Registrar (without recourse, warranty or liability)

By: ……..

Authorised Signatory

Dated:……..

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Schedule A

Schedule of Increase or Reductions in Principal Amount of the Bonds in Respect of which this Unrestricted Global Certificate is Issued

The following increase or reductions in the principal amount of the Bonds in respect of which this Unrestricted Global Certificate is issued have been made as a result of: (i) redemption of the Bonds; (ii) transfer of the Bonds (including transfers of interests between the Global Certificates); or (iii) purchase and cancellation of the Bonds.

Date of redemption/ purchase and cancellation/ transfer (stating which)	Amount of increase/decrease in principal amount of the Bonds	Principal amount of the Bonds following such increase/decrease	Notation made by or on behalf of the Registrar
……	……	……	……
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Schedule B
Interest Payments in Respect of this Unrestricted Global Certificate

The following payments of interest in respect of this Unrestricted Global Certificate and the Bonds represented by this Unrestricted Global Certificate have been made:

Date of made	Amount of Interest due payable	Amount of Interest paid	Notation made by or on behalf of the Registrar
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..

TRUE COPY

Form of Transfer

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of the Bonds in respect of which the Certificate is issued, and all rights in respect thereof, to the transferee(s) listed below:

Principal Amount transferred	**Name, address and account for payments of transferee**

Dated

Name

Certifying Signature

Notes:

1. A representative of the Bondholder should state the capacity in which he signs, e.g. executor.
2. The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Transfer Agent or the Registrar may require.

PRINCIPAL AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A., London Branch as Principal Agent and Transfer Agent
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Dublin 1
Ireland

Citigroup Global Markets Europe AG as Registrar
Reuterweg 16
60323 Frankfurt
Germany

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Part II
Form of Restricted Global Certificate

[THIS BOND AND THE GUARANTEES IN RESPECT HEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER OF THIS BOND WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS BOND OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.]*

* This legend shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

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Unless this Restricted Global Certificate is presented by an authorised representative of DTC to the Registrar or its agent for registration of transfer, exchange, or payment, and any Certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Vedanta Resources Finance II Plc
(incorporated with limited liability under the laws of England and Wales)
$1,000,000,000 13.875% Guaranteed Senior Bonds originally due 2024 and extended to 2027

unconditionally and irrevocably guaranteed by
Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited

RESTRICTED GLOBAL CERTIFICATE

CUSIP Number: 92243X AD3
ISIN: US92243XAD30
Common Code: 227224495

The bonds in respect of which this Restricted Global Certificate is issued are in registered form (the "**Bonds**") of Vedanta Resources Finance II plc (the "**Issuer**") and unconditionally and irrevocably guaranteed by Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited (the "**Guarantors**").

The Issuer hereby certifies that Cede & Co., as nominee of The Depository Trust Company ("**DTC**"), is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of $[●] ([●] United States dollars) or such other amount as is shown on the register of Bondholders as being represented by this Restricted Global Certificate and is duly endorsed (for information purposes only) in the fourth column of Schedule A to this Restricted Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Restricted Global Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions referred to below.

The Bonds are constituted by a Trust Deed dated 21 December 2020 between the Issuer, the Guarantors and Citicorp International Limited as trustee (the "**Trustee**") and are subject to, and have the benefit of, the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule 1 to the Trust Deed and herein, as modified by the provisions of this Restricted Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein.

Owners of interests in the Bonds in respect of which this Restricted Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates (free of charge to the holder) if: (i) DTC (or any other clearing system (an "**alternative clearing system**") as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by this Restricted Global Certificate may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "**Clearing Agency**" registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, as the case may be, such alternative clearing system); or

(ii) if instructions have been given for the transfer of an interest in the Bonds evidenced by this Restricted Global Certificate to a person who would otherwise take delivery thereof in the form of an interest in the Bonds evidenced by the Unrestricted Global Certificate where such Unrestricted Global Certificate has been exchanged for definitive Certificates.

In such circumstances, the Issuer, failing whom, the Guarantors, will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Bondholders within 21 days following a request therefor by the relevant Bondholders. A person with an interest in the Bonds in respect of which this Restricted Global Certificate is issued must provide the Registrar with: (i) a written order containing instructions and such other information as the Issuer, the Guarantors and the Registrar may require to complete, execute and deliver such individual definitive Certificates; and (ii) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous sale pursuant to Rule 144A under the Securities Act ("**Rule 144A**"), Regulation S under the Securities Act ("**Regulation S**") or Rule 144 under the Securities Act ("**Rule 144**"), a certification that the transfer is being made in compliance with the provisions of Rule 144A, Regulation S or Rule 144, as the case may be, in accordance with the Agency Agreement. Individual definitive Certificates issued in respect of the Bonds sold in reliance on Rule 144A shall bear the legends applicable to transfers pursuant to Rule 144A.

The statements set out in the legend above are an integral part of the Bonds in respect of which this Restricted Global Certificate is issued and by acceptance hereof the holder of the Bonds evidenced by this Restricted Global Certificate or any owner of an interest in such Bonds agrees to be subject to and bound by the terms of such legend. For as long as the Bonds and the Guarantees in respect of which this Certificate is issued are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer, the Parent Guarantor and each Subsidiary Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").*

* This language shall be borne by any Restricted Global Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

This Restricted Global Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the register of Bondholders and only the duly registered holder is entitled to payments on Bonds in respect of which this Restricted Global Certificate is issued.

The Conditions are modified as follows in so far as they apply to the Bonds in respect of which this Restricted Global Certificate is issued.

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Meetings

The holder hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each $1,000 in principal amount of the Bonds for which this Restricted Global Certificate may be exchanged. The Trustee may allow a person with an interest in the Bonds in respect of which this Restricted Global Certificate is issued to attend and speak at a meeting of Bondholders on appropriate proof of his identity and interest.

Trustee's Powers

In considering the interests of Bondholders the Trustee may, to the extent it considers it appropriate to do so in the circumstances; (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds; and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which this Restricted Global Certificate is issued.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which this Restricted Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of the Bonds in such principal amounts.

Purchase and Cancellation

Cancellation of any Bonds required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Bonds in the Register.

Payments

Payments of principal, interest and premium in respect of the Bonds represented by this Restricted Global Certificate will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of this Restricted Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose.

All payments in respect of Bonds represented by this Restricted Global Certificate will be made to, or to the order of, the person(s) whose name is entered on the register of Bondholders at the close of business on the record date, which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

Transfers

Transfers of interests in the Bonds with respect to which this Restricted Global Certificate is issued shall be made in accordance with the Agency Agreement.

Notices

So long as the Bonds are represented by this Restricted Global Certificate and this Restricted Global Certificate is held on behalf of DTC, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions. The notice given

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through a clearing system shall be deemed to be given to the Bondholders on the day such notice is given by the relevant clearing system.

This Restricted Global Certificate shall not be valid for any purpose until it has been duly authenticated by the Registrar (or its agent on its behalf).

This Restricted Global Certificate is governed by, and shall be construed in accordance with, English law.

In witness whereof the Issuer has caused this Restricted Global Certificate to be signed on its behalf.

Dated [●] 2024

VEDANTA RESOURCES FINANCE II PLC

By: .....

Director/Authorised Signatory

By: .....

Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of the Bonds.

Citigroup Global Markets Europe AG as Registrar (without recourse, warranty or liability)

By: .....

Authorised Signatory

Dated:

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Schedule A

Schedule of Increase or Reductions in Principal Amount of the Bonds in Respect of which this Restricted Global Certificate is Issued

The following increase or reductions in the principal amount of the Bonds in respect of which this Restricted Global Certificate is issued have been made as a result of: (i) redemption of the Bonds; (ii) transfer of the Bonds (including transfers of interests between the Global Certificates); or (iii) purchase and cancellation of the Bonds.

Date of redemption/ purchase and cancellation/ transfer (stating which)	Amount of increase/decrease in principal amount of the Bonds	Principal amount of the Bonds following such increase/decrease	Notation made by or on behalf of the Registrar
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Schedule B
Interest Payments in Respect of this Restricted Global Certificate

The following payments of interest in respect of this Restricted Global Certificate and the Bonds represented by this Restricted Global Certificate have been made:

Date of made	Amount of Interest due payable	Amount of Interest paid	Notation made by or on behalf of the Registrar
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
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Form of Transfer

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of the Bonds in respect of which the Certificate is issued, and all rights in respect thereof, to the transferee(s) listed below:

Principal Amount transferred	**Name, address and account for payments of transferee**

Dated

Name

Certifying Signature

Notes:

1. A representative of the Bondholder should state the capacity in which he signs, e.g. executor.
2. The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Transfer Agent or the Registrar may require.

PRINCIPAL AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A., London Branch as Principal Agent and Transfer Agent
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Dublin 1
Ireland

Citigroup Global Markets Europe AG as Registrar
Reuterweg 16
60323 Frankfurt
Germany

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Schedule 4
Provisions for Meetings of Bondholders

1

(a)

(i) A holder of a Bond may by an instrument in writing (a "**form of proxy**") in the form available from the specified office of the Principal Agent in English signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Principal Agent not later than 24 hours before the time fixed for any meeting, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of Bondholders.

(ii) A holder of a Bond which is a corporation may by delivering to any Agent not later than 24 hours before the time fixed for any meeting a resolution of its directors or other governing body in English authorise any person to act as its representative (a "**representative**") in connection with any meeting or proposed meeting of Bondholders.

(iii) If the holder of a Bond is DTC or a nominee of DTC, such nominee or DTC may appoint proxies in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Bondholders. Any proxy so appointed may by an instrument in writing in the form in the English language available from the specified office of the Principal Agent, or in such other form as may have been approved by the Trustee, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Principal Agent not later than 24 hours before the time fixed for any meeting, appoint the Principal Agent or any employee of it nominated by it or any other person (the "**sub-proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of the Bondholders provided that any such appointment certifies that no other person has been appointed as a sub- proxy in respect of the relevant Bonds and that no voting instruction has been given in relation to those Bonds. All references to "**proxy**" or "**proxies**" in this Schedule other than in this paragraph shall be read so as to include references to "**sub-proxy**" or "**sub-proxies**".

(iv) Any proxy appointed pursuant to sub-paragraph 1(a)(i) above, sub-proxy appointed under sub-paragraph 1(a)(iii) above or representative appointed pursuant to sub-paragraph (a)(ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with any meeting or proposed meeting of Bondholders specified in such appointment, to be the holder of the Bonds to which such appointment relates and the holder of the Bond shall be deemed for such purposes not to be the holder.

(b) For so long as the Bonds are eligible for settlement through DTC's book-entry settlement system, the Issuer or Guarantors may fix a record date for the purpose of

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any meeting. The person in whose name a Bond is registered on the record date shall be the holder for the purposes of the relevant meeting.

(c) "**block voting instruction**" shall mean a document in the English language issued by the Principal Agent and dated, in which:

(i) it is certified that the Bonds are registered in the books and records maintained by the Registrar in the names of specified registered holders or, where the registered holder is DTC or a nominee of DTC, that the Bonds are Bonds in respect of which DTC has duly appointed a specified person as its proxy and that proxy has not to the knowledge of the Principal Agent appointed any other sub-proxy in respect of those Bonds nor given other voting instructions in relation to them;

(ii) it is certified that each holder of such Bonds or a duly authorised agent on his or its behalf has instructed the Principal Agent that the vote(s) attributable to his or its Bonds so deposited or registered should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjournment thereof and that all such instructions are, during the period of 48 hours prior to the time for which such meeting or adjourned meeting is convened, neither revocable nor subject to amendment but without prejudice to the provisions of paragraph (b) above;

(iii) the total number and the identifying numbers of the Bonds so registered are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be case in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be case against the resolution; and

(iv) any person named in such document (hereinafter called a "**proxy**") is authorised and instructed by the Principal Agent to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in (ii) and (iii) above as set out in such document.

(d) Block voting instructions and forms of proxy shall be valid for so long as the relevant Bonds shall be duly registered in the name(s) of the registered holder(s) certified in the block voting instruction or, in the case of a form of proxy, in the name of the appointor or, in the case of a form of sub-proxy, in the name of DTC or its nominee but not otherwise and notwithstanding any other provision of this Schedule (other than (b) above) and during the validity thereof the proxy shall, for all purposes in connection with any meeting of holders of Bonds, be deemed to be the holder of the Bonds to which such block voting instructions or form of proxy or form of sub-proxy relates.

2 The Issuer, the Parent Guarantor or the Trustee may at any time convene a meeting of Bondholders. If it receives a written request by Bondholders holding at least 15 per cent. in principal amount of the Bonds for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of Bondholders. Every meeting shall be held at a time and place approved by the Trustee.

3 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Bondholders. A copy of the notice shall be given by the

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party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting, be given in the manner provided in the Conditions and shall specify, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall include a statement to the effect that the holders of Bonds may appoint proxies by executing and delivering a form of proxy in English to the specified office of any Agent not later than 24 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution in English of their directors or other governing body and by delivering an executed copy of such resolution to the Principal Agent not later than 24 hours before the time fixed for the meeting.

4 A person (who may, but need not, be a Bondholder) nominated in writing by the Trustee may act as chairman of a meeting but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting of the Bondholders present shall choose one of their number to be chairman, failing which the Issuer or the Parent Guarantor may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

5 At a meeting two or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 10 per cent. in principal amount of the Bonds for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution of the Bondholders) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted unless the requisite quorum be present at the commencement of business. The quorum at a meeting for passing an Extraordinary Resolution of the Bondholders shall (subject as provided below) be two or more persons present in person holding Bonds or being proxies or representatives and holding or representing a clear majority in principal amount of the Bonds for the time being outstanding provided that the quorum at any meeting the business of which includes any of the matters specified in the proviso to paragraph 16 shall be two or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than two-thirds in principal amount of the Bonds for the time being outstanding.

6 If within 15 minutes from the time fixed for a meeting of the Bondholders a quorum is not present the meeting shall, if convened upon the requisition of the Bondholders or if the Issuer, the Parent Guarantor and the Trustee agree, be dissolved. In any other case it shall stand adjourned to such date, not less than 14 nor more than 42 days later, and to such place as the chairman may decide. At such adjourned meeting two or more persons present in person holding Bonds or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting provided that at any adjourned meeting at which is to be proposed an Extraordinary Resolution of the Bondholders for the purpose of effecting any of the modifications specified in the proviso to paragraph 16 the quorum shall be two or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-third in principal amount of the Bonds for the time being outstanding.

7 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting which might not lawfully have been transacted at the meeting from which the adjournment took place.

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8 At least 10 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

9 Each question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a holder of a voting certificate or as a proxy or representative.

10 Unless a poll is (before or on the declaration of the result of the show of hands) demanded at a meeting by the chairman, the Issuer, the Guarantors, the Trustee or by one or more persons holding one or more Bonds or being proxies or representatives and holding or representing in the aggregate not less than two per cent. in principal amount of the Bonds for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority of the Bonds or lost or not carried by a particular majority of the Bonds shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.

12 A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

13 The Issuer, the Guarantors and the Trustee (through their respective representatives) and their respective financial and legal advisers may attend and speak at any meeting of Bondholders. No one else may attend or speak at a meeting of Bondholders unless he: (i) is the holder of a Bond or is a proxy or a representative; or (ii) has an interest in the Bonds and the Trustee has permitted him to attend and speak at the meeting of the Bondholders.

14 On a show of hands every holder of Bonds who is present in person or any person who is present and is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each $1,000 principal amount of the Bonds held or in respect of which he is a proxy or a representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

15 A proxy need not be a Bondholder.

16 A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Trust Deed, have power exercisable by Extraordinary Resolution:

(i) to sanction any proposal by the Issuer or the Guarantors for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer or the Guarantors whether or not such rights arise under this Trust Deed;

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(ii) to sanction the exchange or substitution for the Bonds, or other obligations or securities of the Issuer, the Guarantors or any other entity;

(iii) to assent to any modification of this Trust Deed, the Collateral Agreement, the Intercreditor Agreement or the Bonds which shall be proposed by the Issuer, the Guarantors or the Trustee;

(iv) to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution of the Bondholders;

(v) to give any authority, direction or sanction required to be given by Extraordinary Resolution of the Bondholders;

(vi) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer on them any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;

(vii) to approve the substitution of any entity for the Issuer or the Guarantors (or any previous substitute of either of them) as principal debtor or guarantor (as applicable) under the Bonds, the Collateral Documents, the Intercreditor Agreement, the Agency Agreement and/or this Trust Deed;

(viii) to approve a proposed new Trustee and to remove a Trustee; and

(ix) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds,

provided that the special quorum provisions contained in the proviso to paragraph 5 and, in the case of an adjourned meeting, in the proviso to paragraph 6 shall apply in relation to any Extraordinary Resolution of the Bondholders for the purpose of paragraph 16(ii) or (vii) or the purpose of making any modification to the provisions contained in this Trust Deed or the Bonds which would have the effect of:

(i) modifying the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds;

(ii) reducing or cancelling the principal amount of, or rate of interest on, the Bonds;

(iii) changing the currency of any payment in respect of the Bonds;

(iv) cancelling or modifying any Guarantee (other than any modification described in Condition 12(b));

(v) modifying or discharging any Security over the Collateral (other than in accordance with the Collateral Document or the Intercreditor Agreement or any modification described in Condition 12(b));

(vi) impairing or affecting the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds;

(vii) modifying the provisions contained in this Schedule concerning the quorum required at a meeting of Bondholders or the majority required to pass an Extraordinary Resolution of Bondholders or sign a resolution in writing; or

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(viii) amending this proviso.

17 An Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with this Trust Deed shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.

18 The expression "**Extraordinary Resolution**" of Bondholders means a resolution passed at (a) a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than two-thirds of the votes cast; (b) by a Written Resolution; or (c) by an Electronic Consent.

19 A resolution in writing (a "**Written Resolution**") signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with these provisions shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders convened and held in accordance with these provisions. Such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of the Bondholders.

For so long as the Bonds are in the form of one or more Global Certificates, in respect of any resolution proposed by the Issuer, the Guarantors or the Trustee:

(i) *Electronic Consent:* Where the terms of the proposed resolution have been notified to the Bondholders through the relevant clearing system(s), each of the Issuer, the Guarantors and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer, the Guarantors or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with these provisions (the "**Required Proportion**") ("**Electronic Consent**") by close of business on the Relevant Date. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. None of the Issuer, the Guarantors or the Trustee shall be liable or responsible to anyone for such reliance;

(x) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing systems(s). The notice shall specify in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

(y) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the

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"**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform the Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to "**Relevant Date**" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer, the Guarantors or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with paragraph 2 above, unless that meeting is or shall be cancelled or dissolved; and

(ii) *Written Resolution:* Where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer, the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantors and/or the Trustee, as the case may be, by (a) accountholders in the clearing system(s) with entitlements to such Global Certificate(s) and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantors and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, DTC, Euroclear, Clearstream or any other relevant clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the person identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. None of the Issuer, the Guarantors or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Bondholders, whether or not they participated in such Written Resolution and/or Electronic Consent.

20 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to



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have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

21 Subject to all other provisions contained in this Trust Deed, the Trustee may without the consent of the Bondholders prescribe such further regulations regarding the holding of meetings and attendance and voting at them or regarding the making of resolutions in writing as the Trustee may in its sole discretion determine including (without limitation) such regulations and requirements as the Trustee thinks reasonable to satisfy itself that persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and that those who purport to attend or vote at a meeting or to sign a written resolution are entitled to do so.

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Schedule 5
Form of Accession Deed

This Accession Deed is made on [●] between:

(1) **VEDANTA RESOURCES FINANCE II PLC** as Issuer;

(2) **VEDANTA RESOURCES LIMITED** as Parent Guarantor;

(3) **TWIN STAR HOLDINGS LTD.** as the Subsidiary Guarantor;

(4) **WELTER TRADING LIMITED** as the Subsidiary Guarantor;

(5) **CITICORP INTERNATIONAL LIMITED** as Trustee;

(6) **AXIS TRUSTEE SERVICES LIMITED** as Onshore Collateral Agent; and

(7) [***NAME OF COLLATERAL AGENT***] (the "**Collateral Agent**").

Whereas:

(A) The Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee and the Onshore Collateral Agent entered into an Amended and Restated Trust Deed dated [●] 2024.

(B) The Collateral Agent is to be a party under the Trust Deed pursuant to Clause 9 of the Trust Deed.

This Accession Deed witnesses and it is declared as follows:

1 Definitions and Interpretations

Terms defined in the Trust Deed shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein. The rules of interpretation set out in the Trust Deed shall apply to this Accession Deed.

2 Accession of Collateral Agent

2.1 Pursuant to this Accession Deed, the Collateral Agent hereby agrees to be bound by the provisions of the Trust Deed (to the extent applicable to it) and agrees to be deemed to become a party to the Trust Deed.

2.2 Each party to the Trust Deed (other than the Collateral Agent) hereby affirms the provisions of the Trust Deed and their rights and obligations under the Trust Deed and agree to the provision of Clause 2.1 of this Accession Deed.

2.3 Without prejudice to the generality of this Clause 2, the parties agree that all of the protections, rights, disclaimers, benefits and immunities in favour of the Trustee under Clauses 10, 11 and 12 of the Trust Deed shall also be applicable to the Collateral Agent as if it is the Trustee mentioned therein.

2.4 [*INCLUDE ANY OTHER PROVISIONS REQUIRED BY THE COLLATERAL AGENT AND AGREED BY THE OTHER PARTIES*]

3 Security

3.1 **Creation of Security:** The Security Provider shall create the Security in accordance with the terms set out in the Conditions and the Collateral Documents in favour of the Collateral Agent who shall hold the Security on trust for the benefit of the Secured Parties. The Security

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shall be automatically released when all amounts due and payable under the Bonds and the Trust Deed are repaid in full.

3.2 **Enforcement of Security**: On or after the Security Creation Date, the Security shall become immediately enforceable in the event of the occurrence of an Event of Default or in any other event where the Security becomes enforceable under the Trust Deed, the Collateral Documents or the Intercreditor Agreement. At any time after the Security has become enforceable, the Collateral Agent may, at its discretion and without further notice, take such proceedings as it may think fit against or in relation to the Security Provider (including, without limitation, by taking possession or disposing of or realising the Collateral in addition to, or in lieu of taking such other action as may be permitted against the Company) to enforce and/or foreclose the Collateral, but it will not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders of at least 25% in aggregate principal amount of outstanding Bonds and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

3.3 **Liability**: None of the Trustee, the Collateral Agent, their nominee(s), any Receiver or any Appointee shall be liable by reason of (a) taking any action permitted by this Trust Deed or any Collateral Document by the Trustee, the Collateral Agent, such Receiver or such Appointee or (b) any neglect or default by the Trustee, the Collateral Agent, such Receiver or such Appointee in connection with the Collateral or (c) the taking possession or realisation of all or any part of the Collateral, except in the case of gross negligence, fraud or wilful default upon its part. The Collateral Agent shall not be responsible for the creation, validity, value, sufficiency and enforceability (which the Collateral Agent has not investigated) of the Collateral.

3.4 **Dealings with Collateral Agent:** No-one dealing with the Collateral Agent or any Receiver of any of the Collateral appointed by the Collateral Agent need enquire whether any of the powers, authorities and discretions conferred by or pursuant to the Trust Deed or the Collateral Documents in relation to such property are or may be exercisable by the Collateral Agent or such receiver or as to the propriety or regularity of acts purporting or intended to be in exercise of any such powers.

3.5 **No Responsibility for Security**: The Trustee shall not be responsible for, nor shall it have any liability with respect to, any loss, diminution in value or theft of all or any part of the Collateral (including, without limitation, any documents constituting, comprising, evidencing, representing and/or transferring any rights, benefits, and/or obligations thereunder) and shall not be obliged to monitor the value of the Collateral or to insure or to procure the insurance or to monitor the adequacy of any insurance arrangements in respect of all or any part of the Collateral (including any such documents) and shall have no responsibility whatsoever to any Bondholder as regards any deficiency which might arise because the Trustee is subject to any tax in respect of the Collateral or any part thereof or any income therefrom or any proceeds thereof or is required by law to make any withholding or deduction from any payment to any Bondholder and shall have no responsibility or liability arising from the fact that all or any part of the Collateral (including any such documents) is registered in the name of the Collateral Agent or held by it or on its behalf or in an account with any clearing system or is otherwise held in safe custody by any bank or other custodian whether or not selected by the Trustee.

4 **Communications**

Any communication to the Collateral Agent shall be by letter or fax at:

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[*INSERT COLLATERAL AGENT'S NOTICE DETAILS*]

5 Trust Deed

From and including the date hereof, this Accession Deed and the Trust Deed shall be deemed to be and regarded, read and construed as one and the same instrument. Save as expressly modified by this Accession Deed, the Trust Deed shall continue in full force and effect and the Trust Deed with effect from the date hereof shall be read and construed as one document with this Accession Deed.

6 Opinions

The Issuer or the Parent Guarantor shall procure the delivery of legal opinions addressed to the Trustee and the Collateral Agent dated the date of this Accession Deed in form and content reasonably satisfactory to the Trustee and the Collateral Agent from legal advisers as to English law [and the governing law of the Collateral Documents, if not English law].

7 Counterparts

This Accession Deed may be executed in any number of counterparts, all of which when taken together shall constitute one and the same document.

8 Governing Law and Jurisdiction

8.1 **Governing Law**: This Accession Deed and all non-contractual matters arising from or connected with this Accession Deed, are governed by and shall be construed in accordance with English law.

8.2 **Jurisdiction**: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with this Accession Deed and all non-contractual matters arising from or in connection therewith (including a dispute regarding the existence, validity or termination of this Accession Deed or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

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In witness whereof this Accession Deed has been executed and delivered as a deed on the date stated at the beginning.

EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES FINANCE II PLC

.....

Director

.....

Director/Secretary

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EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES LIMITED

.....

Director

.....

Director/Secretary



TRUE COPY

Executed and delivered as a deed for and on
behalf of **TWIN STAR HOLDINGS LTD.**

By:

Name: Name:

Title: Title:

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Executed and delivered as a deed for and on
behalf of **WELTER TRADING LIMITED**

.....

Name:

Director

.....

Name:

Director/Secretary

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Signed as a deed by……..)
Attorney for **CITICORP INTERNATIONAL**……)
LIMITED (as Trustee) under a power of……)
attorney dated ……)

By:

Name:

Title:

SIGNED as a **DEED** by)
AXIS TRUSTEE SERVICES LIMITED)
(as Onshore Collateral Agent))
)
)

By: _____
Name:
Title:

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Executed and delivered as a deed for and on behalf of **[*INSERT NAME OF COLLATERAL AGENT*]**

.....

[Authorised Signatory]

.....

[Authorised Signatory]

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Schedule 6
Form of Intercreditor Agreement



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Form of Intercreditor Agreement

Dated as of [●]

Citicorp International Limited

as 2024 Bonds Trustee and 2025 Bonds Trustee

[●]

as Collateral Agent

Vedanta Resources Finance II plc

as Issuer

and

Vedanta Resources Limited

as Chargor

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This Intercreditor Agreement (as supplemented and amended from time to time, this "**Agreement**"), dated as of [●], by and among:

(1) **Citicorp International Limited** not in its individual capacity but solely as trustee for (i) the 2024 Noteholders under the 2024 Trust Deed (the "**2024 Bonds Trustee**") and (ii) the 2025 Noteholders under the 2025 Trust Deed (the "**2025 Bonds Trustee**");

(2) [●] as collateral agent for the benefit of the 2024 Bonds Trustee and the 2025 Bonds Trustee (for itself and the benefit of the Noteholders) and the other Secured Parties (the "**Collateral Agent**");

(3) **Vedanta Resources Finance II plc** (the "**Issuer**"); and

(4) **Vedanta Resources Limited** as the chargor (the "**Chargor**") under the Collateral Document.

Whereas:

(A) The Issuer, the Chargor, the 2024 Bonds Trustee and the 2025 Bonds Trustee have entered into the relevant Trust Deed.

(B) The Issuer may from time to time issue Additional Notes in accordance with the terms of the Trust Deeds.

(C) The Chargor has charged the Collateral to the Collateral Agent to provide a Security Interest for the Note Obligations.

(D) The Collateral Agent has been selected by the Issuer or the Chargor in accordance with the Trust Deeds and the appointment of the Collateral Agent under this Agreement is authorized under the Trust Deeds without requiring any instruction or consent from the Noteholders.

(E) The execution of this Agreement is authorized under the Trust Deeds.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein and for other good and valuable consideration, the parties hereto agree as follows:

1 Definitions

1.1 In this Agreement (including the recitals):

"**2024 Notes**" means the Issuer's US$1,000,000,000 13.875% guaranteed senior bonds due 2024 and any Additional Notes under the 2024 Trust Deed.

"**2025 Notes**" means the Issuer's US$1,200,000,000 8.95% guaranteed senior bonds due 2025 and any Additional Notes under the 2025 Trust Deed.

"**2024 Trust Deed**" means the trust deed dated as of December 21, 2020 relating to the 2024 Notes, as amended, restated, supplemented or otherwise modified from time to time.

"**2025 Trust Deed**" means the trust deed dated as of March 11, 2021 relating to the 2025 Notes, as amended, restated, supplemented or otherwise modified from time to time.

"**Additional Notes**" has the meaning given to such term in the Trust Deeds.

"**Agent**" has the meaning given to such term in the Trust Deeds.

"**Business Day**" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London or India are authorized by law or governmental regulation to close.

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"**Collateral**" has the meaning given to such term in the Trust Deeds.

"**Collateral Document[(s)]**" means [_].

"**Enforcement Notice**" means any enforcement notice to be delivered by the Collateral Agent to the Issuer and the Chargor to the effect that the Collateral has become enforceable as a result of the occurrence of an Event of Default that is continuing.

"**Event of Default**" has the meaning given to such term in any applicable Note Document.

["**Majority Secured Parties**" means, at any time, the Secured Parties who collectively represent more than 50% of the aggregate sum of the Note Participation at such time.]

"**Note Documents**" means the Trust Deeds, the Notes and such other agreements, instruments and certificates executed and delivered (or issued) by the Issuer or any Note Guarantor pursuant to the foregoing documents.

"**Note Guarantor**" has the meaning given to it in the Trust Deeds.

"**Note Obligations**" means all present and future obligations, contingent or otherwise, of the Issuer to the 2024 Bonds Trustee and the 2025 Bonds Trustee and the relevant Noteholders arising under or pursuant to the Note Documents.

"**Note Participation**" means the aggregate outstanding principal amount of the Notes held by all Noteholders.

"**Noteholders**" means the Holders (as such term is defined in the Trust Deeds).

"**Notes**" means the 2024 Notes and the 2025 Notes.

"**Payment**" means any payment, repayment, prepayment, redemption, defeasance or discharge of any principal, interest or other amount on or in respect of any of the Note Obligations.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**proceeds**" has the meaning given to such term set forth in the Collateral Document.

"**Secured Parties**" means, collectively, the 2024 Bonds Trustee and the 2025 Bonds Trustee for the benefit of the relevant Noteholders.

"**Security Enforcement Objective**" means maximizing, so far as is consistent with prompt and expeditious realization of value from enforcement of the Shared Security Interest, and in a manner consistent with the provisions of this Agreement, including, in particular, the order of application of proceeds set forth in Section 5 hereof, the recovery by the Noteholders.

"**Security Enforcement Principles**" means the principles set forth in Schedule 1 hereto.

"**Security Interest**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

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"**Shared Security Interest**" means the Security Interest in favor of the Collateral Agent as agent for the Secured Parties created, or purported to be created, pursuant to the Collateral Document.

"**Trust Deeds**" means the 2024 Trust Deed and the 2025 Trust Deed.

1.2 A reference in this Agreement to any party or person shall be construed so as to include its successors in title, permitted assigns and permitted transferees, including in the case of the Issuer, any successor to the Issuer under the Trust Deeds.

1.3 Section, clause and schedule headings are for ease of reference only.

1.4 Capitalized terms used herein but not defined herein have the meanings assigned to them in the Trust Deeds, unless the context otherwise requires.

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2.1 Notwithstanding (a) the time, order or method of attachment or perfection of any Security Interests, the time or order of filing of financing statements (or similar filings in any applicable jurisdiction), or the giving of or failure to give notice of the acquisition or expected acquisition of purchase money or other Security Interest, (b) the manner in which the Shared Security Interest is acquired, whether by grant, statute or operation of law, subrogation or otherwise, (c) the fact that the Collateral or the Shared Security Interest (or any portion thereof) is otherwise subordinated, voided, avoided, invalidated or lapsed and (d) any applicable law or any provision to the contrary in any Note Document and the Collateral Document with respect to the Collateral and all proceeds of the Collateral, each Secured Party agrees that (i) the Security Interest of each Secured Party in the Collateral ranks and shall rank equally in priority with the Security Interest of the other Secured Parties in the Collateral and (ii) the Note Obligations rank and shall rank *pari passu* among themselves.

2.2 The agreements as to the priority of the Security Interest of each Secured Party in and to the Collateral provided for herein shall not be deemed to subordinate or otherwise affect in any respect the Security Interest securing any other indebtedness (which, for the avoidance of doubt, does not include any Note Obligations).

2.3 Each Secured Party agrees that it will not attack, contest or bring (or voluntarily join in) any action for the purpose of contesting the validity, perfection, priority or enforceability of the Security Interest of any other Secured Party or finance or urge any other Person to do so; provided that any Secured Party may enforce its rights and privileges hereunder without being deemed to have violated this provision. Any provision contained in this Agreement to the contrary notwithstanding, the terms and conditions of this Agreement shall not apply to any property or asset (including properties or assets (or proceeds thereof) that does not constitute Collateral) as to which one (and only one) Secured Party has a Security Interest and as to which the other Secured Parties do not have a Security Interest.

3 Appointment of the Collateral Agent

3.1 Each Secured Party hereby irrevocably appoints and authorizes the Collateral Agent to enter into the Collateral Document and act as its collateral agent under and in connection with the Collateral Document and this Agreement and authorizes the Collateral Agent to enter on its behalf and on behalf of the Noteholders (in the case of each of the 2024 Bonds Trustee and the 2025 Bonds Trustee), into the Collateral Document.

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3.2 The Collateral Agent accepts such appointment and agrees and acknowledges that it shall hold the Collateral and any Security Interest thereon for the equal and ratable benefit of all Secured Parties in accordance with the terms of the Collateral Document and subject to the terms and conditions of this Agreement, including, in particular, the order of application of proceeds set forth in Section 5 hereof. Each of the Secured Parties agrees and acknowledges that the Collateral Document shall be subject to the terms and conditions of this Agreement in all circumstances, and further agrees that it shall pay all proceeds received or realized by it in relation to the Collateral granted in favor of it under the Collateral Document and any Security Interest thereon to the Collateral Agent for application and distribution in accordance with Section 5 hereof.

3.3 In addition to its rights, powers, privileges, limitations and exculpation set forth herein, the Collateral Agent shall be entitled, in acting as Collateral Agent for the Secured Parties, to all of the rights, powers and privileges, and the benefit of the limitations and exculpations, as set out in the Collateral Document and the Note Documents or in accordance with applicable laws and regulations.

3.4 [The Chargor shall register the Security Interest with the UK Companies House and deliver the relevant notice(s) to the Collateral Agent on [ ] for the purpose of perfecting the Security Interest under the Collateral Document and the Collateral Agent shall hold such documents subject to the terms of this Agreement.]

3.5 Any Secured Party who is holding any perfection document shall deliver such perfection document to the Collateral Agent to hold such perfection documents for the benefit of all Secured Parties.

3.6 For the limited purpose of perfecting the Security Interests of the Secured Parties in those types or items of the Collateral, if any, in which a Security Interest may only be perfected by possession or control, any Secured Party that is in possession or control of such Collateral agrees that if it elects to relinquish possession or control of such Collateral, it shall deliver possession or control thereof to the Collateral Agent; provided that, no Secured Party shall be required to deliver any such Collateral or take any other action referred to in this Section to the extent that such action would contravene any law, order or other legal requirements, and in the event of a controversy or dispute, such Secured Party may interplead any item of Collateral in any court of competent jurisdiction.

4 Enforcement; Written Instructions

4.1 Only the Collateral Agent (or any delegate, receiver or other Person appointed by the Collateral Agent in accordance with the Collateral Document or this Agreement) shall be entitled to act, or otherwise refrain from acting, in connection with, or enforce (including, without obligation, to perfect or continue the perfection of), the Shared Security Interest on behalf of the Secured Parties pursuant to the terms of the Collateral Document and this Agreement.

4.2 Each Secured Party agrees that, in relation to any instruction given by it to the Collateral Agent to take action in relation to depositing or maintaining the Collateral subject to a Shared Security Interest or any other action in respect of such Collateral, such Secured Party shall provide to the Collateral Agent written instructions signed by an authorized person of such Secured Party; provided, that upon receipt of any such written instruction from any Secured Party, the Collateral Agent shall as soon as reasonably practicable provide the Issuer, the Chargor and the other Secured Parties with a copy of such instruction.

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4.3 Upon the occurrence and during the continuance of an Event of Default, any Secured Party may, to the extent permitted (or not restricted) under the applicable Note Document, notify in writing the Collateral Agent (with a copy to the other Secured Parties) of the occurrence of such Event of Default and may instruct in writing the Collateral Agent (with a copy to the other Secured Parties) to (i) enforce the Collateral and/or take any actions which the Collateral Agent is entitled to do under the terms of the Collateral Document and this Agreement and (ii) deliver an Enforcement Notice to the Issuer and the Chargor (such instructions, the "**Enforcement Instructions**"). Upon receipt of an Enforcement Instruction, the Collateral Agent shall act, in accordance with written instructions received by it from the applicable Secured Party, to enforce on or against the Shared Security Interest subject to Sections 4.4, 4.5, 4.7 and 7 hereof provided, that upon receipt of an Enforcement Instruction, the Collateral Agent shall as soon as reasonably practicable provide the Issuer, the Chargor and the other Secured Parties accordingly with a copy of such Enforcement Instruction and such Enforcement Notice. Any Enforcement Instruction delivered pursuant to this Agreement shall expressly include instructions as to the actions to be taken by the Collateral Agent and shall include a certification (upon which the Collateral Agent may conclusively rely) that the actions contemplated by such Enforcement Instruction comply with and are in accordance with the Security Enforcement Principles.

4.4 Notwithstanding any provision herein to the contrary but subject to Section 7 hereof, if the Collateral Agent identifies a conflict:

(a) between the Secured Parties' interests in connection with any Enforcement Instructions; or

(b) in the event that more than one of the Secured Parties issues Enforcement Instructions, between those Enforcement Instructions,

and the Collateral Agent believes in its sole and absolute discretion that the interests of the Secured Parties would be in conflict upon the exercise of those Enforcement Instructions, or that compliance with an Enforcement Instruction would cause the Collateral Agent to contravene another Enforcement Instruction, the Collateral Agent shall notify each Secured Party in writing not more than ten (10) Business Days after it becomes aware of such conflict that the Collateral Agent considers such a conflict exists and the Collateral Agent is not obligated to take any action if it identifies such conflict; provided that, the Collateral Agent shall act in accordance with such Enforcement Instructions to the extent that such Enforcement Instructions do not conflict with each other and provided further that the Collateral Agent shall act in accordance with Section 7 hereof.

4.5 Notwithstanding anything to the contrary contained in this Agreement, if the Collateral Agent shall receive any instruction from any Secured Party with respect to any act or action (including failure to act) in connection with this Agreement or the Collateral Document, the Collateral Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received written instruction from any Secured Party and to the extent requested, indemnification and/or security and/or pre-funding to its satisfaction in respect of actions to be taken, and the Collateral Agent shall not incur liability to any Secured Party or any Noteholder or any other Person by reason of so refraining. Without limiting the foregoing, no party hereto shall have any right of action whatsoever against the Collateral Agent and the Collateral Agent shall incur no liability to any party hereto as a result of the Collateral Agent acting or refraining from acting hereunder in accordance with the instructions of the Secured Parties or under the Collateral Document as provided for therein.

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4.6 The Collateral Agent shall be entitled to seek directions as to the exercise or non-exercise of any of its rights, powers or discretions from the instructing Secured Party and to seek clarification of any instruction previously given, and the Collateral Agent shall be entitled to refrain from acting in the absence of any, or any clear, written instructions.

4.7 The Collateral Agent may refrain from acting unless and until (a) clearly instructed in writing by a Secured Party as to whether or not any right, power or discretion is to be exercised and, if it is to be exercised, as to the manner in which it should be exercised and (b) it has received security and/or indemnity and/or pre-funding satisfactory to it.

4.8 The Collateral Agent shall be fully protected and not liable if it complies with any instructions of any Secured Party with respect to any Enforcement Instruction in accordance with the provisions of this Section or any other instruction of a Secured Party provided pursuant to the Collateral Document or this Agreement.

4.9 Each Secured Party agrees to certify to the Collateral Agent, (x) upon reasonable request of the Collateral Agent and (y) at any time when an instruction is provided by a Secured Party to the Collateral Agent hereunder, the aggregate principal amount of Notes held by the Noteholders represented by that Secured Party.

4.10 The Collateral Agent shall not be responsible for acting or refraining from acting unless instructed by any written instruction or Enforcement Instruction received by it pursuant to the terms of this Agreement or the Collateral Document and shall not have any responsibility or liability to any interests arising from circumstances particular to any holder (whatever their number) as regards the exercise and performance of all powers, authorities, duties, discretions and obligations of the Collateral Agent in respect of the Collateral or the rights or benefits which are comprised in the Collateral. Prior to receiving any Enforcement Instruction from any Secured Party, the Collateral Agent shall be under no obligation to take any steps to call in or to enforce the Collateral and shall not be liable for any liability, damages, cost, loss or expenses (including legal fees) and any value added tax thereon arising from any omissions on its part to take any such steps.

4.11 The Collateral Agent shall not be responsible and/or liable for the priority of the Collateral on enforcement.

4.12 The Issuer and the Chargor will promptly and diligently notify the Collateral Agent and each Secured Party of:

(a) any occurrence of which they become aware which might:

(i) adversely affect their ability to perform any of their obligations under, or otherwise to comply with any of the terms of, this Agreement; or

(ii) jeopardize any assets comprising the Collateral; and

(b) any steps or actions which they are taking, or are considering taking, to remedy or mitigate the effect of any such occurrence.

5 Distribution of Proceeds and Release

Each party hereto agrees that any proceeds from any sale, collection, liquidation or enforcement of the Collateral shall be distributed by the Collateral Agent in accordance with the terms hereof and subject to the conditions of the Collateral Document. Such proceeds shall be applied as follows:

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(a) *first*, to the 2024 Bonds Trustee and the 2025 Bonds Trustee, the Collateral Agent and the Agents, to the extent necessary to reimburse the 2024 Bonds Trustee and the 2025 Bonds Trustee, the Collateral Agent, the Agents and/or any such representative for any unpaid fees, costs and expenses (including any reasonable fees and expenses of legal counsel) incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses (including any reasonable fees and expenses of legal counsel) incurred in enforcing its remedies under the Collateral Document and preserving the Collateral and all amounts for which the 2024 Bonds Trustee and the 2025 Bonds Trustee, the Collateral Agent, the Agents and/or any such representative are entitled to indemnification under the Collateral Document and this Agreement;

(b) *second*, to the 2024 Bonds Trustee and the 2025 Bonds Trustee for the benefit of Noteholders on a *pro rata* and *pari passu* basis until all Note Obligations are paid; and

(c) *third*, any surplus remaining after such payments will be paid to the Issuer or whomever may be lawfully entitled thereto.

Each party hereto agrees that any proceeds of the Collateral received or recovered by it in violation of the priorities set forth above and the other provisions of this Agreement shall be segregated and held in trust and promptly paid over to the Collateral Agent, in the same form as received, with any necessary endorsements, for application in accordance with the priorities set forth above.

Each Secured Party expressly authorizes and instructs the Collateral Agent to, and the Collateral Agent hereby agrees to, execute any and all documents (including in order to effect any releases of any Security Interest) with respect to the Collateral as contemplated by and in accordance with the provisions of this Agreement and the Collateral Document, which such documents shall be prepared and delivered to the Collateral Agent by such Secured Party. Notwithstanding anything to the contrary, neither the consent of the Noteholders nor of the 2024 Bonds Trustee or the 2025 Bonds Trustee (as applicable) shall be required in order to effect any such release of Security Interest.

6 Resignation and Replacement of Collateral Agent

6.1 Resignation

The Collateral Agent may resign without giving any reason at any time by thirty (30) calendar days' prior written notice of resignation to each Secured Party, the Issuer and the Chargor.

6.2 Removal

(a) The Collateral Agent may be removed by sixty (60) days' prior written notice of removal to the Collateral Agent from the Majority Secured Parties, with a copy thereof to the Issuer and the Chargor.

(b) If the Collateral Agent has resigned or has been removed by or on behalf of the Secured Parties, the Majority Secured Parties (in consultation with the Issuer and the Chargor (so long as no Event of Default has occurred and is continuing)) shall appoint a successor Collateral Agent and give notice of such successor Collateral Agent to the retiring Collateral Agent, the Issuer and the Chargor within thirty (30) calendar days of giving the foregoing notice of removal to the Collateral Agent or of receiving the foregoing notice of resignation from the retiring Collateral Agent.

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(c) If a successor Collateral Agent has not been appointed, or has not accepted such appointment, within thirty (30) calendar days after the retiring Collateral Agent has given notice of resignation or has received notice of removal, the retiring Collateral Agent may, at the expense of the Issuer, and with notice to the Issuer and the Chargor, appoint a successor Collateral Agent or any one of the Secured Parties or the retiring Collateral Agent may apply to a court of competent jurisdiction for the appointment of a successor Collateral Agent or for other appropriate relief.

6.3 Effectiveness

A resignation or removal of the Collateral Agent and appointment of a successor Collateral Agent will become effective only upon:

(a) the successor Collateral Agent's acceptance of appointment as provided in this Section 6; and

(b) the execution of all documents that are necessary to substitute the successor Collateral Agent hereunder pursuant to Section 6.4 hereof and under the Collateral Document.

6.4 Transfer of rights and interests

Upon delivery by the successor Collateral Agent of a written acceptance of its appointment to the retiring Collateral Agent and each Secured Party, and upon the execution of all documents that are necessary to substitute the successor Collateral Agent hereunder and under the Collateral Document:

(a) the retiring Collateral Agent will at the expense of the Issuer and the Chargor transfer and assign all property and documents held by it as Collateral Agent to the successor Collateral Agent, subject to the Shared Security Interest;

(b) the resignation or removal of the retiring Collateral Agent will become effective; and

(c) the successor Collateral Agent will have all the rights, powers and duties of the retired Collateral Agent under this Agreement and the Collateral Document and the retiring Collateral Agent shall have no further duties, responsibilities or obligations hereunder.

6.5 Failure to appoint successor Collateral Agent

Without prejudice to the Collateral Agent's rights under Section 7 hereof in the event that:

(a) the Collateral Agent has given notice of its resignation pursuant to Section 6.1 hereof, or the Majority Secured Parties have given notice to the Collateral Agent of its removal pursuant to Section 6.2(a) hereof; and

(b) a successor Collateral Agent has not been appointed or has not accepted its appointment, or the requirements of Sections 6.3 and 6.4 hereof relating to the transfer of the rights and interests of the retiring Collateral Agent to the successor Collateral Agent have not been satisfied, in each case within thirty (30) calendar days of the date of delivery of such notice,

the Collateral Agent may, at its option, refuse to comply with any claims or demands, including without limitation, any Enforcement Instruction, and refuse to take any other action hereunder; provided, that the Collateral Agent shall inform each Secured Party, the Issuer and the Chargor in writing of its decision, and in any such event, the Collateral Agent shall

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not be liable in any way or to any person for its failure or refusal to act if the circumstances set out in this Section 6.5 occur, and the Collateral Agent shall be entitled to continue to so refuse to act and refrain from acting until the matters referred to in paragraph (b) above have been satisfied.

7 Dispute

7.1 In the event of any disagreement between any of the Secured Parties [or between a Secured Party and the Majority Secured Parties], or if the Collateral Agent believes at its sole and absolute discretion that any conflict has arisen:

(a) Between such Secured Party's interests in connection with any instructions given by any Secured Party; or

(b) in the event that each of the Secured Parties issues any instructions with respect to the same or a similar subject, between those instructions,

any Secured Party or the Collateral Agent may deliver a notice to the other Secured Party and the Collateral Agent, as applicable, in accordance with Section 4.4 hereof and the delivery of such notice shall commence a 30 calendar day consultation period during which time the Secured Parties shall consult with each other in good faith with a view to coordinating the proposed instructions and keep the Collateral Agent informed of such consultation and coordination efforts.

7.2 If consultation has taken place for at least 30 calendar days, there shall be no further obligation to consult and, the Collateral Agent may, subject to the other provisions of this Section 7, act in accordance with the instructions of the Majority Secured Parties, which shall be binding on all Secured Parties; provided that the Majority Secured Parties shall provide such instructions that comply with the Security Enforcement Principles. Subject to Section 7.3 below, if no such instructions from the Majority Secured Parties are available, the Collateral Agent may, at its option, refuse to comply with any claims or demands, and refuse to take any other action hereunder, so long as such disagreement or conflict continues.

7.3 If the Collateral Agent receives conflicting instructions from the Secured Parties as to whether or not to enforce the Shared Security Interest, the instructions that direct the Collateral Agent to enforce the Shared Security Interest shall prevail.

7.4 Notwithstanding Section 7.3 above, in the event that the Majority Secured Parties have not instructed the Collateral Agent to enforce the Shared Security Interest and there are conflicting instructions (as determined by the Collateral Agent) from the Secured Parties, the Collateral Agent shall not be liable in any way or to any person for its failure or refusal to act until (i) the rights of all parties having or claiming an interest in the Shared Security Interest shall have been fully and finally adjudicated by a court of competent jurisdiction or the disagreement or, as the case may be, the conflict shall have been resolved by agreement between the Secured Parties (and the Secured Parties shall consult with one another in good faith for at least a further 30 calendar days (in addition to the period specified in Section 7.2 above) with a view to resolving the disagreement or conflict), and (ii) the Collateral Agent shall, in the case of adjudication by a court of competent jurisdiction, have received a final order, judgment or decree by such court of competent jurisdiction, which order, judgment or decree is not subject to appeal, and in the case of resolution of differences by agreement, have received a notice in writing signed by an authorized person of each of the Secured Parties setting forth in detail the agreement.

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7.5 The Collateral Agent shall have the option, after 30 calendar days' notice to the other parties of its intention to do so, to file an action in interpleader requiring the Secured Parties to answer and litigate any claims and rights among themselves. The costs and expenses (including attorneys' fees and expenses) properly incurred by the Collateral Agent in connection with such proceeding shall be paid by, and be the obligation of, the Issuer, and the Collateral Agent shall have the right to pay or reimburse itself for the prior payment of such fees and expenses from the Shared Security Interest.

7.6 The Collateral Agent may consult with legal counsel and/or professional advisors of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or its duties hereunder, and shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel. The Issuer agrees to reimburse the Collateral Agent on demand for all legal fees, disbursements and expenses properly incurred by the Collateral Agent in so consulting with legal counsel and the Collateral Agent shall have the right to pay or reimburse itself for the prior payment of such fees, disbursements and expenses from the Shared Security Interest.

7.7 Each Secured Party agrees or is deemed to agree that it shall provide or cause to be provided an Enforcement Instruction that is in accordance with the Security Enforcement Principles and, upon delivery of any Enforcement Instruction, shall be deemed to certify that such Enforcement Instruction is in accordance with the Security Enforcement Principles.

7.8 The parties hereto agree that any instructions given by any Secured Party to the Collateral Agent hereunder or any document executed in connection therewith shall in all circumstances be subject to this Section 7.

7.9 The rights of the Collateral Agent under this Section 7 are cumulative of all other rights which it may have by law or otherwise.

8 Representations and Warranties

Each Secured Party, the Issuer and the Chargor, each individually, hereby represents and warrants that (i) this Agreement has been duly authorized, executed and delivered on its behalf by a person thereunto duly and validly authorized and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms and (ii) the execution and delivery of, and the performance of its obligations under, this Agreement do not violate any law or regulation applicable to it.

9 Successor Agent by Consolidation, Merger, Conversion or Transfer

If the Collateral Agent consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act will be the successor Collateral Agent with the same effect as if the successor Collateral Agent had been named the Collateral Agent.

10 Change of the 2024 Bonds Trustee and/or the 2025 Bonds Trustee

The 2024 Bonds Trustee and/or the 2025 Bonds Trustee may assign and transfer all of its rights and obligations hereunder to a replacement Trustee, or may resign or be removed, in accordance with the Trust Deeds; provided that the 2024 Bonds Trustee and/or the 2025 Bonds Trustee shall give prompt notice to the other parties to this Agreement of such

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assignment, transfer, resignation or removal. Upon such assignment transfer, resignation or removal taking effect in accordance with the terms of the Trust Deeds the replacement Trustee shall be, and be deemed to be, acting as trustee for each of the Noteholders (as well as for itself) for the purposes of this Agreement in place of the old Trustee.

11 Indemnification

11.1 The Issuer agrees to be responsible for and will indemnify the Collateral Agent or any predecessor Collateral Agent and their agents, employees, officers and directors for, and hold it harmless against any loss or liability or properly incurred expense incurred by it without gross negligence or wilful misconduct on its part, as determined by a court of competent jurisdiction in a final, non-appealable order, arising out of or in connection with the acceptance or administration of this Agreement and its duties under this Agreement, including (i) the properly incurred costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties under this Agreement and (ii) the reasonable compensation and properly incurred expenses and disbursements of the Collateral Agent's agents and counsel and other persons not regularly within the Collateral Agent's employ. This Section 11 shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

11.2 References to the Collateral Agent in Sections 11, 12, 13 and 14 shall include any person selected by the Collateral Agent with due care to whom the Collateral Agent properly delegates any power, authority, duty or obligation under and in accordance with this Agreement.

12 Limitation on Liability

12.1 The Collateral Agent shall not be liable to any Person (including without limitation the Issuer, the Chargor and the Secured Parties) for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties hereunder in the absence of gross negligence or wilful misconduct on its part. The Collateral Agent is authorized to act, and shall not be liable for acting, in reliance upon any judgment, order, instruction, notice, certification, demand, consent, authorization, receipt, power of attorney or other writing delivered to it by any other party without being required to determine the authenticity or validity thereof, the correctness of any fact stated therein, the propriety or validity of the service thereof, or the jurisdiction of the court issuing any judgement or order. The Collateral Agent may act in reliance upon any signature believed by it to be genuine and may assume that such Person has been properly authorized to do so. The Collateral Agent shall not be liable (i) for any indirect, consequential, punitive or special damages (including loss of business, goodwill, opportunity or profit), regardless of the form of action and whether or not (a) any such damages arise directly or indirectly, (b) any such damages were foreseeable or contemplated or the possibility of which was advised or known to the Collateral Agent or (c) the claim for such damages is made in negligence, breach of contract or otherwise or (ii) for the acts or omissions of any nominees, correspondents, designees, agents, delegates, subagents or sub-custodians selected by the Collateral Agent with due care.

12.2 The Collateral Agent shall not be liable to account for interest on money paid to it by the Issuer.

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12.3 The Collateral Agent is not responsible for and will make no investigation as to the title, ownership, value, sufficiency or existence of any of the assets which are the subject of the Collateral or as to the value or sufficiency of the Collateral Document or this Agreement.

12.4 The Collateral Agent is not required to be the registered holder of title to any assets comprising the Collateral prior to enforcement.

12.5 The Collateral Agent is not responsible for and will make no investigation as to the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations given or required in connection with any of the Collateral.

12.6 The Collateral Agent shall be entitled to call for and rely on any certificate of any party hereto as to any matter on which the Collateral Agent requires to be satisfied. The Collateral Agent shall not be liable for acting or not acting (or relying) on such information in good faith.

12.7 In no event shall the Collateral Agent be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of its duties or in the exercise of any of its rights or powers under this Agreement. The Collateral Agent will be under no obligation to exercise any of its rights and powers under this Agreement unless it is offered security and/or indemnity and/or pre-funding satisfactory to it against any loss, liability or expense.

12.8 This Section 12 shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

13 Notices; Electronic Communication

13.1 Any communication to be made under or in connection with this Agreement shall be made in English, in writing and, unless otherwise stated, may be made by fax, electronic transmission or letter. The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Agreement is identified with its name below (or any substitute address, email address or fax number or department or officer as the party may notify to the other parties by not less than five Business Days' notice).

13.2 Any electronic communication made between the parties hereto will be effective only when actually received in readable form.

14 Miscellaneous

14.1 The Collateral Agent may use legal counsel, independent accountants and other professional advisers in connection with this Agreement, the Collateral Document or any other related documents and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or advisers. Before the Collateral Agent acts or refrains from acting, it may require an officer's certificate and/or an opinion of counsel from any other party hereto. The Collateral Agent shall not be liable for any action it takes or omits to take in good faith in reliance thereon.

14.2 The Collateral Agent shall only be obligated to perform duties expressly set out in this Agreement and the Collateral Document and no implied covenants or obligations shall be read into this Agreement, the Collateral Document or any other related documents. For the avoidance of doubt, except for the safe custody and preservation of the Collateral in its

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possession and the accounting for monies actually received by it, the Collateral Agent shall have no other duty with respect to the holding of the Collateral. The Collateral Agent shall be deemed to have provided safe custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent holds similar property as a third party agent.

14.3 The Collateral Agent may acquire an interest in the Notes or be involved in any other transaction with the Issuer and/or the Chargor.

14.4 The Issuer will, including to the extent not otherwise reimbursed under Section 14.5 hereof, within 30 calendar days of demand by the Collateral Agent, pay or discharge all out-of-pocket costs, charges, taxes, liabilities and expenses properly incurred by the Collateral Agent in the preparation and execution of this Agreement and the performance of its functions under, and in any manner in relation to, this Agreement and the Collateral Document, including but not limited to, out-of-pocket expenses properly incurred seeking appropriate legal or financial advice to discharge its duties, legal and travelling expenses and any stamp, documentary or other taxes or duties paid or payable by the Collateral Agent in connection with any action or legal proceedings brought or contemplated by the Collateral Agent against the Issuer to enforce any provision of this Agreement or the Collateral Document. This Section 14.4 shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

14.5 The Issuer shall pay the Collateral Agent such fees, costs and expenses as separately agreed upon in writing between the Issuer and the Collateral Agent. If the Collateral Agent receives any Enforcement Instructions and is required to perform duties that are not expressly contemplated under this Agreement, or if the Collateral Agent is requested to undertake duties which are of an exceptional nature or otherwise outside the scope of the Collateral Agent's normal duties under this Agreement, the Issuer will pay such additional remuneration as they may agree (and which may be calculated by reference to the Collateral Agent's normal hourly rate in place from time to time) or, failing such agreement as to any of the matters in this Section 14.5, as determined by an independent financial institution (acting as an expert and not as an arbitrator) selected by the Collateral Agent and, prior to the occurrence of an Event of Default that is continuing, also approved by the Issuer. The properly incurred expenses involved in such nomination and the financial institution's reasonable fees will be paid by the Issuer. The determination of such financial institution will be conclusive and binding on the Issuer, the Collateral Agent and the Secured Parties. This Section 14.5 shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

14.6 In case any term or provision of this Agreement conflicts with the terms or provisions of the Collateral Document, the terms and provisions of this Agreement shall govern.

14.7 The Collateral Agent is not required to monitor the performance (financial or otherwise) of the Issuer or any other Person, or the Issuer's or any other Person's performance of, or failure to perform, the obligations, duties and covenants set forth in the Note Documents or the Collateral Document or any other document, and shall bear no responsibility for, or liability in connection with, the failure of any Person to perfect a security interest in the Collateral.

14.8 The Collateral Agent is not responsible for payment of any taxes or stamp duty as a result of (a) it holding any assets subject to a Security Interest or (b) it enforcing any Security

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Interest held by it. The Issuer and the Chargor shall be solely responsible for the payment of all such taxes and stamp duties.

14.9 The Collateral Agent is not responsible for making any deductions or withholdings in respect of taxes or other governmental charges in respect of any amounts paid by the Collateral Agent from the proceeds of any enforcement of the Shared Security Interest. If any applicable law requires the deduction or withholding of any tax from any such payment by the Collateral Agent, then the Collateral Agent shall be entitled to make such deduction or withholding and pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable law.

14.10 The Collateral Agent is not responsible for the creditworthiness, financial and business condition or solvency of the Issuer, the Chargor or any other party providing any Collateral.

14.11 The Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default unless the Collateral Agent has received written notice from a Secured Party which has specified the same.

14.12 Notwithstanding anything to the contrary in this Agreement, the Note Documents and the Collateral Document, the Collateral Agent shall not in any event be liable for any loss or damage, or any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any reason which is beyond the control of the Collateral Agent, including, but not limited to, by any existing or future law or regulation, any existing or future act of governmental authority, act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other energy or utility supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system or any event where, in the reasonable opinion of the Collateral Agent, performance of any duty or obligation under or pursuant to this Agreement would or may be illegal or would result in the Collateral Agent being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Collateral Agent is subject.

14.13 The Collateral Agent shall be regarded as acting through its agency division which shall be treated as a separate division from any other of its departments or divisions. If any information is received by another department or division of the Collateral Agent, unless the Collateral Agent has written notice of such information, it shall be treated as confidential to that other department or division and the Collateral Agent shall not be deemed to have notice of it.

14.14 The Collateral Agent will treat information provided hereunder as confidential, but (unless consent is prohibited by law) each of the Issuer and the Chargor hereby consents to the transfer and disclosure by the Collateral Agent of any information relating to it provided hereunder to and between branches, subsidiaries, representative offices, affiliates and agents of the Collateral Agent and third parties, in each case selected by the Collateral Agent with due care, wherever situated, for confidential use (including in connection with the provision of any service and for data processing, statistical and risk analysis purposes). The Collateral Agent and any branch, subsidiary, representative office, affiliate, agent or third party may transfer and disclose any such information as required by any applicable law, regulatory authority or legal process.

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14.15 The Collateral Agent is entitled to delegate instead of acting personally and is entitled to appoint attorneys and agents selected by it with due care and the Collateral Agent shall not be responsible for the acts or omissions of delegates, attorneys or agents appointed with due care by it hereunder or for monitoring or supervising such delegates', attorneys' or agents' actions. The Collateral Agent shall not be responsible for the negligence or misconduct of any attorneys and agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Collateral Agent acted with gross negligence or wilful misconduct in the selection of such attorney or agent.

14.16 The Collateral Agent is not obliged to do or omit to do anything which in its opinion would or may be illegal, or would constitute a breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Collateral Agent is subject.

14.17 The Collateral Agent shall not be responsible for the registration, filing, protection or perfection of any Security Interest granted by or pursuant to this Agreement or the Collateral Document, and shall not be responsible for ensuring that necessary registration, filing, protection or perfection are carried out to ensure that Security Interests capable of being registered, filed against, protected or perfected are so registered, filed against, protected or perfected.

14.18 The Collateral Agent and its officers, directors, employees, attorneys and agents shall have no responsibility to make any investigation in relation to:

(a) the execution, genuineness, legality, validity, effectiveness, enforceability, adequacy, accuracy, sufficiency or completeness of the Collateral Document or any other document;

(b) the collectability of amounts payable under the Collateral Document or the observance by the Issuer or the Chargor or any other relevant party of its obligations under the Collateral Document or any other document;

(c) any determination or calculation made (or deemed made) by or on behalf of any person pursuant to the Collateral Document or any Note Document;

(d) any accounts, books, records or files maintained by the Issuer, the Chargor, any Secured Party or any other party or in relation to any of the Collateral;

(e) the scope or accuracy of any recitals, representations, warranties or statements made by or on behalf of the Issuer, the Chargor, any Secured Party or any relevant party (other than itself) in, or incorporated by reference into the Collateral Document, any Note Document or any other documents entered into in connection with or pursuant to this Agreement or the Collateral Document;

(f) the satisfaction of any conditions set forth in this Agreement or the Collateral Document or any related documents; and

(g) the existence of any other Security Interest affecting any asset secured under the Collateral Document.

14.19 In addition to the trusts, powers, authorities and discretions conferred on the Collateral Agent by applicable law, the Collateral Agent shall have the following powers, authorities and discretions:

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(a) the Collateral Agent, as between itself and the Secured Parties, shall have full power to determine all questions arising in relation to any of the provisions of the Collateral Document, this Agreement and the Collateral and every such determination shall, as between itself and the Secured Parties, be conclusive, in each case except as expressly provided otherwise in the Collateral Document or the other documents to which it is a party or unless otherwise instructed by a Secured Party in accordance with the Collateral Document and this Agreement;

(b) any consent given by the Collateral Agent for the purposes of the Collateral Document, or any of the other documents may be given on such terms and subject to such conditions (if any) as the Collateral Agent in its discretion considers appropriate and the Collateral Agent may subsequently ratify anything for which its prior consent was required but not obtained, in each case except as expressly provided otherwise in the Collateral Document or the other documents to which it is a party or unless otherwise instructed by a Secured Party. Without prejudice to the generality of the foregoing, if a document specifies that the Collateral Agent is required to give its consent to any event, matter or thing or take such action if certain specified conditions are met, the Collateral Agent shall give its consent to that event, matter or thing or take such action upon it being satisfied, in its discretion, that those specified conditions have been met, in each case except as expressly provided otherwise in the Collateral Document or the other documents to which it is a party or unless otherwise instructed by a Secured Party;

(c) where it is necessary or desirable for any purpose in connection with the Collateral Document or this Agreement for the Collateral Agent to convert any sum held by it (or whether stipulated in any document presented to it) or for any other reason from one currency to another, the sum shall (unless otherwise provided in the Collateral Document or the Note Documents or required by law) be converted at such spot rate or spot rates, in accordance with such method and as at such date for the determination of such spot rate of exchange, as may be specified by the Collateral Agent in its absolute discretion but acting in good faith and having regard to current spot rates of exchange, if available. Any spot rate, method and date so specified shall be binding on the Secured Parties, the Issuer and the Chargor; and

(d) the Collateral Agent may at the expense of the Issuer and the Chargor (without double charging), make arrangements which it considers appropriate with any affiliate of the Collateral Agent for the safe custody of the Note Documents.

14.20 Nothing will oblige the Collateral Agent to satisfy any know your customer requirement in relation to the identity of any Person on behalf of any Secured Party or any Agent (as defined under any Note Document).

14.21 The Collateral Agent is not obliged to review or check the accuracy or completeness of any document it forwards to another party and it may assume that such documents are correct and genuine.

14.22 The Collateral Agent is not liable for any delay (or any related consequences) in crediting an account with an amount required under the Note Documents to be paid by the Collateral Agent if the Collateral Agent has without gross negligence or wilful misconduct taken all reasonable steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Collateral Agent for that purpose.

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14.23 Subject to Sections 4.4 and 7 hereof, in performing its duties and obligations as Collateral Agent and in exercising any rights, powers or discretions granted to it under this Agreement, the Collateral Agent shall act solely on the written instructions of the Secured Parties, and the Collateral Agent shall incur no liability to any party (including but not limited to the Issuer, the Chargor and the Secured Parties) for any action it takes, or refrains from taking, on the instructions of the Secured Parties. The right of the Collateral Agent to perform any discretionary act enumerated in this Agreement, the Collateral Document or any related document shall not be construed as a duty.

14.24 Notwithstanding anything else herein contained, the Collateral Agent may refrain, without liability, from doing anything that would or might in its opinion be contrary to this Agreement, the Collateral Document or any other document related to transactions contemplated herein, any law of any state or jurisdiction (including but not limited to Hong Kong, the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with this Agreement, the Collateral Document, any other document related to transactions contemplated herein or any such law, directive or regulation.

14.25 The Collateral Agent shall not be under any obligation to insure any assets comprising the Collateral, and shall not be responsible for any loss that may be suffered by any person (including but not limited to the Issuer, the Chargor and the Secured Parties) as a result of, or the inadequacy of, any such insurance.

14.26 The Collateral Agent shall have no responsibility or obligation to ensure any Enforcement Instruction or any other instruction received by it complies with the Security Enforcement Principles.

14.27 The rights, privileges, protections, immunities and benefits given to the Collateral Agent, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by (i) the Collateral Agent in each document related hereto to which it is a party and (ii) the entity serving as the Collateral Agent in each of its capacities hereunder and in each of its capacities as under any related document whether or not specifically set forth therein and each agent, custodian and other Person employed to act hereunder and under any related document, as the case may be.

14.28 The Collateral Agent shall not be liable for failing to comply with its obligations in so far as the performance of such obligations is dependent upon the timely receipt of instructions and/or other information from any other Person which are not received or not received by the time required.

14.29 The Collateral Agent shall not be required to take any action if taking such action (A) would subject the Collateral Agent to a tax in any jurisdiction where it is not then subject to a tax, or (B) would require the Collateral Agent to qualify to do business in any jurisdiction where it is not then so qualified.

14.30 The Collateral Agent is not responsible for the creditworthiness or solvency of the Issuer or the Chargor.

15 Corporate Actions

The Collateral Agent does not, and shall not be deemed to, assume any responsibility to monitor any corporate actions affecting the Shared Security Interest. The Collateral Agent

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shall have no responsibility and shall not be liable for ascertaining or acting upon any calls, conversions, exchange offers, tenders, interest rate changes, or similar matters relating to the Shared Security Interest unless the Collateral Agent shall have received written and timely notice of the same. In the event the Collateral Agent receives notice of any discretionary corporate action in respect of the Shared Security Interest, the Collateral Agent shall promptly notify each Secured Party and request written instructions from the Secured Parties in respect of discretionary corporate actions and shall use commercially reasonable efforts to act upon such instructions. In the absence of such instructions, the Collateral Agent shall not be obligated to take any action in respect of the discretionary corporate action affecting the Shared Security Interest.

16 Termination

This Agreement shall terminate upon the earlier to occur of (i) the distribution of all assets subject to a Shared Security Interest, and (ii) the Collateral Agent's receipt of (A) a joint written instruction signed by each Secured Party advising the Collateral Agent that this Agreement has terminated and instructing the Collateral Agent either to discharge the Shared Security Interest or to distribute the Collateral to the 2024 Bonds Trustee and the 2025 Bonds Trustee and/or one or more other Secured Party as provided for therein, or (B) a written confirmation from each Secured Party confirming that no amounts remain outstanding under the relevant Note Document.

17 Amendment

[Any amendment of this Agreement shall be binding only if evidenced by a document in writing signed by each of the parties hereto.

Notwithstanding the foregoing, any amendment to this Agreement to remove any Secured Party, the Chargor or any other party hereto upon the satisfaction and discharge, defeasance or other satisfaction in full of all obligations of the Issuer and/or the Chargor secured by the Collateral under the Note Documents to which such Secured Party is a party shall be binding if evidenced by a document in writing signed by such Secured Party and acknowledged by the Collateral Agent.

Each of the 2024 Bonds Trustee and the 2025 Bonds Trustee hereby agrees to execute any amendment to this Agreement to the extent not prohibited under the Trust Deeds.]

18 Governing Law; Consent to Jurisdiction; Waiver of Immunities

18.1 This Agreement shall be governed by, and construed in accordance with, English law.

18.2 Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of England over any suit, action or proceeding arising out of or relating to this Agreement or any transactions contemplated hereby. Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that any party hereto, has or hereafter may acquire any sovereign or other immunity from jurisdiction of any court or from any legal process with respect of itself or its property, such a party hereto irrevocably waives such immunity in respect of its obligations hereunder. The parties hereto agree that any judgment in any such suit, action or proceeding, brought in

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such a court shall be conclusive and binding upon the parties hereto, and, to the extent permitted by applicable law, may be enforced in any court to the jurisdiction of which any of the parties hereto, is subject by a suit upon such judgment or in any manner provided by law, provided that service of process is effected upon the parties hereto, in the manner specified in the following subclause or as otherwise permitted by applicable law.

18.3 During the term of this Agreement, each of the Issuer, the Chargor and the Secured Parties will at all times maintain an authorized agent in England, upon whom process may be served in any legal action or proceeding arising out of or relating to this Agreement (each, a "**Process Agent**"). Service of process upon such agent and written notice of such service mailed or delivered to the Issuer, the Chargor or the applicable Secured Party, as the case may be, shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer, the Chargor or the applicable Secured Party, as the case may be, in any such legal action or proceeding. Each of the Issuer, the Chargor and the Secured Parties hereby agree to take any and all action as may be necessary to maintain the designation and appointment of an agent in full force and effect until the termination of this Agreement. The name and address of the Process Agent of each of the Issuer and the Chargor are set forth with its name below (or the name and address of any substitute Process Agent of any such party may be notified by such party to the other parties by not less than five Business Days' notice).

18.4 The parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any requirement or other provision of law, rule, regulation or practice which requires or otherwise establishes as a condition to the institution, prosecution or completion of any suit, action or proceeding (including appeals) arising out of or relating to this Agreement.

19 Counterparts; Signatures

This Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement. Facsimile, or electronic transmission of, signatures on counterparts of this Agreement and electronic signatures shall be deemed original signatures with all rights accruing thereto. The parties agree that this Agreement, any addendum or amendment hereto or any related document necessary may be accepted, executed or agreed to through the use of an electronic signature. Electronic signature shall mean any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto.

20 Severability

The invalidity, illegality or unenforceability of any provision of this Agreement shall in no way affect the validity, legality or enforceability of any other provision. If any provision of this Agreement is held to be unenforceable as a matter of law, the other provisions shall not be affected thereby and shall remain in full force and effect.

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21 Conflict

Each of the parties hereto irrevocably waives in favor of [●] any conflict of interest which may arise by virtue of [●] or any of its affiliates acting in various capacities under this Agreement, the Note Documents and the Collateral Document or any other documents. Each of the parties hereto recognizes that the Collateral Agent (acting individually and not in the capacity as the Collateral Agent) and its affiliates may engage in transactions and/or business adverse to the parties hereto or in which parties adverse to the parties hereto may have interests. Nothing in this Agreement shall (i) preclude the Collateral Agent (acting individually and not in the capacity as the Collateral Agent) and any of its affiliates from engaging in such transactions or business, or (ii) obligate the Collateral Agent or any of its affiliates to (A) disclose such transactions and/or business to the parties hereto, or (B) account for any profit made or payment received in, or as a part of, such transactions and/or business. Nothing herein shall be deemed to (i) give rise to a partnership or joint venture, or (ii) establish a fiduciary or similar relationship, among the parties hereto and the Collateral Agent. [●] hereby confirms that in its capacity as the Collateral Agent it is acting under this Agreement as security agent for the 2024 Bonds Trustee and the 2025 Bonds Trustee for the benefit of the relevant Noteholders, in respect of the assets subject to the Shared Security Interest and solely in accordance with the terms and conditions set forth in this Agreement.

22 Exclusive Benefit

Except as specifically set forth in this Agreement, this Agreement is for the exclusive benefit of the parties hereto and their respective successors and permitted assigns hereunder, and shall not be deemed to give, either expressly or implicitly, any legal or equitable right, remedy, or claim to any other entity or person whatsoever.

23 Same Rights

In entering into or in taking (or forbearing from) any action under or pursuant to this Agreement, the 2024 Bonds Trustee and the 2025 Bonds Trustee shall have and be protected by all of the rights, powers, immunities, indemnities and other protections granted to the 2024 Bonds Trustee and the 2025 Bonds Trustee under the Trust Deeds. Notwithstanding anything herein to the contrary, for purposes of any Enforcement Instruction or any other instruction provided to the 2024 Bonds Trustee and the 2025 Bonds Trustee or any action taken by the 2024 Bonds Trustee and the 2025 Bonds Trustee, the parties acknowledge and agree that such instruction or action shall have been provided by or taken by the 2024 Bonds Trustee and the 2025 Bonds Trustee at the direction of the requisite Noteholders pursuant to the terms of the Trust Deeds and related documents and the 2024 Bonds Trustee and the 2025 Bonds Trustee, individually or in such capacity, will not be liable for any actions taken as a result of such instruction or action. Any deemed certification with respect to an Enforcement Instruction given by the 2024 Bonds Trustee or the 2025 Bonds Trustee shall be deemed to be a certification of the relevant Noteholders directing the 2024 Bonds Trustee or the 2025 Bonds Trustee to have given such Enforcement Instruction and shall not be deemed to be a certification of the 2024 Bonds Trustee or the 2025 Bonds Trustee.

24 Language

Any notice given under or in connection with this Agreement must be in English. All other documents provided under or in connection with this Agreement must be:

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(a) in English; or

(b) if not in English, and if so required by the Collateral Agent, accompanied by a certified English translation at the Chargor's cost and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

[*THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK*]

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Citicorp International Limited
as the 2024 Bonds Trustee

By: _____
Name:
Title:

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Citicorp International Limited
as the 2025 Bonds Trustee

By: _____
Name:
Title:

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[●]
as Collateral Agent

By: _____
Name:
Title:



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Vedanta Resources Finance II plc
as Issuer

By: _____
Name:
Title:

Notice details:

[*Address]*

[*Email / Fax*]

Attention: [●]

Name and address of Process Agent: [●]

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Vedanta Resources Limited
as Chargor

By: _____
Name:
Title:

Notice details:

[*Address]*

[*Email / Fax*]

Attention: [●]

Name and address of Process Agent: [●]

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Schedule 1
[Security Enforcement Principles]

1 The primary and overriding aim of any enforcement of the Shared Security Interest shall be to achieve the Security Enforcement Objective.

2 Without prejudice to the Security Enforcement Objective, all or substantially all of the proceeds of any enforcement of the Shared Security Interest received by the Collateral Agent shall be in cash or cash equivalent investments.

3 Any enforcement of the Shared Security Interest must be prompt and expeditious, it being acknowledged that, subject to the other provisions of this Agreement, the time frame for the realization of value from any such enforcement will be determined by the Majority Secured Parties, provided that it is consistent with the Security Enforcement Objective.

4 On any proposed enforcement of the Shared Security Interest other than by way of public auction, the applicable Secured Parties shall have delivered to the Collateral Agent an opinion from a Financial Adviser (and the applicable Secured Parties shall provide Enforcement Instructions that are consistent with such opinion and the methods described therein):

(i) on the optimal method of enforcing the Shared Security Interest so as to achieve the Security Enforcement Principles and maximize the recovery of such enforcement;

(ii) that the proceeds received from such enforcement are fair from a financial point of view after taking into account all relevant circumstances; and

(iii) that such enforcement is otherwise in accordance with the Security Enforcement Objective.

For these purposes, "**Financial Adviser**" means an independent, reputable and internationally recognized investment bank, firm of accountants or other professional firm which is regularly engaged in providing valuations of companies similar or comparable to the Issuer.

5 Such opinion will, except in the case of manifest error, be conclusive evidence that the Security Enforcement Objective has been met.

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In witness whereof this Trust Deed has been executed and delivered as a deed on the date stated at the beginning.

EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES FINANCE II PLC

.....

Director

.....

Director/Secretary

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EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES LIMITED

.....

Director

.....

Director/Secretary



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Executed and delivered as a deed for and on behalf of **TWIN STAR HOLDINGS LTD.**

By:

Name: Name:

Title: Title:

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Executed and delivered as a deed for and on behalf of **WELTER TRADING LIMITED**

.....

Name:

Director

.....

Name:

Director/Secretary

Signed as a deed by……..)
Attorney for **CITICORP INTERNATIONAL**……)
LIMITED (as Trustee) under a power of……)
attorney dated ……)

By:

Name:

Title:



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SIGNED as a **DEED** by)
AXIS TRUSTEE SERVICES LIMITED)
(as Onshore Collateral Agent))
)
)

By: _____
Name:
Title:

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ANNEX B
FORM OF SUB-PROXY

[*to be included from Schedule 4 of the Consent Solicitation Memorandum*]



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SCHEDULE 3
FORM OF NOTICE OF MEETING IN RESPECT OF THE 2025 BONDS

THIS NOTICE OF MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

NOTICE OF MEETING

to the holders of

Vedanta Resources Finance II Plc (the "Issuer"), in its capacity as issuer
(*a public company with limited liability incorporated under the laws of England and Wales*)
Legal Entity Identifier: 8945002DGA3BBXO3N634

Vedanta Resources Limited (the "Parent Guarantor" or the "Company"), in its capacity as guarantor
(*a private company with limited liability incorporated under the laws of England and Wales*)

Twin Star Holdings Ltd. ("Twin Star"), in its capacity as guarantor
(*a company with limited liability incorporated under the laws of Mauritius*)

Welter Trading Limited ("Welter", and together with Twin Star, the "Subsidiary Guarantors", and together with the Company, the "Guarantors"), in its capacity as guarantor
(*a company with limited liability incorporated under the laws of Cyprus*)

U.S.$1,200,000,000 8.95% Bonds due 2025 (the "Bonds")
(of which U.S.$1,200,000,000 is outstanding)

(Regulation S Bonds – CUSIP: G9T27HAD6, ISIN: USG9T27HAD62, Common Code: 230809038)
(Rule 144A Bonds – CUSIP: 92243XAE1, ISIN: US92243XAE13, Common Code: 230809046)

NOTICE OF MEETING IS HEREBY GIVEN that, pursuant to the provisions of Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed (as defined below) made between the Issuer, the Company, the Subsidiary Guarantors and Citicorp International Limited (the "**Trustee**"), a meeting (the "**Meeting**") of the holders of securities convened by the Issuer, the Company and the Subsidiary Guarantors will be held on 4 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:30 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing the following extraordinary resolution (the "**Extraordinary Resolution**") which will be proposed as a resolution in accordance with the provisions for meetings of holders of Bonds set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed.

NOTICE OF MEETING IS ALSO HEREBY GIVEN that, if the necessary quorum for the Extraordinary Resolution is not obtained, or if the necessary quorum is obtained and the Extraordinary Resolution is passed but the Eligibility Condition (as defined below) is not satisfied, an adjourned Meeting of the holders of the Bonds convened by the Issuer, the Company and the Subsidiary Guarantors will be held on 18 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:30 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing the Extraordinary Resolution, which will be proposed as a resolution in accordance with the provisions for meetings of holders of Bonds set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed.

The Trustee may prescribe further or alternative regulations regarding the holding of the relevant Meeting, which may include providing access to the relevant Meeting by conference or video call. In such circumstances, those Bondholders who have indicated that they wish to attend the meeting in person will be provided with further details about access to the relevant Meeting. Bondholders who have requested

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that their votes be cast in accordance with a valid Consent Instruction (as defined in the Consent Solicitation Memorandum) submitted by no later than 5:00 p.m. (EST) on 2 January 2024 (or, if earlier, before the expiration time and/or expiration date set by the relevant DTC Direct Participant, Euroclear and Clearstream) (the "**Voting Deadline**") will not be affected by these alternative regulations and will not be requested to take any further action.

Unless the context otherwise requires, terms used in this Notice of Meeting shall bear the meanings given to them in the Trust Deed or, as applicable, the consent solicitation memorandum dated 13 December 2023 (as supplemented or amended from time to time, the "**Consent Solicitation Memorandum**").

EXTRAORDINARY RESOLUTION

"THAT THIS MEETING (the "**Meeting**") of the holders of the U.S.$1,200,000,000 8.95% Bonds due 2025 (Regulation S Bonds – CUSIP: G9T27HAD6, ISIN: USG9T27HAD62, Common Code: 230809038) (Rule 144A Bonds – CUSIP: 92243XAE1, ISIN: US92243XAE13, Common Code: 230809046) (the "**Bonds**") issued by Vedanta Resources Finance II Plc (the "**Issuer**") and guaranteed by Vedanta Resources Limited (the "**Parent Guarantor**" or the "**Company**"), Twin Star Holdings Ltd. ("**Twin Star**") and Welter Trading Limited ("**Welter**", and together with Twin Star, the "**Subsidiary Guarantors**" and together with the Company, the "**Guarantors**"), pursuant to the trust deed dated 11 March 2021 among the Issuer, Parent Guarantor, the Subsidiary Guarantors and the Trustee in respect of the Bonds (the "**Trust Deed**"), by Extraordinary Resolution HEREBY:

(1) (subject to paragraph 8 of this Extraordinary Resolution) assents and consents to:

(a) the amendments as set out in Annex A to this Notice of Meeting;

(b) on the Upfront Redemption Date, the redemption of an aggregate principal amount equal to 16% of the principal amount of Bonds outstanding at a redemption price equal to 100% of the principal amount of the Bonds being redeemed plus accrued and unpaid interest thereto from (and including) the last Interest Payment Date (as defined in the Terms and Conditions) to (but excluding) the Upfront Redemption Date (the "**Upfront Principal Redemption**"). The Upfront Principal Redemption will be paid to all Bondholders on a *pro rata* basis, rounded down to the nearest U.S.$1,000, subject to the minimum denomination of U.S.$200,000; and

(c) the irrevocable and unconditional waiver of any requirement to comply with the Terms and Conditions for the purposes of any transaction relating to the Proposed Demerger, including any transfer of assets or liabilities contemplated in connection therewith.

(2) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs and requests the Issuer, the Company and/or the Subsidiary Guarantors, as the case may be, to: (a) give effect to the amendments and waivers referred to in paragraph (1) of this Extraordinary Resolution by way of execution of the Amendment Document (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer, the Company and the Subsidiary Guarantors and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) enter into and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal in respect of the Bonds, including, among others, the Intercreditor Agreement (as defined in the Terms and Conditions);

(3) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs and requests the Trustee to: (a) to execute the Amendment Document (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer, the Company and the Subsidiary Guarantors and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) enter into and do all such other deeds, instruments, acts and things as may be

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necessary, desirable or expedient to carry out and give effect to the implementation of the Proposal in respect of the Bonds, including, among others, the Intercreditor Agreement;

(4) (subject to paragraph 8 of this Extraordinary Resolution) sanctions and assents to every abrogation, amendment, waiver, modification, compromise or arrangement in respect of the rights of the Bondholders against the Issuer, the Company and the Subsidiary Guarantors or against any of its property whether such rights shall arise under the Trust Deed or otherwise involved in or resulting from the convening of this Meeting, the Proposal in respect of the Bonds, this Extraordinary Resolution, the Amendment Document or their implementation and/or the amendments to the Trust Deed or their implementation;

(5) (subject to paragraph 8 of this Extraordinary Resolution) acknowledges and agrees that the Amendment Document will (a) be executed as soon as reasonably practicable after the Consent Conditions, other than the payment of the Consent Fee and the Ineligible Bondholder Payment, are satisfied (the "**Amendment Date**"); and (ii) become effective from and on the Settlement Date;

(6) (subject to paragraph 8 of this Extraordinary Resolution) acknowledges that the payment of the relevant Consent Fee and any Ineligible Bondholder Payment shall be conditional on (a) the Meeting being quorate and validly held, the Extraordinary Resolution being passed at such Meeting; and (b) the Amendment Document being executed;

(7) (subject to paragraph 8 of this Extraordinary Resolution) authorises, directs, requests and empowers the Trustee to: (a) concur in the amendments and waivers referred to in paragraph (1) of this Extraordinary Resolution and, in order to give effect to and implement such amendments or waivers, on or after the passing of this Extraordinary Resolution, execute the Amendment Document (substantially in the form set out in Part II of Annex A hereto, with such amendments (if any) requested by the Issuer, the Company and the Subsidiary Guarantors and approved by the Trustee, in its sole discretion, or required by the Trustee); and (b) concur in and execute and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient, in the sole discretion of the Trustee, to carry out and give effect to this Extraordinary Resolution and the implementation of the Proposal;

(8) declares that the effectiveness and implementation of this Extraordinary Resolution shall be conditional on (the "**Consent Conditions**"):

(a) the quorum required for, and the requisite majority of votes cast at, this Meeting being satisfied by Eligible Bondholders, irrespective of any participation at this Meeting by Ineligible Bondholders (the "**Eligibility Condition**") and that if the Extraordinary Resolution is passed at this Meeting but such Eligibility Condition is not satisfied, the chair of this Meeting and the Trustee are hereby authorised, directed, requested and empowered to adjourn this Meeting to 18 January 2024 at Linklaters Singapore Pte. Ltd. at One George Street, #17-01 Singapore 049145 at 9:30 a.m. (Singapore time) for the purpose of reconsidering Resolutions 1 to 9 of this Extraordinary Resolution with the exception of this resolution 8(a) of this Extraordinary Resolution. At any such adjournment of this Meeting, two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding shall form a quorum and shall have the power to pass the Extraordinary Resolution, and the Eligibility Condition set out in this resolution 8(a) will be satisfied if the quorum required for, and the requisite majority of votes cast at, such adjourned Meeting are satisfied by Eligible Bondholders irrespective of any participation at the adjourned Meeting by Ineligible Bondholders;

(b) the relevant Extraordinary Resolution (in the respective forms set out in the relevant notice of meeting dated on or about the date of this Notice) in respect of each of:

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(i) the U.S.$1,000,000,000 6.125% Bonds due 2024 (Regulation S Bonds – CUSIP: G9328DAP5, ISIN: USG9328DAP53, Common Code: 163545764) (Rule 144A Bonds – CUSIP: 92241TAM4, ISIN: US92241TAM45, Common Code: 163545721) issued by the Company (the "**2024 Bonds I**");

(ii) the U.S.$1,000,000,000 13.875% Bonds due 2024 (Regulation S Bonds – CUSIP: V9667MAA0, ISIN: USV9667MAA00, Common Code: 227224584) (Rule 144A Bonds – CUSIP: 92243XAD3, ISIN: US92243XAD30, Common Code: 227224495) issued by Vedanta Resources Finance II Plc and guaranteed by the Guarantors (the "**2024 Bonds II**", together with the 2024 Bonds I, the "**Other Bonds**"),

being duly passed at the relevant meeting or, as the case may be, adjourned meeting of the holders of those Series of Other Bonds, the Eligibility Condition (as defined in the notice of meeting of such Other Bonds) thereof being satisfied and there being no increase to the consent fee, ineligible bondholder payment or upfront principal redemption offered to holders of those Series of Other Bonds from the amounts set out the relevant notice of meeting dated on or about the date of this Notice;

(c) the relevant extraordinary resolution in respect of the U.S.$600,000,000 9.25% Bonds due 2026 (Regulation S Bonds – CUSIP: G9T27HAA2, ISIN: USG9T27HAA24, Common Code: 198421677) (Rule 144A Bonds – CUSIP: 92243XAA9, ISIN: US92243XAA90, Common Code: 198421413) issued by Vedanta Resources Finance II Plc and guaranteed by the Company being duly passed at the relevant meeting or, as the case may be, adjourned meeting (the "**2026 Bonds**");

(d) the Company having signed one or more financing agreements, including the Private Credit Facility, and having submitted one or more drawdown request(s) thereunder, whereby the amount(s) to be drawn down thereunder (as notified pursuant to the drawdown request(s)) would be sufficient to pay, among others, the Consent Fee, the Ineligible Bondholder Payment, the Upfront Principal Redemption, any similar amount payable with respect to the Other Bonds and any consent fee payable in connection with the consent solicitation of the 2026 Bonds, as the Company may determine in its sole and absolute discretion (the "**Financing Condition**"); and

(e) the Company having paid the applicable Consent Fee and Ineligible Bondholder Payment to the relevant Bondholders (as of the Record Date only) on the Settlement Date; and

(9) discharges, waives and exonerates the Trustee from all loss or liability in consenting to the Proposal and in respect of any act or omission for which it may have become responsible under the Trust Deed and/or the Bonds in connection with the Proposal, this Extraordinary Resolution or its implementation, or the implementation of the approvals, consents, amendments, modifications, authorisations, directions, empowerments, sanctions and assents referred to in the Proposal and this Extraordinary Resolution.

Unless the context otherwise requires, capitalised terms used in this Extraordinary Resolution shall bear the meanings given to them in the Trust Deed, or as applicable, the consent solicitation memorandum dated 13 December 2023 (as supplemented or amended from time to time, the "**Consent Solicitation Memorandum**")."

The Issuer, the Company and the Subsidiary Guarantors have convened the Meeting for the purpose of enabling holders of Bonds to consider the Proposal set out in the Consent Solicitation Memorandum and, if they think fit, to pass the Extraordinary Resolution set out above.

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Background to the Proposal

The main purpose of the Consent Solicitations is to: (1) extend the debt maturity profile of the Company, together with its subsidiaries (the "**Vedanta Group**"), thereby improving its capital structure and overall financial position, (2) amend certain covenants and seek certain waivers to allow the Vedanta Group to accommodate the existing indebtedness (including, without limitation, private credit facilities) with a higher average cost of debt, (3) amend certain terms of the Bonds in order to improve the credit package of the Bonds to incentivise Bondholders to consent to the proposed amendments highlighted earlier and (4) amend certain covenants and seek certain waivers to account for the Proposed Demerger (as defined below) (see "*— Proposed Demerger of Vedanta Limited*").

Proposed Demerger of Vedanta Limited

On 29 September 2023, Vedanta Limited, an indirect subsidiary of the Company listed on the BSE Limited and the National Stock Exchange of India Limited, announced its plan to demerge its business units into independent companies (the "**Proposed Demerger**"), namely: Vedanta Aluminium Metal Limited, Malco Energy Limited, Talwandi Sabo Power Limited, Vedanta Iron and Steel Limited and Vedanta Base Metals Limited. Pursuant to the announcement of the Proposed Demerger, the composite scheme of arrangement between Vedanta Limited, Vedanta Aluminium Metal Limited, Talwandi Sabo Power Limited, Malco Energy Limited, Vedanta Base Metals Limited, Vedanta Iron and Steel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, was approved by the board of directors of Vedanta Limited on 29 September 2023 and filed (seeking no objection letter) with BSE Limited and National Stock Exchange of India Limited on 20 October 2023, respectively. The Proposed Demerger aims to simplify Vedanta Group's corporate structure with sector focussed independent businesses and to provide opportunities to global investors, including sovereign wealth funds, retail investors and strategic investors, with direct investment opportunities in each sector focused company linked to India's remarkable growth story through Vedanta Group's assets.

Amendment Document

The Proposal will be implemented and effective by the execution of the Amendment Document.

Documents Available for Inspection

Holders of the Bonds may, at any time during normal business hours on any weekday (Saturdays, Sundays and bank and other public holidays excepted) from the date of the Consent Solicitation Memorandum up to and including the date of the Meeting (or any adjourned Meeting) (and, in each case, for 15 minutes prior thereto), inspect copies of the documents set out below at the registered offices of the Issuer, the Company and the Subsidiary Guarantors:

(a) the trust deed dated 11 March 2021 constituting the Bonds; and

(b) the form of Sub-Proxy.

The Consent Solicitation Memorandum will also be available on the Consent Website for Eligible Bondholders.

Consent Fee

The Company will pay to each Eligible Bondholder (other than where such Eligible Bondholder is a Sanctions Restricted Person) from whom a valid Consent Instruction in favour of the Extraordinary Resolution is received at or prior to 5:00 p.m. (EST) on 27 December 2023 (the "**Early Consent Deadline**") (and not revoked in the limited circumstances in which revocation is permitted) the Early Consent Fee, or after the Early Consent Deadline but at or prior to 5:00 p.m. (EST) on 2 January 2024 (the "**Voting Deadline**") (and not revoked in the limited circumstances in which revocation is permitted) the Late Consent Fee. The applicable Consent Fee will be paid as consideration for the Eligible Bondholder's agreement to the Extraordinary Resolution and is subject to the Meeting being quorate and validly held,

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the Extraordinary Resolution being passed, the other Consent Conditions having been satisfied and the Amendment Document being executed. Only Eligible Bondholders who deliver, or arrange to have delivered on their behalf, valid Consent Instructions at or prior to the Early Consent Deadline or the Voting Deadline (and who do not revoke such Consent Instructions, in the limited circumstances in which revocation is permitted) will be eligible to receive the Early Consent Fee or the Late Consent Fee, respectively.

No Consent Fee shall be payable to any Eligible Bondholder to the extent that the Extraordinary Resolution set out above in respect of the Bonds is not duly passed at the Meeting or, as the case may be, adjourned Meeting, the Consent Conditions are not satisfied and/or the Amendment Document in respect of the Bonds are not executed.

Eligible Bondholders who submit their Consent Instructions in favour of the Extraordinary Resolution after the Early Consent Deadline will not be eligible to receive the Early Consent Fee, but will be eligible to receive the Late Consent Fee. Eligible Bondholders will not be eligible to receive either the Early Consent Fee or the Late Consent Fee if they (i) appoint a proxy other than the Information and Tabulation Agent (or its nominee) to attend and vote at the Meeting or are not represented at the Meeting, (ii) attend the Meeting in person, (iii) submit a Consent Instruction against or abstaining from the relevant Extraordinary Resolution or in favour of the Extraordinary Resolution but after the Voting Deadline, or do not vote at all, (iv) revoke their Consent Instructions (in the limited circumstances permitted) before the Meeting, or (v) are a Sanctions Restricted Person. The provisions of this paragraph are without prejudice to the right of a Beneficial Owner of the Bonds under the Terms and Conditions, the Meeting Provisions and the Trust Deed in respect of the Bonds to arrange for the appointment of a proxy to attend and vote at the Meeting entitling them or their nominee to attend and vote at the Meeting in accordance with the provisions of the Terms and Conditions, the Meeting Provisions, the Trust Deed and this Notice of Meeting.

Subject to the other Consent Conditions having been satisfied and the execution of the Amendment Document, Eligible Bondholders will be notified through the Clearing System of the date on which the applicable Consent Fee will be paid to Eligible Bondholders. The applicable Consent Fee shall be paid to the relevant DTC Direct Participant for payment to the cash account of each relevant Eligible Bondholder (as of the Record Date only) as soon as possible following the Amendment Date and, in any case, no later than the Longstop Date (the "**Settlement Date**").

Each relevant Eligible Bondholder that is a Beneficial Owner of the Bonds must look solely to the DTC Direct Participant or other intermediary through which they hold their Bonds for its share of the aggregate payments made by the Issuer, the Company and the Subsidiary Guarantors to the relevant DTC Direct Participant, in respect of the applicable Consent Fee. Under no circumstances will any interest be payable because of any delay by the relevant DTC Direct Participant or any other party in the transmission of funds to Beneficial Owners of the Bonds.

General

The attention of Eligible Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in "*Voting and Quorum*" below. Having regard to such requirements, Eligible Bondholders are strongly urged either to submit valid Consent Instructions in accordance with the Consent Solicitation Memorandum, the Terms and Conditions, the Meeting Provisions and the Trust Deed or to attend or to take steps to be duly represented at the Meeting, as referred to below, as soon as possible.

None of the Solicitation Agents, the Information and Tabulation Agent or the Trustee expresses any view as to the merits of the Proposal or the Extraordinary Resolution. None of the Solicitation Agents, the Information and Tabulation Agent or the Trustee has been involved in negotiating the Proposal or the Extraordinary Resolution or makes any representation that all relevant information

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has been disclosed to the Beneficial Owners of the Bonds in or pursuant to the Consent Solicitation Memorandum and the Notice of Meeting. Furthermore, none of the Solicitation Agents, the Information and Tabulation Agent or the Trustee makes any assessment of the impact of the Proposal presented to Beneficial Owners of the Bonds in the Consent Solicitation Memorandum on the interests of the Beneficial Owners of the Bonds or makes any recommendations on the Consent Solicitation relating to the Bonds or whether agreement to the Proposal should be made. Accordingly, Beneficial Owners of the Bonds who are unsure of the impact of the Proposal and the Extraordinary Resolution should seek their own financial, legal and tax advice.

Beneficial Owners of the Bonds wishing to attend in person have the right to attend in accordance with the provisions set out in the Consent Solicitation Memorandum and the Meeting Provisions.

Only DTC Direct Participants may submit or deliver a Form of Sub-Proxy. Bondholders whose Bonds are held on their behalf by a broker, dealer, commercial bank, custodian, trust company or accountholder must contact and request such broker, dealer, commercial bank, custodian, trust company or accountholder to effect the relevant Form of Sub-Proxy on their behalf sufficiently in advance of 5:00 p.m. (EST) on the Voting Deadline in order to be eligible for Late Consent Fee (or sufficiently in advance of the Early Consent Deadline in order to be eligible for the Early Consent Fee) and in order for such Form of Sub-Proxy to be delivered in accordance with any deadlines as described in the Consent Solicitation Memorandum.

If Forms of Sub-Proxy are not received from or on behalf of a Bondholder in accordance with the voting instructions set out herein (and such Bondholder does not otherwise make arrangements to vote at the Meeting or to attend in person by appointing a proxy also in advance of the Voting Deadline), such Bondholder will be deemed to have declined to vote in respect of the Extraordinary Resolution.

If the Consent Conditions are not satisfied by 29 January 2024 (the "Longstop Date"), the Consent Solicitations shall be terminated.

Voting and Quorum

The provisions governing the convening and holding of the Meeting are set out in Schedule 4 (*Provisions for Meetings of Bondholders*) of the Trust Deed, a copy of which is available for inspection as referred to above. An Eligible Bondholder who has delivered or procured the delivery of a Consent Instruction (as defined in the Consent Solicitation Memorandum) need take no further action. Eligible Bondholders who have not submitted or have submitted and subsequently revoked (in the limited circumstances in which such revocation is permitted) a Consent Instruction should take note of the provisions set out below detailing how such Eligible Bondholders can attend or take steps to be represented at the Meeting (references to which, for the purpose of such provisions, include, unless the context otherwise requires, any meeting held following any adjournment of the Meeting).

A. DTC

IMPORTANT: The Bonds are currently represented by a registered global certificate registered in the name of Cede & Co. as the registered holder (the "**Registered Holder**"). Only persons shown in the records of DTC or DTC's participants ("**DTC Direct Participants**") and are Eligible Bondholders may deliver Consent Instructions in accordance with the procedures described below.

(1) The procedures under this paragraph assume that in accordance with its usual procedures, DTC will appoint the DTC Direct Participants as at 26 December 2023 (the "**Record Date**") as its proxies under an omnibus proxy (the "**Omnibus Proxy**") in respect of the principal amount of the Bonds shown on its records as being held by them on the Record Date (in each case, their "**Recorded Principal Amount**").

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DTC Direct Participants

(2) DTC Direct Participants that are Eligible Bondholders may, in respect of their Recorded Principal Amount, either (i) attend and vote at the Meeting if they are individuals or (ii) appoint an employee of the Information and Tabulation Agent (nominated by the Information and Tabulation Agent) as their sub-proxy to attend and cast their votes at the Meeting (including any adjourned Meeting) in a particular way on their behalf or (iii) appoint any other person (including Beneficial Owners of the Bonds) as sub-proxies (each, together with the sub-proxy referred to in sub-paragraph (ii), a "**Sub-Proxy**"), to attend and vote at the Meeting on their behalf, in the case of (ii) and (iii) by an instrument in writing in the form available from the Information and Tabulation Agent (which form is also contained in the Annex to this Notice of Meeting), and signed by such DTC Direct Participant or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the corporation which should be medallion guaranteed as described in the form of sub-proxy and the Consent Solicitation Memorandum and then submit a pdf version of the Form of Sub-Proxy by email to the Information and Tabulation Agent at the email address set out in the Consent Solicitation Memorandum, not later than the Voting Deadline (or, in order to be eligible for the Early Consent Fee, not later than the Early Consent Deadline, or in order to be eligible for the Late Consent Fee, after the Early Consent Deadline but not later than the Voting Deadline).

Beneficial Owners

(3) A Beneficial Owner who is an Eligible Bondholder but is not a DTC Direct Participant and who does not wish to attend the Meeting may arrange for the votes relating to the Bonds of which he is a Beneficial Owner to be cast at the Meeting by requesting the DTC Direct Participant through whom he holds his Bonds to issue a form of sub-proxy, as described in paragraph (2) above, to a third person (including the Information and Tabulation Agent) to attend and vote at the Meeting in accordance with the Beneficial Owner's instructions, provided that the Bonds in respect of which the form of sub-proxy is to be given are Bonds in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date. Such person must produce the form of sub- proxy to the Meeting.

(4) A Beneficial Owner who is an Eligible Bondholder and is (a) not a DTC Direct Participant and who wishes to attend and vote at the Meeting in person or (b) the representative of a DTC Direct Participant who is not an individual but who wishes its representative to attend and vote at the Meeting in person must produce to the Meeting a form of sub-proxy issued by the DTC Direct Participant through whom he holds Bonds appointing him as a Sub-Proxy, provided that the Bonds in respect of which the sub-proxy is to be given are Bonds in respect of which the DTC Direct Participant was appointed as a proxy under the Omnibus Proxy on the Record Date.

(5) Beneficial Owners should contact the DTC Direct Participant through whom they hold their Bonds in sufficient time to enable votes to be cast on their behalf and Sub-Proxies to be appointed.

DTC Direct Participants or Beneficial Owners should direct any questions regarding appointing proxies or the voting procedures to the Information and Tabulation Agent.

Form of sub-proxy

(6) Sub-proxies may be appointed using the form of sub-proxy available via the Consent Website: http://projects.morrowsodali.com/Vedanta or in the form set out in Annex B hereto, subject to eligibility confirmation and registration. Duly completed forms of sub-proxy must be delivered to and received by the Information and Tabulation Agent prior to the Voting Deadline (or, in order to be eligible for the Early Consent Fee, not later than the Early Consent Deadline, or in order to be eligible for the Late Consent Fee, after the Early Consent Deadline but not later than the Voting Deadline) and are irrevocable (unless in the limited circumstances in which revocation is permitted). A pdf

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version of the Form of Sub-Proxy is to be submitted to the Information and Tabulation Agent by email to the email address set out in this Notice of Meeting.

(7) In respect of the Bonds, only those DTC Direct Participants shown in DTC's records on the Record Date as holding the Recorded Principal Amount will be entitled to vote on the Extraordinary Resolution or appoint Sub-Proxies to do so and shall remain so entitled notwithstanding any transfer of such holders of Bonds after the Record Date, provided that votes submitted by any DTC Direct Participant and any Sub-Proxies appointed by it shall not exceed the holding of such DTC Direct Participant as evidenced by the Omnibus Proxy issued as of such Record Date. **If such votes do exceed the holding of such DTC Direct Participant (alone or when aggregated with any Sub-Proxy previously issued by the DTC Direct Participant and not validly withdrawn), any Sub-Proxy appointed by it which exceeds such holding shall be invalid and any applicable Consent Fee which may otherwise have been payable will not be paid. Transferees of the Bonds after the Record Date will not be entitled to vote on the Extraordinary Resolution. Only an Eligible Bondholder who procures that its DTC Direct Participant appoints the Information and Tabulation Agent (or one of more of its employees nominated by it) as Sub-Proxy will be entitled to the applicable Consent Fee**.

B. General

(1) The quorum required for, and the requisite majority of votes cast at, the Meeting (including any adjourned Meeting) will need to be satisfied by Eligible Bondholders of such Series, irrespective of any participation at such Meeting by Ineligible Bondholders, for the Proposal in the relevant Extraordinary Resolution to be implemented.

(2) The Meeting of the holders of Bonds shall be entitled to pass the Extraordinary Resolution if two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding are present, and the Extraordinary Resolution shall be passed if a majority of not less than two-thirds of the votes cast at the Meeting are in favour of the Extraordinary Resolution. In the case that two or more persons holding or representing not less than two-thirds in principal amount of the Bonds for the time being outstanding are not present within 15 minutes from the time initially fixed for the Meeting, or the necessary quorum is satisfied at the Meeting and the Extraordinary Resolution is passed but the Eligibility Condition is not satisfied, an adjourned Meeting in respect of the Bonds will be convened to be held on 18 January 2024 at 9:30 a.m. (Singapore time) and will be validly constituted if two or more persons holding or representing not less than one-third in principal amount of the Bonds for the time being outstanding are present at the adjourned Meeting and the Extraordinary Resolution shall be passed if a majority of not less than two-thirds of the votes cast at the adjourned Meeting are in favour of the Extraordinary Resolution.

For the purposes of determining whether the requisites of quorum and majority of votes referred to above are complied with, the Information and Tabulation Agent will attend and vote at the relevant Meeting in accordance with the Consent Instructions delivered by the Beneficial Owners of the Bonds in the manner contemplated in the Consent Solicitation Memorandum as well as the Meeting Provisions.

If a quorum is not present within 15 minutes at any adjourned Meeting, such adjourned Meeting shall be dissolved.

(3) If passed, the Extraordinary Resolution shall be deemed effective, provided that (i) the Minutes of the Meeting at which the Extraordinary Resolution was passed has been signed by the Chairman and (ii) the Consent Conditions are satisfied. The Extraordinary Resolution once passed and effective will be binding on the holder of Bonds and all Beneficial Owners of the Bonds whether represented at the Meeting and whether voting.

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(4) This Notice of Meeting and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law. By submitting a Consent Instruction or any other instruction through the Clearing System, a Beneficial Owner of the Bonds irrevocably and unconditionally agrees for the benefit of the Issuer, the Company the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Consent Solicitation or any of the documents referred to above and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

(5) All of the above dates are subject to earlier deadlines that may be specified by DTC Direct Participants, Euroclear and Clearstream or any intermediary. Eligible Bondholders held via Euroclear or Clearstream, who are not direct participants of DTC, must contact their custodian to arrange for their direct participants in the Clearing System through which they hold Bonds to submit the electronic acceptance and to instruct the Clearing System to instruct the relevant Bonds in accordance with the procedures of the Clearing System and the deadlines required by the Clearing System.

(6) Euroclear or Clearstream may impose additional deadlines in order to properly process such instructions. As part of instructing through Euroclear or Clearstream, you should be aware of and comply with any such deadlines.

(7) Eligible Bondholders whose Bonds are held by DTC should contact the Information and Tabulation Agent.

C. Ineligible Bondholders

(1) Ineligible Bondholders are not entitled to receive any Consent Fee.

(2) However, an Ineligible Bondholder, to the extent permitted by applicable laws and regulations, subject to the terms and conditions specified in the Consent Solicitation Memorandum, the other Consent Conditions being satisfied and the Amendment Document being executed, is eligible to receive: (i) an amount equivalent to the Early Consent Fee (the "**Early Ineligible Bondholder Payment**"), subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution being received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) by no later than the Early Consent Deadline, unless the applicable Early Consent Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein; or (ii) an amount equivalent to the Late Consent Fee (the "**Late Ineligible Bondholder Payment**" and together with the Early Ineligible Bondholder Payment, the "**Ineligible Bondholder Payments**"), subject to a valid Ineligible Bondholder Instruction in favour of the relevant Extraordinary Resolution being received by the Information and Tabulation Agent (and not subsequently revoked in the limited circumstances in which revocation is permitted) after the Early Consent Deadline but by no later than the Voting Deadline, unless the applicable Voting Deadline is extended or terminated earlier by the Company in its sole discretion, subject to applicable law, the relevant Meeting Provisions and as provided herein.

Subject to the other Consent Conditions having been satisfied and the execution of the Amendment Document, Ineligible Bondholders will be notified through the Clearing System of the date on which the applicable Ineligible Bondholder Payment will be paid to Ineligible Bondholders. The applicable Ineligible Bondholder Payment shall be paid on the Settlement Date to the relevant DTC Direct Participant for payment to the cash account of each relevant Ineligible Bondholder (as of the Record Date only). Each relevant Ineligible Bondholder that is a Beneficial Owner of the Bonds must look solely to the DTC Direct Participant or other intermediary through which they hold their Bonds for

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its share of the aggregate payments made by the Issuer, the Company and the Subsidiary Guarantors to the relevant DTC Direct Participant, in respect of the applicable Ineligible Bondholder Payment. Under no circumstances will any interest be payable because of any delay by the relevant DTC Direct Participant or any other party in the transmission of funds to Beneficial Owners of the Bonds.

No Ineligible Bondholder Payment shall be payable to any Ineligible Bondholder to the extent that the Extraordinary Resolution set out above in respect of the Bonds is not duly passed at the Meeting or, as the case may be, adjourned Meeting, the Consent Conditions are not satisfied and/or the Amendment Document in respect of the Bonds are not executed.

(3) By delivering, or arranging for the delivery on its behalf of, an Ineligible Bondholder Instruction, an Ineligible Bondholder will:

(a) waive its right to attend and vote (or be represented) at the Meeting (or any adjourned Meeting) (as the consequence of the applicable Eligibility Condition is that the relevant Extraordinary Resolution will only be implemented where such Extraordinary Resolution is passed irrespective of any participation at the Meeting (or any adjourned Meeting) by Ineligible Bondholders, such that the attendance and voting at the Meeting (or any adjourned Meeting) by an Ineligible Bondholder will be of no consequence for such implementation);

(b) acknowledge and agree that, if passed, the relevant Extraordinary Resolution shall be binding on it, and it shall be bound to give effect to it accordingly;

(c) be deemed to agree, acknowledge and represent to each of the Issuer, the Company, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee that at the time of submission of the Ineligible Bondholder Instruction at the Early Consent Deadline (if applicable), at the Voting Deadline (if applicable), at the Settlement Date and at the Upfront Redemption Date:

(i) it is an Ineligible Bondholder;

(ii) it acknowledges that it has received and reviewed, understands and accepts the terms, conditions, risk factors, offer and distribution restrictions and other considerations set out in the Consent Solicitation Memorandum;

(iii) it acknowledges that none of the Issuer, the Company, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee or any of their respective directors, officers, employees, representatives, affiliates or advisers has made any recommendation as to whether (or how) to vote in respect of the relevant Extraordinary Resolution and it represents that it has made its own decision with regard to the Ineligible Bondholder Instruction based on any legal, tax or financial advice that it has deemed necessary to seek;

(iv) it acknowledges that all authority conferred or agreed to be conferred pursuant to these acknowledgements, representations, warranties and undertakings and every of its obligation shall to the extent permitted by applicable law be binding upon its successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives and shall not be affected by, and shall survive, its death or incapacity;

(v) it acknowledges that no information has been provided to it by the Issuer, the Company, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee, or any of their respective directors, officers, employees, representatives, affiliates or advisers with regard to the tax consequences to it arising from the relevant Extraordinary Resolution, or the receipt of the Ineligible

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Bondholder Payment and hereby acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Company, the Subsidiary Guarantors, the Solicitation Agents, the Information and Tabulation Agent and the Trustee, or any of their directors, officers, employees, representatives, affiliates or advisers or any other person in respect of such taxes and payments;

(vi) it acknowledges that (i) it will be paid any cash amounts owed to it (if any) in dollars and (ii) such cash amounts will be deposited by or on behalf of the Company to the account specified in the relevant Ineligible Bondholder Instruction and that such deposit will be good discharge for the Company;

(vii) it acknowledges that any of the Solicitation Agents may submit Consent Instructions or Ineligible Bondholder Instructions for their own account as well as on behalf of other Beneficial Owners of the Bonds;

(viii) it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from it, in each respect, in connection with the Consent Solicitation or submitting an Ineligible Bondholder Instruction, in any jurisdiction and that it has not taken or omitted to take any action in breach of these representations or which will or may result in the Issuer, the Company, the Subsidiary Guarantors or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Consent Solicitation;

(ix) it has full power and authority to submit an Ineligible Bondholder Instruction;

(x) it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Company to be necessary or desirable to effect delivery of the Ineligible Bondholder Instruction or to evidence his or her powers and authority hereunder;

(xi) with respect to the Bonds, it holds the Bonds as the subject of the Ineligible Bondholder Instruction as at the Record Date;

(xii) the Ineligible Bondholder Instruction is being submitted in compliance with all applicable law and/or regulations of the jurisdiction in which the Bondholder is located and/or in which it is resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the Ineligible Bondholder Instruction;

(xiii) the terms and conditions of the Consent Solicitation shall be deemed to be incorporated in, and form a part of, the Ineligible Bondholder Instruction which shall be read and construed accordingly and that the information given by or on behalf of such Bondholder in the Ineligible Bondholder Instruction is true and will be true in all respects at the time of the relevant Meeting (and any adjourned Meeting);

(xiv) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Company, any of its directors or any person nominated by the Company in the proper exercise of his or her powers and/or authority hereunder;

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(xv) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Company to be desirable, in each case to perfect any of the authorities expressed to be given hereunder;

(xvi) it acknowledges that the consummation of the Consent Solicitation is subject to the Consent Conditions;

(xvii) the Bonds have not been and will not be registered under the Securities Act, or any state securities laws. The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of "U.S. Persons" as defined in Regulation S, other than to "Qualified Institutional Buyers" as defined in Rule 144A, except pursuant to an exemption from such registration requirements;

(xviii) it is not a Sanctions Restricted Person or, if it is a Sanctions Restricted Person, it will not be eligible to receive any Ineligible Bondholder Payment in any circumstances, notwithstanding the delivery (and non-revocation) of an Ineligible Bondholder Instruction by it in favour of the relevant Extraordinary Resolution on or before the Early Consent Deadline or the Voting Deadline; and

(xix) all communications, payments or notices to be delivered to or by it will be delivered by or sent to or by it at its own risk.

If the relevant Ineligible Bondholder is unable to give any of the representations and warranties described in (i) to (xix) above, such Ineligible Bondholder should contact the Information and Tabulation Agent.

(4) Only DTC Direct Participants may submit Ineligible Bondholder Instructions. Each Beneficial Owner who is an Ineligible Bondholder and is not a DTC Direct Participant must arrange for the DTC Direct Participant through which such Beneficial Owner holds its Bonds to submit an Ineligible Bondholder Instruction on its behalf, as applicable, before the deadlines specified.

Concurrent Consent Solicitation

The Company and VRF II are also concurrently seeking the approval of the holders of the 2026 Bonds by way of an extraordinary resolution at a meeting of the holders of the 2026 Bonds to make certain amendments and waivers relating to the 2026 Bonds (the "**Concurrent Consent Solicitation**"). A separate consent solicitation memorandum and notice of meeting in respect of the Concurrent Consent Solicitation has been prepared by the Company and VRF II for the holders of the 2026 Bonds. The effectiveness and implementation of the Extraordinary Resolution herein is subject to, among others, the relevant extraordinary resolution in respect of the 2026 Bonds being duly passed at the relevant meeting or, as the case may be, adjourned meeting(s).

Financing Condition

The effectiveness and implementation of the Extraordinary Resolution herein is subject to, among others, the Financing Condition.

As of the date of this Notice of Meeting, the Company is in the process of obtaining certain consents and waivers from lenders under its various financing agreements with respect to existing and potential breaches of representations and covenants under such financing agreements, including, without limitation, in relation to the provision of guarantees by the Subsidiary Guarantors (including the subsidiary guarantees proposed to be provided under the 2024 Bonds I), as well as related events of default. The Company has already executed the required formal documentation in respect of some consents and waivers and is in discussions with the remaining lenders to finalise and sign formal documentation in respect of the remaining consents and waivers.

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Certain of these waivers and consents are condition precedents to the drawdown under the Private Credit Facility and required for the effectiveness and implementation of the Extraordinary Resolutions. Therefore, if such consents and waivers are not obtained, the Private Credit Facility will not be drawn down and the Financing Condition will not be satisfied and the Consent Solicitations will be terminated. In addition, if the Company fails to obtain such consents and waivers, the relevant lenders could declare the Company to be in default under the terms of its financing agreements and accelerate the maturity and/or enforce security thereunder, which would in turn trigger an event of default under the Bonds. Although the Company has, in the past, successfully obtained covenant waivers from its lenders, there can be no assurance that it will be able to obtain the required consents and waivers with respect to the aforementioned existing or potential breaches.

The Information and Tabulation Agent with respect to the Proposal is:

Morrow Sodali Ltd
Consent Website: http://projects.morrowsodali.com/Vedanta
Email: vedanta@investor.morrowsodali.com

In London:
103 Wigmore Street, W1U 1QS
London
Telephone: +44 20 4513 6933

In Hong Kong:
29/F, No. 28 Stanley Street
Central
Hong Kong
Telephone: +852 2319 4130

In Stamford:
333 Ludlow Street
South Tower, 5th Floor
Stamford, CT 06902
Telephone: +1 203 658 9457

The Solicitation Agents with respect to the Proposal are as follows:

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

In London: +44 20 7742 5940
In Hong Kong: +852 2800 8220
In the U.S.: +1 212 834 4533
Attention: Asia Syndicate Desk
Email: liability_management_asia@jpmorgan.com

Standard Chartered Bank
One Basinghall Avenue

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London EC2V 5DD
United Kingdom

In Hong Kong: +852 3983 8658
In London: +44 20 7885 5739
In Singapore: +65 6557 8286
Attention: Liability Management
Email: liability_management@sc.com

The Trustee with respect to the Bonds is:

Citicorp International Limited
20/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Investor Relations

Vedanta Resources Limited
Attention: Deepak Kumar
Address: 13th Floor, 1 Angel Court, London EC2R 7HJ
Telephone: 020 7499 5900
Email: dk@vedantaresources.com

Vedanta Resources Finance II Plc
Attention: Deepak Kumar
Address: 13th Floor, 1 Angel Court, London EC2R 7HJ
Telephone: 020 7499 5900
Email: dk@vedantaresources.com

This Notice of Meeting is given by:
Vedanta Resources Limited, Vedanta Resources Finance II Plc, Twin Star Holdings Ltd. and Welter Trading Limited
13 December 2023

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ANNEX A
PROPOSED AMENDMENTS

PART I
TERMS AND CONDITIONS OF THE NOTES

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TERMS AND CONDITIONS OF THE BONDS

The following, other than the paragraphs in italics, is the text of the terms and conditions of the Bonds which will be endorsed on the individual certificates ("Individual Certificates") issued in respect of the Bonds.

The issue of the U.S.$1,200,000,000 13.875% guaranteed secured bonds due 2028 (the "Bonds"), which expression shall, unless the context requires, include any bonds issued pursuant to Condition 15 and forming a single series with the Bonds issued on March 11, 2021 (the "Closing Date") was authorised by resolutions of the board of directors of Vedanta Resources Finance II PLC (the "Issuer"). The Bonds are guaranteed jointly and severally by Vedanta Resources Limited (the "Parent Guarantor") and the Subsidiary Guarantors (as defined in Condition 1(c)) (collectively, the "Guarantors"). Subject to certain conditions outlined in these Conditions, the Bonds will have the benefit of the Security over the Collateral to be granted by VRIL or the Parent Guarantor, as the case may be (the "Security Provider"). The Bonds are constituted by a Trust Deed (as amended and supplemented from time to time, the "Trust Deed") dated on or about the Closing Date among the Issuer, the Guarantors and Citicorp International Limited as trustee for the Bondholders (as defined in Condition 1(b)) (the "Trustee", which expression shall include all persons for the time being acting as trustee or trustees under the Trust Deed). These terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Issuer and the Guarantors have entered into an agency agreement dated on or about the Closing Date (the "Agency Agreement") among the Issuer, the Guarantors, the Trustee, Citibank, N.A., London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability, as paying agent (the "Paying Agent") and transfer agent (the "Transfer Agent"), as registrar (the "Registrar"), and any other paying agents, transfer agents and registrars appointed under it. The Paying Agent, the Transfer Agent, the Registrar and any other paying agents, transfer agents and registrars, each of which expressions shall include the successors and assigns from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to herein as the "Agents". Subject to certain conditions outlined in these Conditions, the Issuer, the Guarantors, the Trustee, the Security Provider and the Collateral Agent will enter into the Intercreditor Agreement (as defined in Condition 1(e)) and certain security agreements defining the terms of the Security over the Collateral that will secure the Bonds and the Guarantees (as defined in Condition 1(c)) (the "Collateral Documents"). Copies of the Trust Deed, the Agency Agreement, the Collateral Document and the Intercreditor Agreement are available for inspection during usual business hours at the specified office of the Paying Agent. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Collateral Document and the Intercreditor Agreement,and are deemed to have notice of the provisions of the Agency Agreement applicable to them. Except where the context otherwise requires, all references herein to the Trust Deed, the Agency Agreement, the Collateral Document and the Intercreditor Agreement shall be deemed to refer to such documents as amended, restated, novated and/or supplemented from time to time (to the extent such amendment, restatement, novation and/or supplement is permitted by these Conditions and the Trust Deed).

1 Form, Denomination, Title, Status, Guarantees and Security

(a) Form and denomination

The Bonds are in registered form in the minimum denomination of U.S.$200,000 each and in integral multiples of U.S.$1,000 in excess thereof, without coupons attached. A bond certificate (each, a "Certificate") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will have an identifying number which will be recorded on the relevant Certificate and in the Register (as defined in Condition 2(a)).

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Certificates issued with respect to Rule 144A Bonds will bear the Securities Act Legend (as defined in the Trust Deed), unless determined otherwise in accordance with the provisions of the Agency Agreement by reference to applicable law. Certificates issued with respect to the Regulation S Bonds will not bear the Securities Act Legend. Upon issue, the Rule 144A Bonds will be represented by the Restricted Global Certificate and the Regulation S Bonds will be represented by the Unrestricted Global Certificate. The Restricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company ("DTC") and the Unrestricted Global Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC for the accounts of Euroclear Bank SA/NV and Clearstream Banking S.A. The Conditions are modified by certain provisions contained in the Global Certificates. See "Summary of Provisions relating to the Bonds while in Global Form."

Except in the limited circumstances described in the Global Certificates and "Summary of Provisions relating to the Bonds while in Global Form," owners of interests in Bonds represented by the Global Certificates will not be entitled to receive Individual Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

(b) **Title**

Title to the Bonds passes only by transfer and registration in the Register. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or the theft or loss of, the Certificate (if any) issued in respect of it or anything written on it or on the relevant Certificate) and no person will be liable for so treating the holder. In these Conditions, "Bondholder" and (in relation to a Bond) "holder" mean the person in whose name a Bond is registered in the Register from time to time.

(c) **Guarantees**

The Parent Guarantor and each initial Subsidiary Guarantor has unconditionally and irrevocably guaranteed, on a joint and several basis, the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The obligations of each Guarantor in that respect (each a "Guarantee" and collectively the "Guarantees") are contained in the Trust Deed. The obligations of each Guarantor under its Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 1(e) and Condition 3(a), at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

The initial Subsidiary Guarantors on the Closing Date are Twin Star Holdings Ltd. ("Twin Star") and Welter Trading Limited ("Welter").

The Parent Guarantor may, in its sole discretion, from time to time, cause any of its Subsidiaries to execute and deliver to the Trustee a supplemental trust deed to the Trust Deed (a "Supplemental Trust Deed") pursuant to which such Subsidiary will guarantee, on a joint and several basis with the then existing Subsidiary Guarantors, the payment of amounts payable under the Bonds or the Trust Deed, *provided* that (other than with respect to VRIL) on the date of such execution and delivery after giving pro forma effect thereto, either (i) such Subsidiary would be permitted to Incur at least U.S.$1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(g) or (ii) the Subsidiary Guarantor Attributable Leverage Ratio would be no greater than the actual Subsidiary Guarantor Attributable Leverage Ratio on such date. Each such Subsidiary that guarantees the Bonds after the Closing Date, upon execution of the applicable Supplemental Trust Deed, will be a "Subsidiary Guarantor".

Notwithstanding anything contrary contained in these Conditions, the Trust Deed, the Agency Agreement, the Collateral Document, the Intercreditor Agreement or any other document or agreement relating



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to any of the foregoing, the Issuer and the Guarantors shall ensure that Indian Subsidiaries shall not provide any direct or indirect loan, guarantee, security, collateral or other form of financial assistance in connection with the Bonds or for any acquisition of shares of Indian Subsidiaries or its holding company, including by way of disposal or encumbrance over their assets or Incurring Borrowings, and shall at all times comply with their obligations under Section 67(2) of the (Indian) Companies Act, 2013, as amended and other applicable laws.

(d) **Status**

The Bonds constitute senior, unsubordinated, direct, unconditional and (subject to Condition 1(e) and Condition 3(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

(e) **Collateral and Brand Fee Agreements**

The obligations of the Issuer with respect to the Bonds and the performance of all other obligations of the Issuer and the Guarantors under the Trust Deed and the Bonds will, within thirty (30) calendar days following repayment in full of the Private Credit Facility and any Permitted PCF Refinancing Borrowings, and the release of the Security benefiting the creditors of the Private Credit Facility and any Permitted PCF Refinancing Borrowings, be secured on a first priority basis by the Collateral (the date of such security creation, the "Security Creation Date"). On the Security Creation Date, the Issuer, the Security Provider, the Trustee, the Collateral Agent (as defined in Condition 1(f)) and/or the other parties thereto will enter the Collateral Documents (as applicable), without requiring any instruction or consent from the Bondholders.

On the Security Creation Date, the Collateral will secure on a pari passu basis the obligations of the Issuer and the Guarantors under (i) the Bonds and the Trust Deed and (ii) the Amended 2024 Bonds II and the Amended 2024 Bonds II Trust Deed (collectively, the "Pari Passu Secured Bonds").

The Parent Guarantor shall ensure that, on and after the Security Creation Date:

(i) the Collateral shall at all times be held by VRIL; provided that, to the extent that holding the Collateral by VRIL would have any negative regulatory, legal or tax implications for the Parent Guarantor, the Issuer or VRIL, then the Parent Guarantor shall instead hold the Collateral at all times;

(ii) so long as VRIL holds the Collateral, VRIL shall (x) guarantee the Bonds and become a Subsidiary Guarantor and (y) not incur any Borrowings (other than the guarantee of (A) the Amended 2024 II Bonds, (B) the Bonds and (C) any Permitted Refinancing Borrowings thereof); and

(iii) no amendments shall be made to the Brand Fee Agreement which would, at the time agreed to, be expected to materially and adversely affect the ability of the Parent Guarantor, the Issuer or the Subsidiary Guarantors to make required payments on the Bonds or any Guarantee.

(f) **Intercreditor Agreement and Priority**

Subject to certain conditions outlined in these Conditions, on or about the Security Creation Date, the Issuer, the Security Provider, the Trustee, the Collateral Agent (as defined in this Condition 1(f)) and the other parties thereto will enter into an intercreditor agreement, substantially in the form as attached as Schedule 6 to the Trust Deed (the "Intercreditor Agreement"), without requiring any instruction or consent from the Bondholders.

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Under the Intercreditor Agreement, the holders of any Pari Passu Secured Bonds (or their representative) (the "Pari Passu Secured Parties") will appoint a collateral agent (the "Collateral Agent") selected by the Issuer or the Parent Guarantor and notified in writing to the Trustee to act as the collateral agent with respect to the Collateral, to exercise remedies (subject to the terms of the Trust Deed or the trust deed constituting the Amended 2024 II Bonds (the "Amended 2024 Bonds II Trust Deed"), as applicable) in respect thereof upon the occurrence of an event of default under the Trust Deed or the Amended 2024 Bonds II Trust Deed, as applicable, and to act as provided in the Intercreditor Agreement.

By accepting the Bonds, each Bondholder shall be deemed to have approved and consented to the selection and appointment of the Collateral Agent, the execution of the Intercreditor Agreement, any supplements, amendments or modifications thereto, and any future Intercreditor Agreement required under the Trust Deed and to do any acts or execute any other documents (including the accession of the Trust Deed if required) in order for the Collateral to be secured on a first priority basis in favour of the Bondholders and to be shared on a pari passu basis with holders of the Amended 2024 II Bonds.

(g) **Collateral Enforcement**

All payments received and all amounts held by the Collateral Agent in respect of the Collateral will, in accordance with the terms of the Intercreditor Agreement (if in effect), be applied as follows:

first, to the Trustee, the Collateral Agent, the Agents and, to the extent applicable, any representative of holders of any Pari Passu *Secured* Bonds, to the extent necessary to reimburse the Trustee, the Collateral Agent, the Agents and any such representative for any unpaid fees, costs and expenses (including any fees and expenses of legal counsel) incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses (including any fees and expenses of legal counsel) incurred in enforcing its remedies under the applicable collateral documents (including the Collateral Document) and preserving the Collateral and all amounts for which the Trustee, the Collateral Agent, the Agents and any such representative are entitled to indemnification under the applicable collateral documents (including the Collateral Document) and the Intercreditor Agreement;

second, to (i) the Trustee for the benefit of the Bondholders and (ii) holders of the Amended 2024 Bonds II (or their representative) on a pro rata *and* pari passu basis until all amounts under the Bonds and the Amended 2024 Bonds II are paid in full; and

third, any surplus remaining after such payments will be paid to the Issuer or whomever may be lawfully entitled thereto.

2 Transfer of Bonds

(a) The Register

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register (the "Register") on which shall be entered, on behalf of the Issuer, the names and addresses of the Bondholders from time to time and the particulars of the Bonds held by them and of all transfers and redemptions of Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding.

(b) Transfers

Subject to the terms of the Agency Agreement and to Conditions 2(e) and 2(f), a Bond may be transferred by delivering the Certificate issued in respect of it, with the form of transfer on the back duly completed and signed, to the specified office of the Registrar or any of the Transfer Agents. No transfer of a Bond will be valid unless and until entered on the Register.

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Transfers of interests in the Bonds evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

Upon the transfer, exchange or replacement of a Rule 144A Bond, a Transfer Agent will only deliver Certificates with respect to Rule 144A Bonds that bear the Securities Act Legend unless there is delivered to such Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Issuer and the Transfer Agent, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the US Securities Act of 1933 (the "Securities Act").

Interests in Bonds represented by the Restricted Global Certificate may be transferred to a person who wishes to take delivery of any such interest in the form of an interest in Bonds represented by the Unrestricted Global Certificate only if a Transfer Agent receives a written certificate from the transferor (in the form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S under the Securities Act ("Regulation S") or Rule 144 under the Securities Act ("Rule 144A") (if available).

Prior to the 40th day after the day of issue of the Bonds (the "Restricted Period"), an interest in Bonds represented by the Unrestricted Global Certificate may be exchanged for an interest in Bonds represented by the Restricted Global Certificate only if a Transfer Agent receives a written certificate from the transferee of the interest in Bonds represented by the Unrestricted Global Certificate (in the form provided in the Agency Agreement) to the effect that the transferee is a qualified institutional buyer (as defined in Rule 144A) and is obtaining such interest in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States or any other jurisdiction. After the expiration of the Restricted Period, this certification requirement will no longer apply to such transfers.

Transfers of Bonds are also subject to the restrictions described under "Plan of Distribution" and "Transfer Restrictions".

(c) **Delivery of new Certificates**

Each new Certificate to be issued on transfer of Bonds will, within five Business Days of receipt by the relevant Transfer Agent of the duly completed and signed form of transfer, be made available for collection at the specified office of the relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds transferred (free of charge to the holder), to the address specified in the form of transfer.

Except in the limited circumstances described in "Summary of Provisions relating to the Bonds while in Global Form – Registration of Title", owners of interests in Bonds represented by the Global Certificates will not be entitled to receive physical delivery of Individual Certificates. Issues of Certificates upon transfers of Bonds are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of Rule 144A Bonds, compliance with the Securities Act Legend.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred or redeemed, a new Certificate in respect of the Bonds not so transferred or redeemed, will, within five Business Days of delivery or surrender of the original Certificate to the relevant Transfer Agent or Registrar, be made available for collection at the specified office of the Registrar or, if so requested by the holder, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred or redeemed (free of charge to the holder), to the address of such holder appearing on the Register.

In this Condition 2, "Business Day" means a day (other than a Saturday or a Sunday) on which banks are open for business in the city in which the specified office of the Registrar and the relevant Transfer Agent



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to which the Certificate in respect of the Bonds to be transferred or relevant form of transfer is delivered is situated.

(d) **Formalities free of charge**

Registration of transfer of Bonds will be effected without charge by or on behalf of the Issuer or any of the Transfer Agents, but only upon the person making such application for transfer, paying or procuring the payment (or the giving of such indemnity as the Issuer or any of the Transfer Agents may require) of any tax, duty or other governmental charges which may be imposed in relation to such transfer.

(e) **Closed periods**

No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on (and including) the due date for any payment of principal of that Bond or seven days ending on (and including) any Interest Record Date (as defined in Condition 6(a)).

(f) **Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon written request.

3 Covenants

(a) **Negative pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed):

(i) The Parent Guarantor will not, directly or indirectly, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon the Collateral to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness; provided that this clause (i) shall not apply to Security over the Collateral (x) arising by operation of law, (y) created in respect of the Private Credit Facility and any Permitted PCF Refinancing Borrowings and/or (ii) on or after the Security Creation Date, created in respect of (a) the Bonds and (b) the Amended 2024 Bonds II.

(ii) Neither the Issuer nor any Guarantor will create or permit to subsist any Security upon any assets (other than the Collateral) directly held by the Issuer or any Guarantor, present or future, to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (x) are secured equally and rateably therewith in substantially identical terms thereto, in each case to the satisfaction of the Trustee; or (y) have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the Bondholders; provided that this clause (a)(ii) shall not apply to Security (x) arising by operation of law or (y) created in respect of Indebtedness (which for this purpose shall exclude Relevant Debt) in an aggregate principal amount not exceeding 10% of Total Assets (or the Dollar Equivalent thereof). For the avoidance of doubt, the foregoing restriction shall not apply to Security upon assets held by any Subsidiary (other than the Issuer or any Subsidiary Guarantor) (other than assets that are jointly held with the Issuer or any Guarantor).

As used in these Conditions:

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"Excluded Indebtedness" means any Indebtedness to finance or refinance the ownership, acquisition, development and/or operation of projects, assets or installations (the "Relevant Property") in respect of which the person or persons (in this definition the "Lender") to whom any Indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group for the repayment of all or any portion of such indebtedness other than recourse to:

(i) such borrower for amounts limited to the present and future cash flow or net cash flow from the Relevant Property; and/or

(ii) the proceeds of enforcement of any Security given by such borrower over the Relevant Property or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such Indebtedness, *provided* that:

(A) the extent of such recourse to such borrower is limited solely to the amount of any recoveries made on any such enforcement; and

(B) such Lender is not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness, to commence proceedings for the winding-up or dissolution of such borrower or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of such borrower generally or any of its projects, assets or installations (save for the Relevant Property the subject of such security); and/or

(C) such borrower generally, or directly or indirectly to a member of the Group, under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another person or an indemnity in respect thereof or an obligation to comply or to procure compliance by another person with any financial ratios or other tests of financial condition) by the person against whom such recourse is available; and/or

(D) any Subsidiary of the Parent Guarantor by way of guarantee of such Indebtedness (but not benefiting from any security or quasi-security from that Subsidiary of the Parent Guarantor);

"Group" means the Parent Guarantor and its Subsidiaries;

"Indebtedness" means any obligation (whether present or future, actual or contingent, secured or unsecured, as principal, surety or otherwise) for the payment or repayment of money;

"Relevant Debt" means any present or future indebtedness (other than Excluded Indebtedness) of the Issuer, any Guarantor or any other person in the form of, or represented by, bonds, notes, debentures, loan stock or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, have an original maturity of more than one year from their date of issue and are denominated, payable or optionally payable in a currency other than Rupees or are denominated in Rupees and more than 50% of the aggregate principal amount of which is initially distributed outside India by or with the authority of the Parent Guarantor;

"Subsidiary" means any company or other business entity of which the Parent Guarantor owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of the Parent Guarantor or which, under English or other applicable law or regulations,



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or International Financial Reporting Standards, as the case may be, from time to time, should have its accounts consolidated with those of the Parent Guarantor; and

"Total Assets" means the aggregate of consolidated total current assets and consolidated total non-current assets of:

(i) the Parent Guarantor as shown in the balance sheet of the latest available audited consolidated financial statements of the Parent Guarantor; and

(ii) any Subsidiary of the Parent Guarantor acquired by the Parent Guarantor or any Subsidiary of the Parent Guarantor since the date of the latest available audited consolidated financial statements of the Parent Guarantor as shown in the balance sheet of the latest available audited consolidated financial statements of such Subsidiary.

(b) **Dividend restriction**

The Issuer shall not, each Guarantor shall not, and the Parent Guarantor shall procure that each of the Material Subsidiaries shall not, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of the Issuer, any Subsidiary Guarantor or any Material Subsidiary to pay dividends or make any other distribution with respect to its Share Capital or to make or repay loans to the Issuer, any Guarantor or any Material Subsidiary, other than:

(a) the subordination of any Indebtedness made to the Issuer, any Guarantor or any of the Material Subsidiaries to any other Indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries; *provided* that:

(i) such other Indebtedness is permitted under these Conditions; and

(ii) such subordination would not singly or in the aggregate have a materially adverse effect on the ability of the Issuer or any Guarantor to meet its obligations under the Bonds and the Guarantees;

(b) such encumbrance or restriction in relation to any Indebtedness of the Issuer, any Subsidiary Guarantor or any Material Subsidiary or other assurance against financial loss where such encumbrance or restriction relates to payment of dividends or other distributions during the continuance of an event of default (howsoever described) which has occurred pursuant to the terms of that Indebtedness;

(c) such encumbrance or restriction arising by operation of law;

(d) such encumbrance or restriction as is in existence on the Closing Date; or

(e) in respect of any Person (including any existing Subsidiary of the Parent Guarantor) which becomes a Material Subsidiary after the Closing Date, any encumbrance or restrictions on such Person as may be in existence on the date such Person becomes a Material Subsidiary, provided such restrictions were not imposed in contemplation of such Person becoming a Material Subsidiary;

provided that this Condition 3(b) shall not restrict any Material Subsidiary from issuing Preferred Stock otherwise in accordance with these terms of the Conditions.

(c) **Limitation on Borrowings**

(i) The Parent Guarantor shall not, and shall procure that each of its Subsidiaries shall not, Incur directly or indirectly any Borrowings, and the Parent Guarantor shall procure that each of its

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Subsidiaries shall not issue any Preferred Stock; *provided* that the Parent Guarantor may Incur Borrowings and any Subsidiary of the Parent Guarantor may Incur Borrowings or issue Preferred Stock if, after giving pro forma effect to the Incurrence of such Borrowings or issuance of Preferred Stock and the application of the proceeds thereof, the Fixed Charge Coverage Ratio would be not less than:

(w) 1.75 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2025, become available (prepared in accordance with Applicable Accounting Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts);

(x) 2.00 to 1.0 if such Incurrence occurs thereafter but prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2026, become available (prepared in accordance with Applicable Accounting Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts);

(y) 2.25 to 1.0 if such Incurrence occurs thereafter but prior to the date when the Parent Guarantor's consolidated financial statements as of, and for the fiscal year ending, 31 March 2027, become available (prepared in accordance with Applicable Accounting Principles and which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts); and

(z) 2.50 to 1.0 if such Incurrence occurs thereafter.

(ii) Notwithstanding the foregoing, the Parent Guarantor and any Subsidiary of the Parent Guarantor may Incur, to the extent provided below, each and all of the following ("Permitted Borrowings"):

(a) Borrowings represented by the Bonds issued on the Closing Date and the Guarantees;

(b) Borrowings of the Parent Guarantor or any Subsidiary of the Parent Guarantor outstanding on the Closing Date;

(c) Borrowings Incurred (w) by the Parent Guarantor or any Subsidiary of the Parent Guarantor which is issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "refinance", and "refinancing", "refinances" and "refinanced" shall have correlative meanings) ("Permitted Refinancing Borrowings") then outstanding Borrowings (or Borrowings that are no longer outstanding, but that were refinanced substantially concurrently with the Incurrence of such Permitted Refinancing Borrowings) Incurred under clause (c)(i) or sub-clauses (c)(ii)(a), (c)(ii)(b), (c)(ii)(c) or (c)(ii)(e) and any refinancing thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses), *provided that*, such Borrowings to be refinanced are fully and irrevocably repaid no later than 90 days after the Incurrence of such Permitted Refinancing Borrowings; (x) by the Parent Guarantor or any Subsidiary of the Parent Guarantor used to pay any accrued interest on then outstanding Borrowings; and (y) by Hindustan Zinc Limited (or any of its successors or assigns) ("HZL") in an aggregate principal amount at any one time outstanding (together with refinancings thereof) not exceeding the product of (I) the amount of any Borrowings of Vedanta Limited (or any of its successors or assigns) which have been refinanced (together with any



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accrued interest and premium, if any, paid thereon) from dividends received directly or indirectly from HZL no earlier than 90 days before and no later than 90 days after the Incurrence of such Borrowings by HZL and (II) the quotient of (A) 100% *divided by* (B) the percentage ownership of Capital Stock in HZL held directly by Vedanta Limited (or any of its successors or assigns) or any of its wholly-owned Subsidiaries at the time such dividends were paid by HZL (or the Dollar Equivalent thereof);

(d) Borrowings incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor with a maturity of one (1) year or less used by the Parent Guarantor or any Subsidiary of the Parent Guarantor for working capital purposes (or any guarantee or indemnity given by the Parent Guarantor or any Subsidiary of the Parent Guarantor in relation thereto) (together with refinancings thereof);

(e) Borrowings Incurred by the Parent Guarantor or any Subsidiary of the Parent Guarantor represented by Capitalized Lease Obligations or purchase money obligations in the ordinary course of business to finance all or any part of the Incurred or to be Incurred purchase price or cost of construction, installation or improvement of property (real or personal) (including the lease purchase price of land use rights), plant or equipment (including through the acquisition of Capital Stock of any Person that owns property, plant or equipment which has or will, upon such acquisition, become a Subsidiary of the Parent Guarantor) to be used in the Permitted Business; *provided that* on the date of Incurrence of such Borrowings and after giving effect thereto, the aggregate principal amount of such Borrowings at any time outstanding (together with refinancings thereof) shall not exceed an amount equal to 5.0% of Total Assets (or the Dollar Equivalent thereof); and

(f) guarantees by the Parent Guarantor or any Subsidiary of the Parent Guarantor of Borrowings of the Parent Guarantor or any Subsidiary of the Parent Guarantor that was permitted to be Incurred by another provision of this covenant.

For purposes of determining compliance with this Condition (3)(c), if an item of Borrowings meets the criteria of more than one of the types of Permitted Borrowings or is permitted to be Incurred pursuant to paragraph (c)(i) of this covenant, the Parent Guarantor may, in its sole discretion, classify such item of Borrowings and only be required to include the amount of such Borrowings as one of such types.

Notwithstanding any other provision of this covenant, the maximum amount of Borrowings that the Parent Guarantor or any Subsidiary of the Parent Guarantor may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Borrowings, the Dollar Equivalent principal amount of Borrowings denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Borrowings was incurred (or first committed, in the case of revolving credit debt); *provided,* that if such Borrowings is incurred to refinance other Borrowings denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Borrowings does not exceed the principal amount of such Borrowings being refinanced. The principal amount of any Borrowings Incurred to refinance other Borrowings, if Incurred in a different currency from the Borrowings being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Borrowings is denominated that is in effect on the date of such refinancing.

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(d) **Material Subsidiaries**

So long as any of the Bonds are outstanding, the Parent Guarantor or any of its Subsidiaries shall retain Control over, or, directly or indirectly, own more than 50% of the issued equity share capital of, each of the Material Subsidiaries.

The Issuer shall and shall procure that the Subsidiaries make relevant filings and disclosures, as may be applicable, under applicable laws, including the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Indian Takeover Code) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Indian Listing Regulations).

(e) **Accounts**

The Parent Guarantor agrees that:

(i) as soon as reasonably practicable after the issue or publication thereof and in any event within 180 days after the end of each financial year (beginning with 31 March 2021) it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its annual report and audited Accounts (in the English language) as of the end of and for such financial year, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such annual report and audited Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

(ii) as soon as reasonably practicable after the issue or publication thereof (and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange), it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its unaudited interim Accounts (in the English language) as of the end of and for each six-month period ending on 30 September (beginning with 30 September 2020), *provided* that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with that used for the preceding relevant semi-annual or annual fiscal period, that fact shall be stated, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such unaudited interim Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

(iii) if the Common Stock of Vedanta Limited or any Material Demerged Entity is not listed on an internationally recognized stock exchange, as soon as reasonably practicable after the issue or publication thereof:

a. and in any event within 180 days after the end of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the annual report and audited accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of the end of and for such financial year, along with key production data for such financial year;

b. and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the unaudited interim accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of the end



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of and for each six-month period ending on 30 September, along with key production data for such six-month period; and

c. and in any event within 90 days after the end of each quarterly period ending 30 June and 31 December of each financial year, it will deliver to the Trustee and the specified office of each of the Paying Agents, a copy of the unaudited interim accounts for (as applicable) Vedanta Limited and/or any such Material Demerged Entity as of and for each quarterly period ending on 30 June and 31 December, along with key production data for each such quarterly period;

(iv) with each set of Accounts delivered by it under Conditions 3(e)(i) and 3(e)(ii), it will deliver to the Trustee and the specified office of each of the Paying Agents the Compliance Certificate.

(f) **Limitation on Issuer's activities**

The Issuer shall not, and the Parent Guarantor will procure that the Issuer will not, carry on any business activity whatsoever other than in connection with the issue of debt (including the Bonds) and any other activities reasonably incidental thereto (such activities shall, for the avoidance of doubt, include (i) the entry into currency and interest rate swap transactions and the on-lending of the proceeds of the issue of such debt and/or such swap transactions to the Parent Guarantor or any other Subsidiaries of the Parent Guarantor, (ii) activities undertaken to fulfill its obligations under such debt including under the Bonds, the Trust Deed, the Agency Agreement, the Collateral Documents and the Intercreditor Agreement (including entering into the Collateral Documents and the Intercreditor Agreement), and such swap transactions, (iii) redemptions, purchases, consent solicitations and tender and exchange offers in respect of such debt and (iv) activities directly related to the establishment and maintenance of the Issuer's corporate existence).

(g) **Additional limitations relating to Subsidiary Guarantors**

In addition to the limitations in Condition 3(c), the Subsidiary Guarantors (other than VRIL) shall not, directly or indirectly, Incur any Borrowings (other than (i) Permitted Refinancing Borrowings that refinances outstanding Borrowings of such Subsidiary Guarantor and (ii) Borrowings Incurred by such Subsidiary Guarantor where the obligee is the Parent Guarantor or another Subsidiary Guarantor); *provided* that the Subsidiary Guarantors may Incur Borrowings (other than Borrowings to refinance any Short-Term Acquisition Financing or refinancing thereof) if, (x) such Incurrence (other than the Incurrence of (a) Borrowings existing on the Amendment Date and (b) any Permitted Borrowings) does not take place within ten (10) Indian Business Days of any Demerger and (y) after giving *pro forma* effect to such Incurrence and the application of the proceeds thereof:

(i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed:

(A) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements become available as of, and for the semi-annual period ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts); or

(B) 5.5 to 1.0 if such Incurrence occurs thereafter;

(ii) the aggregate amount of Borrowings of the Subsidiary Guarantors as of the applicable date of determination would not exceed the amount equal to the product of:

(x) U.S.$3.1 billion, *multiplied by*:

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(y) either:

(1) prior to the First Demerger Date, the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; or

(2) on or after the First Demerger Date, the aggregate of:

(u) the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular First Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such First Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other First Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable First Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(v) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Second Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Second Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Second Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Second Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(w) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Third Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Third Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Third Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Third Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(x) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Fourth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fourth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*



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(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Fourth Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Fourth Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case *divided by* (b) 38.14%; *plus*

(y) if applicable, the aggregate of the product of (i) the applicable Weighted Percentage of the Fifth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fifth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(z) the product of (i) the difference between (X) 100% and (Y) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) (expressed as a percentage) *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date, *divided by* (b) 38.14%; and

(ii) the aggregate amount of Borrowings of the Subsidiary Guarantors as of the applicable date of determination (excluding Borrowings owed by Twin Star to Cairn India Holdings Limited outstanding on the Closing Date) would not exceed the amount equal to the product of:

(x) U.S.$2.65 billion, *multiplied by*:

(y) either:

(1) prior to the First Demerger Date, the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; or

(2) on or after the First Demerger Date, the aggregate of:

(u) the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular First Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such First Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other First Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable First Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(v) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Second Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Second Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Second Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Second Demerged

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Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(w) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Third Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Third Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Third Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Third Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date, in each case, *divided by* (b) 38.14%; *plus*

(x) if applicable, the aggregate of:

(I) the product of (i) the applicable Weighted Percentage of the/a particular Fourth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fourth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(II) if applicable, the product of (i) the applicable Weighted Percentage of any other Fourth Demerged Entity(ies) *multiplied by* (ii) the quotient of (a) the applicable percentage of Capital Stock of such other applicable Fourth Demerged Entity(ies) directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(y) if applicable, the aggregate of the product of (i) the applicable Weighted Percentage of the Fifth Demerged Entity *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of such Fifth Demerged Entity directly held by the Subsidiary Guarantors as of such date *divided by* (b) 38.14%; *plus*

(z) the product of (i) the difference between (X) 100% and (Y) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) (expressed as a percentage) *multiplied by* (ii) the quotient of (a) the percentage of Capital Stock of Vedanta Limited directly held by the Subsidiary Guarantors as of such date, *divided by* (b) 38.14%.

In addition to the limitations in Condition 3(c), any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Parent Guarantor shall procure that any such Subsidiary shall not, directly or indirectly, Incur any Borrowings; provided, however, that any such Subsidiary may Incur Borrowings if the Subsidiary Guarantor Attributable Leverage Ratio, as of the last date of the most recent four quarter period for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available, after giving pro forma effect to such Incurrence and the Incurrence of all other Borrowings Incurred by such Subsidiary after such four quarter period and the application of the proceeds thereof would not exceed (i) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its

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best efforts to compile in a timely manner and which may be internal management accounts) or (ii) 5.5 to 1.0 if such Incurrence occurs thereafter. Notwithstanding the foregoing, any such Subsidiary may Incur Permitted Borrowings and Short-Term Acquisition Financing.

The Subsidiary Guarantors and any Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor shall not, and the Parent Guarantor shall procure that such Persons shall not, directly or indirectly, issue, sell, transfer or otherwise dispose of, or purchase or otherwise acquire any Capital Stock; provided, however, that any such Person may issue, sell, transfer or dispose of, or purchase or otherwise acquire, any Capital Stock if, after giving pro forma effect to such transaction and the application of the proceeds thereof, (i) the Subsidiary Guarantor Attributable Leverage Ratio would not exceed (A) 6.0 to 1.0 if such Incurrence occurs prior to the date when the Parent Guarantor's consolidated financial statements are available as of, and for the six months ending, September 30, 2025 (prepared in accordance with Applicable Accounting Principles which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) or (B) 5.5 to 1.0 if such Incurrence occurs thereafter or (ii) (A) in the case of any such transaction in respect of Capital Stock of a Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary Guarantor owned, directly or indirectly, by the Parent Guarantor would be the same as such percentage ownership immediately prior to such transaction or (B) in the case of any such transaction in respect of Capital Stock of a Subsidiary any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the percentage ownership of Capital Stock of such Subsidiary owned, directly or indirectly, by such Subsidiary Guarantor would be the same as such percentage ownership immediately prior to such transaction; *provided, further*, that Twin Star and Welter (being the initial Subsidiary Guarantors on the Amendment Date) shall not sell, transfer or otherwise dispose of any Capital Stock held by them on the Closing Date (other than in connection with the enforcement of Security upon Capital Stock of any borrower of Short-Term Acquisition Financing that secures such Short-Term Acquisition Financing).

So long as any Bond remains outstanding (as defined in the Trust Deed), no Subsidiary Guarantor will create or permit to subsist any Security upon any Capital Stock directly held by such Subsidiary Guarantor, present or future; *provided* that this paragraph shall not apply to (i) Security arising by operation of law and (ii) Security upon Capital Stock of any borrower of Short-Term Acquisition Financing to secure such Short-Term Acquisition Financing.

For the avoidance of doubt, nothing in this Condition 3(g) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.

As used in these Conditions:

"Applicable VWAP" means, as of a particular date of determination, the ten (10) Indian Business Day volume weighted average price of the applicable Capital Stock of the applicable Demerged Entity determined as of such date.

"Demerged Entity" means Vedanta Limited or any other person to whom any assets of Vedanta Limited are directly or indirectly transferred as part of a demerger or equivalent corporate reorganisation of Vedanta Limited or of any other Demerged Entity (pursuant to a Demerger or otherwise) and, in each case, shares in whom are issued to shareholders of Vedanta Limited or, as applicable, such other Demerged Entity, as consideration for such transfer, and shall include each Resulting Company which has undergone a Demerger.

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"Demerger" means each transfer of a business undertaking of Vedanta Limited into a Demerged Entity (other than Vedanta Limited) and the listing of equity shares of such Demerged Entity on either the BSE Limited, the National Stock Exchange of India Limited and/or any other internationally recognized stock exchange, pursuant to the implementation of the Scheme.

"EBITDA" for any Person means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

for such Person, in each case as it is presented on the standalone financial statements of such Person prepared in accordance with Applicable Accounting Principles for such period.

"Fifth Demerged Entity" means such Demerged Entity, if any, which has undergone a Demerger on the Fifth Demerger Date.

"Fifth Demerger Date" means the last date on which the Demerger, as envisaged in the Scheme, is made effective in respect of the Fifth Demerged Entity, if any.

"First Demerged Entity" means such Demerged Entity/Entities which has undergone a Demerger on the First Demerger Date, and if more than one, collectively the "First Demerged Entities".

"First Demerger Date" means the first of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more First Demerged Entities.

"Fourth Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Fourth Demerger Date, and if more than one, collectively the "Fourth Demerged Entities".

"Fourth Demerger Date" means the fourth of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Fourth Demerged Entities, if any.

"Second Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Second Demerger Date, and if more than one, collectively the "Second Demerged Entities".

"Second Demerger Date" means the second of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Second Demerged Entities, if any.

"Third Demerged Entity" means such Demerged Entity/Entities, if any, which has undergone a Demerger on the Third Demerger Date, and if more than one, collectively the "Third Demerged Entities".

"Third Demerger Date" means the third of the dates on which any of the Demergers, as envisaged in the Scheme, is made effective in respect of one or more Third Demerged Entities, if any.

"Scheme" means the Composite Scheme of Arrangement between Vedanta Limited and Vedanta Aluminium Metal Limited and Talwandi Sabo Power Limited and Malco Energy Limited and Vedanta Base Metals Limited and Vedanta Iron and Steel Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the (Indian) Companies Act, 2013, approved



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by the board of directors of Vedanta Limited on 29 September 2023, uploaded on BSE Limited on 20 October 2023 and on National Stock Exchange of India Limited on 20 October 2023.

"Short-Term Acquisition Financing" means Borrowings Incurred by any Subsidiary (other than any Subsidiary Guarantor) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor, the net cash proceeds of which are used by such Subsidiary to acquire Capital Stock of any Subsidiary that is listed in India and to pay costs, fees and expenses in connection therewith, *provided* that such Borrowings have a final stated maturity not exceeding four months from the date of such Incurrence.

"Subsidiary Guarantor Attributable Borrowings" means, as of any Transaction Date, the amount equal to the aggregate amount of (i) the Borrowings of each Subsidiary Guarantor (calculated on a standalone basis) outstanding as of such Transaction Date and (ii) the product of (x) the Borrowings of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor outstanding as of such Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date; *provided*, however, that (i) any Borrowing Incurred by a Subsidiary that is not a Subsidiary Guarantor and owed to another Subsidiary that is not a Subsidiary Guarantor or owed to a Subsidiary Guarantor and (ii) any Borrowing Incurred by a Subsidiary Guarantor and owed to another Subsidiary Guarantor, shall be excluded from the foregoing calculation; *provided* further that if on any date (a) any Subsidiary to which such Borrowing is owed ceases to be a Subsidiary or (b) such Borrowing is transferred to any Person (other than to another Subsidiary that is not a Subsidiary Guarantor or to a Subsidiary Guarantor), then such Borrowing shall be included in the foregoing calculation and shall be deemed to have been Incurred on such date.

"Subsidiary Guarantor Attributable EBITDA" means, for any period, the amount equal to the aggregate of (i) the EBITDA for each Subsidiary Guarantor (calculated on a standalone basis) and (ii) the product of (x) the EBITDA of any Person (calculated on a standalone basis) any Capital Stock of which is owned, directly or indirectly, by any Subsidiary Guarantor as of the Transaction Date multiplied by (y) the percentage ownership of Capital Stock of such Person owned, directly or indirectly, by the Subsidiary Guarantors as of such Transaction Date.

"Subsidiary Guarantor Attributable Leverage Ratio" means, on any Transaction Date, the ratio of:

(i) Subsidiary Guarantor Attributable Borrowings as of such Transaction Date; to

(ii) the aggregate amount of Subsidiary Guarantor Attributable EBITDA for the most recent four quarterly periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner and which may be internal management accounts) are available.

"Weighted Percentage" means:

(i) in relation to any First Demerged Entity, as of the date which is ten (10) Indian Business Days after the First Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such First Demerged Entity as of such date, *divided by*:
(2) the sum of:



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(x) the Applicable VWAP of such First Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other First Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) 100%;

(ii) in relation to any Second Demerged Entity, as of the date which is ten (10) Indian Business Days after the Second Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Second Demerged Entity as of such date, *divided by*:
(2) the sum of:

(x) the Applicable VWAP of such Second Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Second Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date;

(iii) in relation to any Third Demerged Entity, as of the date which is ten (10) Indian Business Days after the Third Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Third Demerged Entity as of such date, *divided by*:
(2) the sum of:

(x) the Applicable VWAP of such Third Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Third Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date;



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(iv) in relation to any Fourth Demerged Entity, as of the date which is ten (10) Indian Business Days after the Fourth Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Fourth Demerged Entity as of such date, *divided by*:
(2) the sum of:

(x) the Applicable VWAP of such Fourth Demerged Entity as of such date;

(y) if applicable, the Applicable VWAP of any other Fourth Demerged Entity(ies) as of such date; and

(z) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date; and

(v) in relation to any Fifth Demerged Entity, as of the date which is ten (10) Indian Business Days after the Fifth Demerger Date, the product of:

(A) the quotient of:

(1) the Applicable VWAP of such Fifth Demerged Entity as of such date, *divided by*:
(2) the sum of:

(x) the Applicable VWAP of such Fifth Demerged Entity as of such date; and

(y) the Applicable VWAP of Vedanta Limited as of such date;

multiplied by:

(B) the difference between (i) 100% and (ii) the sum of all applicable Weighted Percentages of all Demerged Entities (other than Vedanta Limited) as of such date

(h) **Limitation on Restricted Affiliate Payments**: In the event that (i) the Bonds are rated by no more than two (2) Rating Agencies, then for so long as the rating of the Bonds remains below 'B-' by any Rating Agency, (ii) the Bonds are rated by more than two (2) Rating Agencies, then for so long as the rating of the Bonds remains below 'B-' by at least two (2) Rating Agencies or (iii) there is no rating of the Bonds, then, in each such case, the Parent Guarantor will not, and will not permit any of its Subsidiaries to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Affiliate Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any of its Subsidiaries' (other than any Listed Indian Subsidiary) Capital Stock (other than dividends or distributions payable solely in shares of the Parent Guarantor's Capital Stock or by a Subsidiary in its Capital Stock or in options, warrants or other rights to acquire shares of any such Capital Stock) held by any shareholder of the Parent Guarantor

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or by any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (or options, warrants or other rights to acquire such shares of Capital Stock) of the Parent Guarantor or any of its Subsidiaries held by any shareholders of the Parent Guarantor or any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Borrowings that is subordinated or junior in right of payment to the Bonds or any Subsidiary Guarantee ("Subordinated Borrowings") (excluding any intercompany Borrowings between or among the Parent Guarantor and any of its Subsidiaries or between or among any such Subsidiaries) where the obligee thereunder is a shareholder of the Parent Guarantor or an Affiliate or the Parent Guarantor (other than any of the Parent Guarantor's Subsidiaries); or

(4) make, on or after the Amendment Date, any Investment in any shareholders of the Parent Guarantor or any of the Parent Guarantor's Affiliates (other than any of the Parent Guarantor's Subsidiaries);

provided that, in the event that (i) the Bonds are rated by one (1) or two (2) Rating Agency(ies), then for so long as the rating of the Bonds is 'B-' or above by any such Rating Agency(ies) or (ii) the Bonds are rated by more than two (2) Rating Agencies, then for so long as the rating of the Bonds is 'B-' or above by at least two (2) Rating Agencies, then, in each such case, the Issuer and its Subsidiaries may make Restricted Affiliate Payments in an amount not to exceed U.S.$15 million (or the Dollar Equivalent there) per calendar year.

The foregoing provision shall not be violated by reason of:

(1) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Borrowings of the Parent Guarantor or any Subsidiary Guarantor with the net cash proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Borrowings;

(2) any Restricted Affiliate Payment made in exchange for, or out of the net cash proceeds of a substantially concurrent capital contribution to or sale (other than to a Subsidiary of the Parent Guarantor) of, shares of Capital Stock of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock);

(3) (x) the payment of any dividends or distributions declared, paid or made by a Subsidiary or (y) the redemption, repurchase, defeasance or other acquisition by a Subsidiary of any shares of its Capital Stock, in each case payable, on a *pro rata* basis or on a basis more favorable to the Parent Guarantor, to all holders of any class of Capital Stock of such Subsidiary, a majority of which is held, directly or indirectly through Subsidiaries, by the Parent Guarantor;

(4) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights to acquire Capital Stock to the extent such Capital Stock represents a portion of the exercise price thereof; and

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(5) cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible or exchangeable for Capital Stock of the Parent Guarantor; *provided* that any such cash payment shall not be for the purpose of evading the limitations of this covenant.

The Parent Guarantor shall and shall procure that the Subsidiaries make relevant filings and disclosures, as may be applicable, under the applicable laws including the Indian Takeover Code and the Indian Listing Regulations.

(i) **Qualified Amended 2026 Bond Refinancing Borrowings**: The Parent Guarantor shall ensure that, other than in connection with a change of control which triggers a redemption event or an event of default under the Amended 2026 Bonds, any payment of principal and premium (if any) on, and any purchase, redemption, defeasance or other acquisition or retirement for value of, any of the Amended 2026 Bonds, are only made with proceeds from Qualified Amended 2026 Bond Refinancing Borrowings.

The Parent Guarantor shall not, and shall procure its Subsidiaries not to, commence, conduct or consummate any offers to purchase (other than in connection with a change of control that triggers a redemption event under the Amended 2026 Bonds) or exchange the Amended 2026 Bonds, in whole or in part, other than in connection with a Qualified Amended 2026 Bond Refinancing Borrowing.

(j) **VRL Offshore Entities Mandatory Prepayment**: The Parent Guarantor shall ensure that:

(x) the Parent Guarantor and any of the Parent Guarantor's Subsidiaries which are incorporated outside of India (other than (a) Konkola Copper Mines plc and (b) any Subsidiaries of Vedanta Limited) (the Parent Guarantor, together with such Subsidiaries, the "VRL Offshore Entities"), shall not incur any Borrowings (other than (a) Borrowings existing on the Amendment Date and (b) any Permitted Refinancing Borrowings of such Borrowings) which are secured over any assets (other than Capital Stock of Konkola Copper Mines plc) of the VRL Offshore Entities; and

(y) within 30 days of the receipt by any member of the VRL Group of Extraordinary Distribution Proceeds by any of the Demerged Entities, such proceeds shall be used solely towards the repayment of the following Borrowings and in following order of priority:

(1) *first*, towards the payment of any amounts owing in respect of (i) the Private Credit Facility and (ii) any Permitted PCF Refinancing Borrowings on a *pro rata* basis until such time as the principal amount outstanding thereunder has been reduced, in the aggregate, by U.S.$750 million (or the Dollar Equivalent thereof) from the original principal amount of the Private Credit Facility; and

(2) *second*, (x) for so long as the Private Credit Facility or any Permitted PCF Refinancing Borrowings has not been repaid in full, 50% of such remaining proceeds towards the payment of any amounts owing thereunder on a *pro rata* basis and (y) the remainder of such remaining proceeds towards payment of the Bonds on a *pro rata* basis at a redemption price equal to 100% of the aggregate principal amount of the Bonds redeemed, plus accrued and unpaid interest, if any, on the Bonds redeemed, to (but not including) the applicable redemption date.

As used in these Condition 3(j):

"Demerged Entity (HZL)" means HZL or any other person to whom any assets of HZL are directly or indirectly transferred as part of a demerger or equivalent corporate reorganisation of HZL or of



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any other Demerged Entity (HZL), in each case, shares in whom are issued to shareholders of HZL or, as applicable, such other Demerged Entity (HZL), as consideration for such transfer.

"Distribution" means any dividend or other distribution received by a member of the VRL Group in respect of its shareholding in a Demerged Entity.

"Extraordinary Distribution" means any Distribution derived from distributable profits (which are not Operating Profits) of a member of the VEDL Group; *provided* that, for purposes of the application of any Extraordinary Distribution Proceeds in accordance with Condition 3(j)(y), when determining the composition of Distributions (including what constitutes Extraordinary Distributions) made by a member of the VEDL Group at any time:

(i) any such Distribution shall be deemed to have been derived:

(A) in respect of a Distribution made in respect of the financial year ending 31 March 2024, from:

(a) non-Operating Profits generated since 31 March 2023; and

(b) Operating Profits (including distributions from reserves as at 31 March 2023 which were then undistributed (net of any distribution made in respect of the financial year ending 31 March 2023)),

pro rata between amounts in paragraphs (a) and (b) above (or such other proportion resulting in a greater proportion of such Distributions being treated as having been derived from amounts in paragraph (a) above, as the Parent Guarantor may elect on or prior to such Distribution being paid); and

(B) in respect of a Distribution made in respect of each financial year ending after 31 March 2024 (each, a "Relevant Financial Year"):

(a) first, from any non-Operating Profits attributable to a prior financial year but not previously treated as distributed consistent with paragraph (A) above or any prior application of this paragraph (B)); and

(b) second, in respect of a particular Relevant Financial Year, from:

(i) other non-Operating Profits (to such extent) generated in such Relevant Financial Year; and

(ii) Operating Profits (including distributions from reserves as at 31 March of the immediately prior Relevant Financial Year which were then undistributed (if any) (net of any distribution made out of those undistributed reserves as determined consistent with paragraph (A) above and this paragraph (B) prior to the relevant application of this paragraph (B)),

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pro rata between amounts in paragraphs (i) and (ii) above (or such other proportion resulting in a greater proportion of such Distributions being derived from amounts in paragraph (i) above, as the Parent Guarantor may elect on or prior to such Distribution being paid);

(ii) any distributions received by a Demerged Entity from a direct Subsidiary of such Demerged Entity shall only be treated as Operating Profits of such Demerged Entity to the extent, consistent with paragraph (i) above, that it was a distribution of Operating Profits by such Subsidiary; and

(iii) for the purpose of determining the source of non-Operating Profits in any financial year for the purpose of paragraph (i) above, non-Operating Profits shall be deemed to be derived:

(A) first, from amounts other than sources attributable to those in paragraphs (B) and (C) below;

(B) second, from Konkola Copper Proceeds; and

(C) third, from HZL Distributable Reserves;

provided that, all distributions declared by Vedanta Limited on or before 31 December 2023 (including, for the avoidance of doubt, distributions funded from a distribution declared by HZL on 4 December 2023), shall be deemed to be derived from distributable profits which are Operating Profits.

"Extraordinary Distribution Proceeds" means the aggregate net proceeds of Extraordinary Distributions received by members of the VRL Group, in each case after *deducting* (without double counting):

(i) first, the amount of such Extraordinary Distributions received (A) from Konkola Copper Mines plc or (B) from any member of the VRL Group and which were derived from any Konkola Copper Proceeds (as determined consistent with paragraph (iii) of the definition of Extraordinary Distribution above);

(ii) second, the amount of such Extraordinary Distributions received by any member of the VRL Group and which were derived from any HZL Distributable Reserves (as determined consistent with paragraph (iii) of the definition of Extraordinary Distribution above); and

(iii) third:

(A) any Tax properly incurred in connection with the receipt of such proceeds; and

(B) any Tax properly incurred by any member of the VRL Group in connection with the distribution or transfer by way of intercompany loan of such proceeds to VRIL and Vedanta Holdings Mauritius II Limited.

"HZL Distributable Reserves" means any dividends paid by HZL to Vedanta Limited in a financial year resulting from an increase in HZL's distributable reserves (as a result of the conversion of HZL's non-distributable reserves to distributable reserves in accordance with applicable law).

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"Konkola Copper Proceeds" means any profits in a financial year of a member of the VEDL Group attributable to the disposal by such member of the VEDL Group of shares in Konkola Copper Mines plc.

"Operating Profits" means profits arising out of the ordinary course of operations of a member of the VEDL Group which, for the avoidance of doubt, shall not include amounts attributable to:

(i) the creation of distributable reserves as a result of (i) any Demerger; (ii) the conversion of non-distributable reserves to distributable reserves by a Demerged Entity or any of its Subsidiaries; or (iii) the transfer of general reserves to retained earnings by a Demerged Entity or any of its Subsidiaries as at 31 March 2023;

(ii) any profit attributable to an increase in the valuation of an asset or investment since 31 March 2023; and

(iii) any profits attributable to any sale, lease, licence, transfer, loan or other disposal of (A) shares in any Person, (B) any business (or part of a business) or (C) any interest in a joint venture (in each case, in whole or part).

"Resulting Companies" means Resulting Company 1, Resulting Company 2, Resulting Company 3, Resulting Company 4 and Resulting Company 5.

"Resulting Company 1" means Vedanta Aluminium Metal Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai 400093.

"Resulting Company 2" means Talwandi Sabo Power Limited a company registered under the laws of India with its registered address at Village Banawala, Mansa-Talwandi Sabo Road, Mansa, Punjab – 151302).

"Resulting Company 3" means Malco Energy Limited, a company registered under the laws of India with its registered address at SIPCOT Industrial Complex, Madurai Bypass Road, T.V. Puram P.O., Tuticorin, Tamil Nadu.

"Resulting Company 4" means Vedanta Base Metals Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link Chakala MIDC, Mumbai 400093.

"Resulting Company 5" means Vedanta Iron and Steel Limited, a company registered under the laws of India with its registered address at C-103 Atul Projects, Corporate Avenue, New Link, Chakala MIDC, Mumbai 400093.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"VEDL Group" means each Demerged Entity and each of their respective (direct and indirect) Subsidiaries (including Vedanta Limited and its (direct and indirect) Subsidiaries).

"VRIL" means Vedanta Resources Investments Limited.

"VRL Group" means the Group but excluding all entities in the VEDL Group.



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(k) **Anti-layering**: The Parent Guarantor shall ensure that (x) any Subsidiary of either Welter or Twin Star which directly or indirectly holds Capital Stock in any of the Demerged Entities must be a Wholly Owned Subsidiary of Welter and/or Twin Star (as applicable) and (y) any such Wholly Owned Subsidiary does not Incur any Borrowings.

(l) **Sale of Brand**: (x) The Parent Guarantor shall not sell, transfer or otherwise dispose of the Brand unless the net proceeds from any such sale, transfer or other disposition will be enough to repay in full each of (i) the Private Credit Facility, (ii) any Permitted PCF Refinancing Borrowings, (iii) the Amended 2024 Bonds II and (iv) the Bonds and (y) to the extent that any such sale, transfer or other disposition takes place, the Parent Guarantor shall ensure that each of (i) the Private Credit Facility, (ii) any Permitted PCF Refinancing Borrowings, (iii) the Amended 2024 Bonds II and (iv) the Bonds are repaid in full within 60 days of such sale, transfer or other disposition.

(m) **Limitation on dividends and other restricted payments and on asset sales**

If an Event of Default has occurred and is continuing, the Issuer and the Guarantors shall not:

(i) declare or pay any dividend or make any other payment or distribution on account of Capital Stock of the Issuer or any Guarantor, or to the direct or indirect holders of any such Capital Stock in their capacity as such;

(ii) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Issuer or any Guarantor or any direct or indirect parent of the Issuer or any Guarantor;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Borrowings of the Issuer or any Guarantor that is contractually subordinated to the Bonds or the Guarantees, except a payment of interest, principal or premium at the stated maturity thereof;

(iv) make any Investment; or

(v) sell, lease, lend, convey, transfer or otherwise dispose of any asset unless the Issuer or such Guarantor, as applicable, receives consideration, in the form of cash or cash equivalents, at the time of such transaction at least equal to such asset's fair market value (determined in good faith by the board of directors of the Parent Guarantor) (for the avoidance of doubt, the issuance of Capital Stock by the Issuer or any Guarantor shall not be subject to this clause (v)).

For the avoidance of doubt, nothing in this Condition 3(i) shall be construed (and is not intended to be construed) as creating any encumbrance as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on the assets of any subsidiary of Vedanta Limited listed in India.

(n) **Covenant suspension**

If, on any date following the date of the Trust Deed, the Bonds have an Investment Grade rating (i) if the Bonds are rated by no more than two (2) Rating Agencies, from any Rating Agency or (ii) if the Bonds are rated by more than two (2) Rating Agencies, from two (2) Rating Agencies, and no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Bonds cease to have an Investment Grade rating from such Rating Agency(ies), the provisions of the Trust Deed summarised under the following captions will not apply to the Bonds:

(a) Condition 3(c) "Limitation on Borrowings";

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(b) Condition 3(g) "Additional limitations relating to Subsidiary Guarantors;"

(c) Condition 3(i) "Qualified Amended 2026 Bond Refinancing Borrowing";

(d) Condition 3(j) "VRL Offshore Entities Mandatory Prepayment"

(e) Condition 3(k) "Anti-layering"

(f) Condition 3(l) "Sale of Brand"; and

(g) Condition 3(m) "Limitation on dividends and other restricted payments and on asset sales".

Such covenants will be reinstituted and apply according to their terms as at and from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event.

(o) **Definitions**

As used in these Conditions:

"Accounts" means:

(i) as of each 31 March and for the twelve-month period then ending, the audited consolidated profit and loss account and balance sheet of the Parent Guarantor prepared in accordance with Applicable Accounting Principles; and

(ii) as of each 30 September and for the six-month period then ending, the unaudited consolidated profit and loss account and balance sheet of the Parent Guarantor prepared in accordance with Applicable Accounting Principles.

"Adjusted Treasury Rate" means, with respect to any redemption date:

(1) the average of the yields in each statistical release for the immediately preceding week (from the calculation date) designated "H.15" or any successor release published by the Board of Governors of the Federal Reserve System which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the heading "U.S. government securities – Treasury constant maturities – nominal," for the maturity corresponding to the Comparable Treasury Issue; *provided* that if no maturity is within three months before or after the period from the redemption date to the maturity of the Comparable Treasury Issue, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis rounding to the nearest month; *provided* further that if the period from the redemption date to September 11, 2024 is less than one year, the weekly average yield on actually traded U.S. Treasury securities adjusted to a constant maturity of one year will be used; or

(2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

"Affiliate" means, with respect to any Person, any other Person, directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition,



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"control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Amended 2024 Bonds I" means the U.S.$1,000,000,000 13.875% Bonds due 2028 issued by the Parent Guarantor.

"Amended 2024 Bonds II" means the U.S.$1,000,000,000 13.875% Bonds due 2027 issued by VRF II Finance Plc.

"Amended 2026 Bonds" means the U.S.$600,000,000 9.25% Bonds due 2026 issued by VRF II Finance Plc.

"Amendment Date" means the date of execution of the amended and restated Trust Deed effecting the amendments outlined in the consent solicitation memorandum dated 13 December 2023.

"Applicable Accounting Principles" means the accounting principles and provisions of International Financial Reporting Standards applicable to the Parent Guarantor and its Subsidiaries as in effect from time to time.

"Applicable Premium" means with respect to a Bond at any redemption date, the greater of:

(i) 1.0% of the principal amount of such Bond; and

(ii) the excess of:

(A) the present value at such redemption date of the principal amount of such Bond plus all required remaining scheduled interest payments due on such Bond through September 11, 2024 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points; over

(B) the principal amount of such Bond.

"Assets" of any Person means all or any of its shares, business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital.

"Balance Sheet Date" means each 30 September and 31 March or other semi-annual date at which the Parent Guarantor prepares its audited or unaudited Accounts.

"Borrowings" means, with respect to any Person at any date, without duplication:

(i) all obligations of such Person for borrowed money;

(ii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business;

(iii) all obligations of such Person as lessee which are capitalised in accordance with Applicable Accounting Principles;

(iv) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument, except in respect of trade accounts payable arising in the ordinary course of business;

(v) all obligations of such Person representing Disqualified Stock valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, plus accrued dividends, if any;

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(vi) all Borrowings of others guaranteed by such Person;

(vii) all Borrowings of others secured by Security on any Asset of such Person (whether or not such Borrowings are assumed by such Person); *provided* that the amount of such Borrowings will be the lesser of:

(A) the fair market value of such Asset at such date of determination; and

(B) the amount of such Borrowings; and

(viii) in the case of a Subsidiary of the Parent Guarantor, all obligations representing Preferred Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price, plus accrued dividends, if any;

provided that for the purposes of Condition 3(c), Borrowings shall not include:

(A) Borrowings of the Parent Guarantor or any of its Subsidiaries owed to the Parent Guarantor or any of its Subsidiaries; *provided* that if on any date:

(1) any Subsidiary of the Parent Guarantor to which such Borrowing is owed ceases to be a Subsidiary of the Parent Guarantor; or

(2) such Borrowing is transferred to any Person (other than the Parent Guarantor or any of its Subsidiaries),

then such Borrowing shall be deemed to constitute a Borrowing for the purposes of Condition 3(c) and shall be deemed to have been Incurred on such date; and

(B) Preferred Stock or Disqualified Stock issued by any Subsidiary of the Parent Guarantor to the Parent Guarantor or any other Subsidiary of the Parent Guarantor; *provided further* that for the purposes of clause (y) of the proviso in Condition 3(c), Borrowings shall not include the Borrowings of any Subsidiary (which is established as a special purpose entity for the sole purpose of engaging in financing activities) of the Parent Guarantor, which are guaranteed by the Parent Guarantor and have no recourse, directly or indirectly, to any other member of the Group;

provided further that for the purposes of Condition 3(h), Borrowings shall not include Borrowings of any Subsidiary Guarantor which, by their terms or the terms of any agreement or instrument pursuant to which they are issued or remain outstanding, (i) are expressly made subordinate to the prior payment in full of the Guarantee of such Subsidiary Guarantor (including upon any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of such Subsidiary Guarantor), (ii) do not mature or require any amortization and are not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise (including any redemption, retirement or repurchase which is contingent upon events or circumstance) in whole or in part, on or prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iii) do not provide for any cash payment of interest (or premium, if any) prior to six months after the earlier of (a) the first date no Bonds are outstanding and (b) the final stated maturity of the Bonds, (iv) are not secured by any Security on any assets of any Person, and are not guaranteed by any Person and (v) do not (including upon the happening of any event) restrict the payment of amounts due in respect of the Bonds or compliance by the Issuer or any of the Guarantors with their respective obligations under the Bonds and the Guarantees; *provided* that if on any date any event or circumstance occurs that results in such Borrowing ceasing to meet the conditions of any of clauses (i) through (v) above, such Borrowing shall constitute a Borrowing for the purposes of Condition 3(h) and shall be deemed to have been Incurred on such date.

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"Brand" means the trademark "Vedanta" and its logo, as described in the License Agreement (Brand Fees).

"Brand Fee Adjustment" means in respect of a financial year of a Sub-Licensee ending on or after 31 March 2025, the annual adjustment of Brand Fees for that financial year payable by such Sub-Licensee pursuant to the relevant Brand Fee Agreement to which such Sub-Licensee is party.

"Brand Fee Agreements" means any agreement in respect of the provision of a sub-license for the use of the Brand and the provision of strategic services between the Parent Guarantor and VRIL, on the one hand, and any member of the VEDL Group, on the other hand.

"Brand Fee Receivables" means the receivables under the Brand Fee Agreements in relation to the Brand Fees payable until financial year 2032.

"Brand Fees" means the royalty and brand fee payments and strategic services fee payments payable pursuant to the Brand Fee Agreements (or any of them) by any Sub-Licensee, including all pass-through fees payable by Vedanta Limited to VRIL in respect of amounts received by it from any Demerged Entity (HZL), inclusive of each relevant Brand Fee Adjustment.

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong and London.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the date of the Trust Deed or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

"Capitalized Lease" means, with respect to any Person, any lease of any property (whether real, personal or mixed), which, in conformity with Applicable Accounting Principles, is required to be capitalized on the balance sheet of such Person.

"Capitalized Lease Obligations" means the discounted present value of the rental obligations under a Capitalized Lease.

"Change of Control" means the occurrence of either of the following events:

(1) the Permitted Holders are the beneficial owners of less than 35% of the total voting power of the Voting Stock of the Parent Guarantor; or

(2) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Parent Guarantor greater than such total voting power held beneficially by the Permitted Holders.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Decline.

"Collateral" means the Brand Fee Receivables and the security over the rights of VRIL (or the Parent Guarantor, as the case may be) under the Brand Fee Agreements.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Trust Deed, and include, without limitation, all series and classes of such common stock or ordinary shares.

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"Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Bank having a maturity most nearly equal to the period from the redemption date to September 11, 2024.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or

(2) if the Independent Investment Bank obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

"Compliance Certificate" means a certificate signed by each of:

(i) the chief financial officer of the Parent Guarantor; and

(ii) a director or other authorised signatory of the Parent Guarantor,

confirming compliance with the financial ratios set out in this Condition 3, in each case as of each Balance Sheet Date and in respect of the whole of the financial year for each Balance Sheet Date falling on 31 March and in respect of the whole of the six-month period ending on the Balance Sheet Date for each Balance Sheet Date falling on 30 September, and setting out in reasonable detail the computations necessary to demonstrate such compliance.

"Consolidated EBITDA" means, for any period, the amount equal to:

(i) "operating profit"; plus

(ii) "depreciation"; plus

(iii) "special items" reducing "operating profit"; minus

(iv) "special items" increasing "operating profit,"

in each case as it is presented on consolidated financial statements of the Parent Guarantor and its Subsidiaries prepared in accordance with Applicable Accounting Principles for such period.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of:

(i) Consolidated Net Interest Expense for such period; and

(ii) all cash and non-cash dividends accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Parent Guarantor or any of its Subsidiaries held by Persons other than the Parent Guarantor or any of its Subsidiaries.

"Consolidated Net Interest Expense" means, for any period, the amount equal to "finance costs" minus "investment revenue," in each case as it is presented on a consolidated income statement of the Parent Guarantor and its Subsidiaries prepared in accordance with Applicable Accounting Principles for such period.

"Control", "Controlling" or "Controlled" means the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body or the right to direct or cause the direction of the management and policies, in each case whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"Disqualified Stock" means any class or series of Capital Stock of any Person that by its terms or otherwise is:

(1) required to be redeemed prior to the stated maturity of the Bonds;



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(2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the stated maturity of the Bonds; or

(3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Borrowing having a scheduled maturity prior to the stated maturity of the Bonds.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency into U.S. dollars at the base rate for the purchase of U.S. dollars with such foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"Fitch" means Fitch Ratings Limited, its affiliates and any successor to or assignee of its ratings business.

"Fixed Charge Coverage Ratio" means, on any Transaction Date, the ratio of:

(1) the aggregate amount of Consolidated EBITDA for the then most recent two semi-annual periods prior to such Transaction Date for which consolidated financial statements of the Parent Guarantor prepared in accordance with Applicable Accounting Principles (which the Parent Guarantor shall use its best efforts to compile in a timely manner) are available (the "Two Semi-annual Period") and have been provided to the Trustee; to

(2) the aggregate Consolidated Fixed Charges during such Two Semi-annual Period.

"Incur" means, as applied to any obligation, to directly or indirectly, create, incur, issue, assume, guarantee or in any other manner become directly or indirectly liable, contingently or otherwise. Such obligation and "Incurred", "Incurrence" and "Incurring" shall each have a correlative meaning.

"Independent Investment Bank" means a Reference Treasury Dealer appointed by the Parent Guarantor as such.

"Indian Subsidiaries" means Subsidiaries of the Parent Guarantor which are incorporated in India.

"Indian Business Days" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in Mumbai.

"Intermediate SPV" means Vedanta UK Holdings Limited, a company registered under the laws of England and Wales with company number 15119067.

"Investment" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock (or options, warrants or other rights to acquire such Capital Stock), Borrowings, bonds, notes, debentures or other similar instruments or securities issued by another Person;

(4) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person; or

(5) all other items that would be classified as investments (including purchases of assets outside the ordinary course of business) on a statement of financial position of such Person prepared in accordance with Applicable Accounting Principles.



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"Investment Grade" means a long term credit rating of "AAA," "AA," "A" or "BBB," as modified by a "±" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or a long term credit rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's or a long term credit rating of "AAA," or "AA," "A" or "BBB," as modified by a "±," or "-" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or the equivalent long term credit ratings of any internationally recognised rating agency or agencies, as the case may be, which shall have been designated by the Parent Guarantor as having been substituted for S&P, Moody's or Fitch or all of them, as the case may be.

"License Agreement (Brand Fees)" means the license agreement between the Parent Guarantor, the Intermediate SPV and VRIL dated on or prior to the Utilisation Date under which the Parent Guarantor grants to the Intermediate SPV (which grants to VRIL) a five year exclusive license of the Brand (with a potential extension for an additional five years pursuant to the terms thereof).

"Listed Indian Subsidiary" means any Subsidiary of the Parent Guarantor in India whose Capital Stock is listed on a stock exchange.

"Material Demerged Entity" means a Demerged Entity which is a Material Subsidiary.

"Material Subsidiary" has the meaning specified in Condition 8.

"Moody's" means Moody's Investors Service, Inc., its affiliates and any successor to or assignee of its ratings business.

"Offer to Purchase" means an offer to purchase the Bonds by the Issuer from the Bondholders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Bondholder at its last address appearing in the Register stating:

(1) the provision of the Trust Deed pursuant to which the offer is being made and that all Bonds validly tendered will be accepted for payment on a pro rata basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Bond not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Guarantors, as the case may be, defaults in the payment of the purchase price, any Bond accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Bondholders electing to have a Bond purchased pursuant to the Offer to Purchase will be required to surrender the Bond, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Bond completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Bondholders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Bondholder, the principal amount of Bonds delivered for purchase and a statement that such Bondholder is withdrawing his election to have such Bonds purchased; and

(7) that Bondholders whose Bonds are being purchased only in part will be issued new Bonds equal in principal amount to the unpurchased portion of the Bonds surrendered; *provided* that each

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Bond purchased and each new Bond issued shall be in a minimum principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 in excess thereof.

On one Business Day prior to the Offer to Purchase Payment Date, the Issuer shall deposit with the Paying Agent money sufficient to pay the purchase price of all Bonds or portions thereof so accepted.

On the Offer to Purchase Payment Date, the Issuer shall:

(a) accept for payment on a pro rata basis Bonds or portions thereof tendered pursuant to an Offer to Purchase; and

(b) deliver, or cause to be delivered, to the Trustee all Bonds or portions thereof so accepted together with a certificate signed by two directors of the Issuer specifying the Bonds or portions thereof accepted for payment by the Issuer.

The Paying Agent shall promptly mail to the Bondholders so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Bondholders a new Bond equal in principal amount to any unpurchased portion of the Bond surrendered; *provided* that each Bond purchased and each new Bond issued shall be in a principal amount of U.S.$200,000 or integral multiples of U.S.$1,000 in excess thereof. The Issuer will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Issuer will comply with all applicable securities laws and regulations if it is required to repurchase Bonds pursuant to an Offer to Purchase and, to the extent any applicable securities laws and regulations conflict with the Offer to Purchase obligations, the Issuer will not be deemed to have breached such obligations by virtue of such compliance.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Parent Guarantor and its Subsidiaries which the Issuer in good faith believes will assist the Bondholders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable the Bondholders to tender Bonds pursuant to the Offer to Purchase.

"Permitted Business" means any business, service or activity conducted or proposed to be conducted (as described in the offering memorandum relating to the Bonds dated February 25, 2021 (the "OM Date")) by the Parent Guarantor and its Subsidiaries and any other business, service or activity conducted by the Parent Guarantor and its Subsidiaries on the OM Date and other businesses reasonably related, complementary or ancillary thereto as approved by the board of directors of the Parent Guarantor from time to time.

"Permitted Holders" means any or all of the following:

(1) Mr Anil Agarwal, Mr. D.P. Agarwal and Mr Agnivesh Agarwal, individually or collectively;

(2) any Affiliate or a direct family member of any of the Persons specified in clause (1) of this definition; and

(3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are more than 80% owned by Persons specified in clauses (1) and (2) of this definition.

"Permitted PCF Refinancing Borrowings" means Permitted Refinancing Borrowings Incurred to refinance (in whole or in part) (i) the Private Credit Facility and/or (ii) any other Permitted PCF Refinancing Borrowings, in each case, in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses).

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"Person" means any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organisation.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation, winding up or dissolution of such Person, over any other class of Capital Stock of such Person.

"Primary Treasury Dealer" means a primary U.S. government securities dealer in New York City.

"Private Credit Facility" means the U.S.$1,250,000,000 facilities agreement between, among others, Vedanta Resources Investments Limited and Vedanta Holding Mauritius II Limited, as borrowers, the Parent Guarantor, Vedanta UK Holdings Limited, Twin Star Holdings Ltd. and Welter Trading Limited, as guarantors, Standard Chartered Bank, as arranger, Madison Pacific Trust Limited, as agent and security agent, and the original lenders named therein.

"Qualified Amended 2026 Bond Refinancing Borrowings" means Borrowings which:

(1) other than in connection with (i) a change of control that triggers a redemption event or (ii) an event of default, in each case under such Borrowings, do not mature or require any amortization and are not required to be repaid, redeemed, repurchased or otherwise retired, in whole or in part, on or prior to 9 December 2028;

(2) are not permitted to be voluntarily repaid other than with proceeds from the Incurrence of any other Qualified Amended 2026 Bond Refinancing Borrowings; and

(3) do not have the benefit of any Security or guarantees (other than from the Parent Guarantor) until such time as the Security over the Collateral has been created in favour of both the Amended 2024 Bonds II and the Bonds.

"Rating Agency" means, to the extent that such agency was solicited by the Issuer to provide a rating for the Bonds, any of (i) S&P, (ii) Moody's and (iii) Fitch.

"Rating Date" means the date which is 90 days prior to the earlier of the date of consummation of Change of Control and a public announcement of a Change of Control.

"Rating Decline" means the occurrence on, or within six months after, the earlier of the date of consummation of Change of Control or public announcement of a Change of Control (which period shall be extended so long as the rating of the Bonds is under publicly announced consideration for possible ratings change by any of the Rating Agencies) of any of the events listed below:

(1) if the Bonds are rated by three (3) Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by at least two (2) such Rating Agencies shall be below Investment Grade;

(2) if the Bonds are rated by only two (2) Rating Agencies on the Rating Date as Investment Grade, the rating of the Bonds by either such Rating Agency shall be below Investment Grade;

(3) if the Bonds are rated by only one Rating Agency on the Rating Date as Investment Grade, the rating of the Bonds by such Rating Agency shall be below Investment Grade; or



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(4) if the Bonds are not rated as Investment Grade by any Rating Agency on the Rating Date, the rating of the Bonds by any Rating Agency shall be below the rating it provided on the Rating Date.

"Reference Treasury Dealer" means:

(1) each of Axis Bank Limited, Singapore Branch, Barclays Bank PLC, Credit Suisse (Hong Kong) Limited, DBS Bank Ltd., First Abu Dhabi Bank PJSC, ICICI Bank Limited - IFSC Banking Unit, J.P. Morgan Securities plc and Standard Chartered Bank and their respective successors or any of their respective affiliates, so long as it is Primary Treasury Dealer; provided that, if any such Person ceases to be a Primary Treasury Dealer, the Parent Guarantor will substitute another Primary Treasury Dealer; and

(2) any other Primary Treasury Dealer selected by the Parent Guarantor.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"S&P" means S&P Global Ratings, a division of the McGraw Hill Companies, Inc., its affiliates and any successor to or assignee of its ratings business.

"Share Capital" means any and all shares, interests (including joint venture and partnership interests), participations or other equivalents of capital stock of a corporation or any and all equivalent ownership interests in a Person.

"Sub-Licensee" means (in its capacity as sub-licensee under a particular Brand Fee Agreement):

(1) Black Mountain Mining (Pty) Ltd (a company incorporated under the laws of South Africa, having its registered office at 1 Penge Road, Aggeneys, Northern Cape Province, South Africa);

(2) Cairn Energy Hydrocarbons Limited (a company incorporated in Scotland with registration number SC172470);

(3) HZL (or any Demerged Entity (HZL);

(4) Vedanta Limited;

(5) any Resulting Company; or,

(6) any other Demerged Entity or Subsidiary thereof which has entered into a Brand Fee Agreement with the Parent Guarantor and/or the Intermediate SPV and VRIL and designated as such by the agent under the Private Credit Facility.

"Transaction Date" means, with respect to the Incurrence of any Borrowing, the date such Borrowing is to be Incurred and, with respect to the issuance, sale, transfer or other disposition of, or purchase or other acquisition of Capital Stock, the date such Capital Stock is to be issued, sold, transferred or otherwise disposed of, or purchased or otherwise acquired.

"Utilisation Date" means the date in which the facilities under the Private Credit Facility are first utilised.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

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"VRIL" means Vedanta Resources Investments Limited.

"Wholly Owned" means, with respect to any Subsidiary, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by Welter or Twin Star (as applicable) or one or more Wholly Owned Subsidiaries of Welter or Twin Star (as applicable).

4 Interest

The Bonds will bear interest from (i) the Closing Date to and up to (but excluding) the Amendment Date at the rate of 8.95% per annum and (ii) the Amendment Date at the rate of 13.875% per annum, payable semi-annually in arrear on March 11 and September 11 of each year, commencing on September 11, 2021 (each such interest payment date, an "Interest Payment Date"), except that the last payment of interest, to be made on 9 December 2028 (the "Last Interest Payment Date"), will be in respect of the period from and including 11 September 2028 to (but excluding) the Last Interest Payment Date. Interest on the Bonds shall accrue from (and including) the most recent date to which interest has been paid and ending on (but excluding) the next Interest Payment Date for the Bonds. Each Bond will cease to bear interest from the due date for redemption unless, upon surrender in accordance with Condition 6, payment of the full amount of principal is improperly withheld or refused or unless default is otherwise made in respect of any such payment. In such event each Bond shall continue to bear interest at the applicable rate (both before and after judgment) until, but excluding whichever is the earlier of:

(a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder; and

(b) the day which is seven calendar days after the Trustee or the Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh calendar day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

5 Redemption and Purchase

(a) **Amortization of principal**: Instalments of principal of the Bonds are payable on the dates below (each, an "Amortization Payment Date"), in an amount (the "Amortization Amount") equal to the product of (x) the applicable Amortization Ratio on the applicable Amortization Payment Date *times* (y) the principal amount of Bonds outstanding immediately prior to the applicable Amortization Payment Date, plus accrued and unpaid interest, if any, to (but excluding) the relevant Amortization Payment Date:

Amortization Payment Date	Applicable Amortization Percentage	Amortization Ratio
9 August 2027	33.33%	33.33/100
9 August 2028	33.33%	33.33/66.67

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9 December 2028	33.34%	33.34/33.34

The Bonds to be redeemed on each such date will be selected on a *pro rata* basis; *provided* that Bonds with a principal amount of U.S.$200,000 will not be redeemed in part.

In these Terms and Conditions of the Bonds, references to "principal" shall, unless the context requires otherwise, be deemed to include any Amortization Amount and references to the "due date" for payment shall, unless the context requires otherwise, be deemed to include any Amortization Payment Date.

The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 5.

(b) **Redemption at the option of the Issuer**

At any time and from time to time prior to September 11, 2024, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at a redemption price equal to 100% of the principal amount of the Bonds being redeemed plus the Applicable Premium, plus accrued and unpaid interest, if any, to (but excluding) the redemption date. None of the Agents or the Trustee have any responsibility with respect to the calculation or verification of the Applicable Premium.

At any time and from time to time on or after September 11, 2024, the Bonds may be redeemed, in whole or in part, at the option of the Issuer on giving not less than 30 nor more than 60 calendar days' written notice to the Trustee and the Bondholders, at their principal amount plus accrued and unpaid interest, if any, to (but excluding) the redemption date. Any optional redemption of Bonds and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction (or waiver by the Issuer in its sole discretion) of one or more conditions precedent. If any such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's sole discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

If fewer than all the Bonds are to be redeemed, the Bonds for redemption will be selected on a pro rata basis, by lot or by such other method as required by law or requirement of any stock exchange on which the Bonds are listed or DTC or any alternative clearing system; *provided* that Bonds with a principal amount of U.S.$200,000 will not be redeemed in part.

(c) **Redemption for taxation reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 calendar days' written notice to the Bondholders (which notice shall be irrevocable) and the Trustee, at their principal amount (together with interest accrued and unpaid to (but excluding) the date fixed for redemption), if:

(i) the Issuer (or any Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date; and

(ii) such obligation cannot be avoided by the Issuer (or as the case may be, the relevant Guarantor) taking reasonable measures available to it (*provided* that changing the jurisdiction of organisation



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of the Issuer (or as the case may be, the relevant Guarantor) is not a reasonable measure for purposes of this section),

provided that no such notice of redemption shall be given earlier than 90 calendar days prior to the earliest date on which the Issuer (or, as the case may be, the relevant Guarantor) would be obliged to pay such additional amounts were a payment in respect of the Bonds or the Guarantees then due and, unless at the time such notice is given, the obligation to pay additional amounts remains in effect. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer (or, as the case may be, the relevant Guarantor) shall deliver to the Trustee a certificate signed by two directors of the Issuer (or, as the case may be, the relevant Guarantor) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or, as the case may be, the relevant Guarantor) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders.

(d) **Repurchase of Bonds Upon a Change of Control Triggering Event**

Not later than 30 days following the occurrence of a Change of Control Triggering Event, the Issuer will make an Offer to Purchase all outstanding Bonds (a "Change of Control Offer") at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest, if any, to (but excluding) the Offer to Purchase Payment Date.

Notwithstanding the above, the Issuer will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner and at the same time and purchases all Bonds validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control, the Trust Deed does not contain provisions that permit the Bondholders to require that the Issuer purchase or redeem the Bonds in the event of a takeover, recapitalisation or similar transaction.

(e) **Special Mandatory Redemption**

If the Amended 2026 Bonds are not repaid in full on or before 31 December 2025, the Parent Guarantor shall redeem all of the Bonds then outstanding at their principal amount on 20 April 2026 (the "Special Mandatory Redemption Date"), plus accrued and unpaid interest, if any, to (but excluding) the Special Mandatory Redemption Date (such redemption, a "Special Mandatory Redemption").

(f) **Purchase**

Subject to the requirements (if any) of any stock exchange on which the Bonds may be listed at the relevant time, the Parent Guarantor and any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise (including through tender or exchange offers). The Bonds so purchased, while held by or on behalf of the Parent Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 12(a).

(g) **Initial Mandatory Prepayment**

The Parent Guarantor shall, as soon as possible, but no later than 7 February 2024, redeem U.S.$192,000,000 of the Bonds on a *pro rata* basis at a redemption price equal to 100% of the principal amount of the Bonds being redeemed, plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

(h) **Cancellation**

All Bonds so redeemed will be cancelled and may not be re-issued or resold. All Bonds purchased pursuant to this Condition may be cancelled at the discretion of the relevant purchaser. Bonds may be

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surrendered for cancellation by surrendering each such Bond to the Paying Agent and if so surrendered shall be cancelled forthwith (and may not be reissued or resold) and the obligations of the Issuer in respect of any such Bonds shall be discharged.

6 Payments

(a) Principal and Interest

Payment of principal and interest due other than on an Interest Payment Date will be made in United States dollars by transfer to the registered account of the Bondholder. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Paying Agents.

Interest on Bonds due on an Interest Payment Date will be paid in United States dollars on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "Interest Record Date"). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

(b) Registered accounts

For the purposes of this Condition, a Bondholder's registered account means the United States dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(c) Payments subject to fiscal laws

All payments are subject in all cases to:

(i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7; and

(ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(d) Payment initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if it is not a business day, the first following day which is a business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of a Paying Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day or if the Bondholder is late in surrendering its Certificate (if required to do so).

(e) Business Day

In this Condition, "business day" means:

(i) in the case of payment by transfer to a registered account, a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, Hong Kong and the place of the specified office of the Paying Agent; and

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(ii) in the case of the surrender of a Certificate, a day in which commercial banks are open for business in the place of the specified office of the Paying Agent to whom the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

(f) **Paying Agents**

The initial Paying Agent, Transfer Agent and Registrar and their initial specified offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent, Transfer Agent or Registrar and appoint additional or other paying agents, transfer agents or registrars; *provided* that it will maintain:

(i) a Paying Agent;

(ii) a paying agent in Singapore so long as the Bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the rules of the SGX-ST so require; and

(iii) a Registrar.

Notice of any change in the Paying Agent, Transfer Agent or Registrar or their specified offices will promptly be given to the Bondholders and the SGX-ST (so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require).

7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Bonds or the Guarantees, as applicable, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges (including, without limitation, penalties and interest and other amounts related thereto) of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom, Mauritius or Cyprus or any other jurisdiction in which the Issuer or any Guarantor is then incorporated, organised, engaged in business for tax purposes or resident for tax purposes or through which any payment on the Bonds or the Guarantees is made on behalf of the Issuer or a Guarantor (each, a "Tax Jurisdiction") or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer, or as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

(a) to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of such holder (or its beneficial owner or equity holder) having some connection with a Tax Jurisdiction other than the mere holding of such Bond or exercising any rights or obligations relating thereto;

(b) in the case of payment of principal or interest (other than interest due on an Interest Payment Date) if the Certificate in respect of such Bond is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Certificate for payment on the last day of such period of 30 days;

(c) with respect to taxes, duties, assessments or governmental charges in respect of such Bond imposed as a result of the failure of the holder or beneficial owner of such Bond to comply with a written request of the Issuer or the relevant Guarantor at least 60 days before any such withholding or deduction would be payable to provide timely or accurate information concerning



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the nationality, residence or identity of the holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification, information or other reporting requirement (to the extent such holder or beneficial owner is legally eligible to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of a Tax Jurisdiction or any authority therein or thereof having the power to tax as a condition to exemption from all or part of such taxes;

(d) for any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(e) for any Taxes imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the Code, any regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection therewith or any law or regulation (or any official interpretation thereof) implementing an intergovernmental approach thereto, or any agreements entered into pursuant to Section 1471(b) of the Code; or

(f) for any taxes, duties, assessments or governmental charges payable otherwise than by deduction or withholding on payments under such Bond or the Guarantees.

Such additional amounts shall also not be payable where, had the beneficial owner of the Bond been the holder of the Bond, it would not have been entitled to payment of additional amounts by reason of clauses (a) through (f) inclusive above.

"Relevant Date" means whichever is the later of:

(i) the date on which such payment first becomes due; and

(ii) if the full amount payable has not been received by the Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

Any reference in these Conditions to principal and/or interest in respect of the Bonds shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

8 Events of Default

The Trustee at its discretion may, and if so requested by holders of not less than 25% in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to it being indemnified and/or secured (including by way of payment in advance) to its satisfaction), give notice in writing to the Issuer and the Parent Guarantor that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable, if any of the following events (each an "Event of Default") shall have occurred:

(a) **Non-Payment:**

(i) the Issuer and the Guarantors fail to pay all or any part of the principal of any of the Bonds when the same shall become due and payable, whether at maturity, upon redemption or otherwise and such failure continues for a period of seven calendar days; or

(ii) the Issuer and the Guarantors fail to pay any instalment of interest upon any of the Bonds as and when the same shall become due and payable, and such failure continues for a period of 14 calendar days; or

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(b) **Breach of Other Obligations:**

(i) the Issuer fails to make or consummate an Offer to Purchase with respect to any of the Bonds in the manner set out in Condition 5(d) or a Special Mandatory Redemption in the manner set out in Condition 5(e); or

(ii) the Issuer or any Guarantor defaults in the performance or observance of or compliance with any of its other obligations set out in the Bonds or the Trust Deed or under the Guarantees, which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is not in the opinion of the Trustee remedied within 45 calendar days after the date on which written notice specifying such failure, stating that such notice is a "Notice of Default" under the Bonds and demanding that the Issuer or, as the case may be, the relevant Guarantor remedy the same, shall have been given to the Issuer and the Parent Guarantor by the Trustee; or

(c) **Cross-Default:**

(i) any other present or future indebtedness of the Issuer, any Guarantor or any of the Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity (otherwise than at the option of the Issuer, any Guarantor or any Material Subsidiary, as the case may be) by reason of any actual or potential default, event of default or the like (howsoever described); or

(ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for; or

(iii) the Issuer, any Guarantor or any of the Material Subsidiaries fails to pay when due (or within any applicable grace period originally provided for) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised;

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which any one or more of the events mentioned above in this Condition 8(c) has or have occurred equals or exceeds U.S.$100,000,000 (or the Dollar Equivalent thereof); or

(d) **Enforcement Proceedings**: A distress, attachment, execution or other legal process (other than distraint or attachment imposed by any government, authority or agent prior to enforcement foreclosure) is levied, enforced or sued out, as the case may be, on or against all or a substantial part of the property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries and is not:

(i) either discharged or stayed within 60 calendar days or in circumstances where the levy, enforcement or suing out, as the case may be, of such legal process is not, or does not become, materially prejudicial to the interests of the Bondholders, within 120 calendar days; or

(ii) being contested in good faith on the basis of appropriate legal advice provided by reputable independent counsel in the relevant jurisdiction or jurisdictions and by appropriate proceedings; or

(e) **Security Enforced**: An encumbrancer takes possession or a receiver, administrator, administrative receiver, liquidator, examiner, manager, receiver and manager or other similar person (any of the foregoing, an "Administrator or Receiver") is appointed over, or an attachment order is issued in respect of, the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries and in any such case such possession or appointment is not stayed or terminated or the debt on account of which such possession was taken or appointment



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made is not discharged or satisfied within 60 calendar days of such appointment or the issue of such order; or

(f) **Insolvency**: The Issuer, any Guarantor or any of the Material Subsidiaries:

(i) is insolvent or bankrupt or is deemed to be insolvent as a result of a court being satisfied that the value of the Issuer, any Guarantor or any of the Material Subsidiaries' assets is less than the amount of its liabilities, taking into account contingent and prospective liabilities, or unable to pay its debts or stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts as they mature; or

(ii) applies for or consents to or suffers the appointment of an Administrator or Receiver in respect of the Issuer, any Guarantor or any of the Material Subsidiaries or over the whole or a substantial part of the undertaking, property, assets or revenues of the Issuer, any Guarantor or any of the Material Subsidiaries; or

(iii) proposes or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a substantial part of (or of a particular type of) the debts of the Issuer, any Guarantor or any of the Material Subsidiaries, except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution; or

(g) **Winding-up, Disposals:**An Administrator or Receiver is appointed, an order is made or an effective resolution is passed for the winding-up, dissolution, striking off the register, examinership or administration of the Issuer, any Guarantor or any of the Material Subsidiaries, or the Issuer, any Guarantor or any of the Material Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, or the Issuer, any Guarantor or any of the Material Subsidiaries sells or disposes of all or a substantial part of its assets or business whether as a single transaction or a number of transactions, related or not; except, in any such case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or other similar arrangement:

(i) on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(ii) in the case of a Material Subsidiary, not including arising out of the insolvency of such Material Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group or to a transferee or transferees which immediately upon such transfer become(s) a Subsidiary or Subsidiaries of the Parent Guarantor; or

(h) **Expropriation**: Any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates (excluding any distraint or attachment prior to enforcement or foreclosure) all or a

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substantial part of the assets or shares of the Issuer, any Guarantor or any of the Material Subsidiaries; or

(i) **Issuer or Subsidiary Guarantor ceases to be Subsidiary**: The Issuer ceases to be a Subsidiary wholly-owned and controlled, directly or indirectly, by the Parent Guarantor or any Subsidiary Guarantor ceases to be a Subsidiary; or

(j) **Analogous Events**: Any event occurs which under the laws of the Issuer's, the relevant Guarantor's or the relevant Material Subsidiary's (as the case may be) place of incorporation or principal place of business has an analogous effect to any of the events referred to in paragraphs (d) to (i) above; or

(k) **Guarantees**: The Guarantee of any Guarantor is not (or is claimed by any Guarantor not to be) in full force and effect.

(l) **Collateral**: On or after the Security Creation Date, any default by the Security Provider in the performance of any of its obligations under the Collateral Document which adversely affects the enforceability, validity, perfection or priority of the Security on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole; or

(m) **Collateral Document**: On or after the Security Creation Date, the Security Provider denies or disaffirms its obligations under the Collateral Document or, other than in accordance with the Trust Deed, the Collateral Document or the Intercreditor Agreement, the Collateral Document ceases to be or is not in full force and effect or the Collateral Agent ceases to have a valid and perfected security interest in the Collateral (subject to the Intercreditor Agreement).

In addition, in the case of paragraph (a), the holders of not less than 25% in principal amount of the Bonds then outstanding may give notice in writing to the Issuer and the Parent Guarantor (with a copy to the Trustee) that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest, if applicable.

Upon any such notice being given by the Trustee or such holders to the Issuer and the Parent Guarantor, the Bonds will immediately become due and payable at their principal amount together with accrued interest as provided in the Trust Deed, *provided* that no such notice may be given unless an Event of Default shall have occurred and *provided further* that, in the case of paragraphs (b)(ii), (d), (e) and (h), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

"Material Subsidiary" means, at any particular time, a Subsidiary of the Parent Guarantor:

(a) whose:

(i) total assets; or

(ii) gross revenues,

(in each case on an unconsolidated basis) attributable to the Parent Guarantor are equal to or greater than 10% of the consolidated total assets or consolidated gross revenues of the Parent Guarantor, as applicable (in each case as calculated based on the latest annual unconsolidated financial statements of the Subsidiary and the latest audited annual consolidated financial statements of the Parent Guarantor); or

(b) to which is transferred all or substantially all of the business, assets and undertaking of a Subsidiary of the Parent Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon the transferor Subsidiary of the Parent Guarantor shall immediately cease to be a Material Subsidiary and the transferee Subsidiary shall immediately become a Material Subsidiary (subject to the provisions of paragraph (a) above).



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A report by two directors of the Parent Guarantor that in their opinion a Subsidiary of the Parent Guarantor is or is not, or was or was not, at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee and the Bondholders.

9 Consolidation, Amalgamation or Merger

The Parent Guarantor will not consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

(a) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of the Parent Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Merger or that acquired such properties and assets, if not organised under the law of the United Kingdom, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added to Condition 7 and clause (c) of Condition 5 in each place therein in which reference is made to the United Kingdom, subject to clause (d) of the first paragraph of this Condition 9;

(c) immediately after giving effect to any such Merger, no Event of Default or Potential Event of Default shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

(i) a certificate signed by two directors of the Parent Guarantor; and

(ii) a certificate signed by two directors of the Person that would result from such Merger or that would acquire such properties and assets; and

(d) the Person formed by (or surviving) such Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Merger.

Each Subsidiary Guarantor will not, and the Parent Guarantor will not permit any Subsidiary Guarantor to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any Person other than the Parent Guarantor or another Subsidiary Guarantor (the consummation of any such event, a "Subsidiary Merger"), unless:

(a) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly assume, by a supplemental trust deed in form and substance satisfactory to the Trustee, all obligations of such Subsidiary Guarantor under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein;

(b) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets, if not organised under the law of the jurisdiction of organisation of such Subsidiary Guarantor, shall expressly agree, by a supplemental trust deed in form and substance satisfactory to the Trustee, that its jurisdiction of organisation (or any authority therein or thereof having power to tax) will be added to Condition 7 and clause (c) of Condition 5 in each place therein in

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which reference is made to the jurisdiction of organisation of such Subsidiary Guarantor, subject to clause (d) of the second paragraph this Condition 9;

(c) immediately after giving effect to any such Subsidiary Merger, no Event of Default or Potential Event of Default shall have occurred or be continuing or would result therefrom as confirmed to the Trustee by:

(i) a certificate signed by two directors of the Parent Guarantor; and

(ii) a certificate signed by two directors of the Person that would result from such Subsidiary Merger or that would acquire such properties and assets;

(d) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets shall expressly agree, among other things, not to redeem the Bonds pursuant to Condition 5(c) as a result of it becoming obliged to pay any additional amounts (as provided or referred to in Condition 7) arising solely as a result of such Subsidiary Merger; and

(e) the Person formed by (or surviving) such Subsidiary Merger or that acquired such properties and assets would, on the date of such transaction after giving pro forma effect thereto, be permitted to Incur at least U.S.$1.00 of additional Borrowings pursuant to the Subsidiary Guarantor Attributable Leverage Ratio test set forth in the first paragraph of Condition 3(h).

The Issuer will not, and the Parent Guarantor will not permit the Issuer to, consolidate with, merge or amalgamate into, or transfer its properties and assets substantially as an entirety to, any corporation or convey or transfer its properties and assets substantially as an entirety to any person.

10 Prescription

Claims in respect of principal and interest will become void unless made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

11 Replacement of Certificates

If any Certificate representing a Bond is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Parent Guarantor may require (*provided* that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification and Waiver

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement, the Collateral Document or the Intercreditor Agreement. Such a meeting may be convened by the Issuer, the Parent Guarantor or the Trustee at any time and shall be convened by the Trustee if it receives a written request by Bondholders holding not less than 15% in principal amount of the Bonds for the time being outstanding. The quorum for any such meeting convened to consider an Extraordinary Resolution will be two (2) or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting

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two (2) or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:

(i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds;

(ii) to reduce or cancel the principal amount of, or interest on, the Bonds;

(iii) to change the currency of payment of the Bonds;

(iv) to cancel or modify any Guarantee (other than any modification described in Condition 12(b));

(v) to modify or discharge any Security over the Collateral (other than in accordance with the Collateral Document or the Intercreditor Agreement or any modification described in Condition 12(b));

(vi) to impair or affect the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds; and

(vii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution,

in which case the necessary quorum will be two (2) or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted in favour).

The expression "Extraordinary Resolution" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than two-thirds of the votes cast.

(b) **Modification and Waiver**

The Trustee may agree, without the consent of the Bondholders, to:

(i) any modification to these Conditions or to the provisions of the Trust Deed, the Agency Agreement, the Collateral Document or the Intercreditor Agreement which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and

(ii) any other modification (except as provided for in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of these Conditions, the Trust Deed, the Agency Agreement, the Collateral Document or the Intercreditor Agreement which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders.

Any such modification, authorisation or waiver shall be binding on the Bondholders and such modification shall be notified to the Bondholders as soon as practicable.

(c) **Written resolutions of 90% holders**

The Trust Deed provides that (i) a written resolution signed, and (ii) consent given by way of electronic consents through the relevant clearing system(s) in accordance with their operating rules and procedures, by or on behalf of the holders of not less than 90% of the aggregate principal amount outstanding of Bonds who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed shall, in each case, be as valid and effective as a duly passed Extraordinary Resolution. Such written resolution

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and/or consent given by way of electronic consents will be binding on all Bondholders whether or not they participated in such written resolution and/or electronic consent, as the case may be.

(d) **Entitlement of the Trustee**

In connection with the exercise of its powers, trusts, authorisations or discretions (including but not limited to those referred to in this Condition), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders (including as a result of their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory) and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Guarantors any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer, the Guarantors and/or (on or after the Security Creation Date) the Security Provider as it may think fit to enforce the terms of the Trust Deed, the Bonds, the Guarantees, the Collateral Document and/or the Intercreditor Agreement, but it need not take any such proceedings unless:

(a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in principal amount of the Bonds outstanding; and

(b) it shall have been indemnified and/or secured (including by way of payment in advance) to its satisfaction.

No Bondholder may proceed directly against the Issuer and/or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing. However, such limitation does not apply to the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds.

In addition, at any time after the Bonds become due and payable following an Event of Default, the Trustee may, and shall upon request of holders of at least 25% in aggregate principal amount of outstanding Bonds, subject to receiving indemnity and/or security and/or pre-funding to its satisfaction, (i) instruct the Collateral Agent in accordance with the terms of the Intercreditor Agreement to enforce the Collateral and/or take any actions which the Collateral Agent is entitled to do under the terms of the Collateral Document and the Intercreditor Agreement and (ii) take such further action on behalf of the holders of the Bonds with respect to the Collateral as the Trustee deems appropriate.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured (including by way of payment in advance) to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, any Guarantor and any entity related to the Issuer or any Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders on any certificate or report prepared by the auditors or any other person pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the auditors liability in respect thereof is limited by a monetary cap or otherwise; any such certificate shall be conclusive and binding on the Issuer, the Guarantors, the Trustee and the Bondholders.

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15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them and, to the extent applicable, the first (or, as applicable, second) payment date of the Amortization Amount on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue, *provided* that, if the securities of such further issue are not fungible with the Bonds for U.S. federal income tax purposes, such securities will have a separate CUSIP or ISIN from those of the Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

16 Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in Singapore (which is expected to be *The Business Times*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Bonds are represented by the Global Certificates and the Global Certificates are held on behalf of DTC or the alternative clearing system (as defined in the Global Certificates), notices to Bondholders may be given by delivery of the relevant notice to DTC or the alternative clearing system, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Agency Agreement, the Bonds, the Collateral Document and the Intercreditor Agreement and all non-contractual matters arising therefrom or in connection therewith are governed by and construed in accordance with English law.

(b) Jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute (a "Dispute") arising from or connected with the Trust Deed or the Bonds and all non-contractual matters arising therefrom or in connection therewith (including a dispute regarding the existence, validity or termination of the Trust Deed or the Bonds or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("Proceedings") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

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(c) **Process Agent**

Each of Twin Star and Welter hereby irrevocably appoints the Parent Guarantor, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings in England. If the Parent Guarantor ceases to be able to accept service of process in England and Wales, each of Twin Star and Welter shall immediately appoint a new agent to accept such service of process in England and notify the Trustee of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.



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PART II
FORM OF AMENDMENT DOCUMENT



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Linklaters

AMENDED AND RESTATED TRUST DEED

constituting US$1,200,000,000 originally 8.95% and increased to 13.875% Guaranteed Senior Bonds originally due 2025 and extended to 2028

Dated [●] 2024

VEDANTA RESOURCES FINANCE II PLC

and

VEDANTA RESOURCES LIMITED

and

TWIN STAR HOLDINGS LTD.

and

WELTER TRADING LIMITED

and

CITICORP INTERNATIONAL LIMITED

and

AXIS TRUSTEE SERVICES LIMITED

Ref: L-340394



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This Amended and Restated Trust Deed is made on [●] 2024 **between**:

(1) **VEDANTA RESOURCES FINANCE II PLC** (the "**Issuer**");

(2) **VEDANTA RESOURCES LIMITED** (the "**Parent Guarantor**");

(3) **TWIN STAR HOLDINGS LTD.** ("**Twin Star**");

(4) **WELTER TRADING LIMITED** ("**Welter**" and, together with Twin Star, the "**Subsidiary Guarantors**").

(5) **CITICORP INTERNATIONAL LIMITED** (the "**Trustee**", which expression, where the context so admits, includes any other trustee for the time being of this Trust Deed); and

(6) **AXIS TRUSTEE SERVICES LIMITED** whose principal place of business is at [●] (the "**Onshore Collateral Agent**").

Whereas:

(A) The Issuer, incorporated in England and Wales, issued US$1,200,000,000 originally 8.95% and increased to 13.875% Guaranteed Senior Bonds originally due 2025 and extended to 2028 (the "**Bonds**").

(B) The Bonds were constituted by a trust deed dated 11 March 2021, each between the Issuer, the Guarantors and the Trustee (together, the "**Existing Trust Deed**").

(C) By extraordinary resolution dated [●] 2024 (the "**Extraordinary Resolution**"), the Bondholders consented to amend, among others, the terms and conditions of the Bonds, and authorised, directed, requested and empowered the Trustee to execute certain amendment documentation including this Trust Deed.

(D) The Parent Guarantor has authorised the granting of the Security under and in accordance with the terms set out in the Collateral Documents (as defined below) and the rights of Bondholders with respect to the Security shall be further governed by the Intercreditor Agreement (as defined below).

(E) This Amended and Restated Trust Deed will take effect on, and will amend and restate the Existing Trust Deed on, the Settlement Date (as defined in the Extraordinary Resolution).

(F) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

(G) Certain provisions under this Trust Deed necessitate disclosure requirements under Regulation 29 of the Indian Takeover Code (as defined below). At the request of Issuer, Axis Trustee Services Limited has agreed to act as the Onshore Collateral Agent for the benefit of the Secured Parties on the terms and conditions set out in the OCA Appointment Agreement (VRF) (as defined below).

(H) This Amended and Restated Trust Deed is intended to take effect as a deed notwithstanding that any party may execute it under hand only.

This Amended and Restated Trust Deed witnesses and it is declared as follows:

1 Interpretation

1.1 **Definitions**: Terms defined or construed in the Conditions (as defined below) shall, unless the context otherwise requires, have the same meanings when used herein. In addition, the following expressions have the following meanings:

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"**Accession Deed**" means the accession deed substantially in the form of Schedule 5 to be signed by each of the parties to this Trust Deed and the Collateral Agent on the Security Creation Date;

"**Accounts**" has the meaning set out in Condition 3(k);

"**Agency Agreement**" means the agreement referred to as such in the Conditions, as altered from time to time, and includes any other agreements approved in writing by the Trustee, the Issuer, the Parent Guarantor and Subsidiary Guarantors appointing Successor Paying Agents or altering any such agreements;

"**Auditors**" means the auditors for the time being of the Parent Guarantor or, if they are unable or unwilling to carry out any action requested of them under this Trust Deed, such other firm of accountants as may be nominated or approved in writing by the Parent Guarantor; provided that after an Event of Default has occurred that is continuing such other firm of accountants shall be nominated or approved by the Trustee for the purpose;

"**Bondholder**" or, in respect of a Bond, "**holder**" means a person in whose name a Bond is registered in the register of Bondholders save that, for the purposes of enforcement of the provisions of this Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which a Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in this Trust Deed to the extent of the principal amount of the interest in the Bonds set out in the certificate of the holder as if they are themselves the holders of the Bonds in such principal amounts (and the holder of the Bonds in respect of which a Global Certificate is issued shall not be so recognised to the same extent);

"**Bonds**" means bonds in registered form comprising the $1,200,000,000 originally 8.95% and increased to 13.875% Guaranteed Senior Bonds originally due 2025 and extended to 2028, constituted by this Trust Deed and unconditionally and irrevocably guaranteed by the Parent Guarantor and each Subsidiary Guarantor, and for the time being outstanding or, as the context may require, a specific number or principal amount of them;

"**Business day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, London and Hong Kong;

"**Certificate**" means a certificate, in or substantially in the form set out in Schedule 2, issued in the name of the holder of one or more Bonds and includes any replacement Certificates issued pursuant to the Conditions; and, except for the purposes of Clause 3, includes the Global Certificates in or substantially in the form set out in Schedule 3;

"**Clearstream**" means Clearstream Banking S.A.;

"**Closing Date**" means 11 March 2021;

"**Collateral**" has the meaning set out in Condition 3(j);

"**Collateral Agent**" has the meaning set out in Condition 1(f);

"**Collateral Documents**" has the meaning set out in the Conditions;

"**Compliance Certificate**" has the meaning set out in Condition 3(k);

"**Conditions**" means the terms and conditions set out in Schedule 1 as from time to time modified in accordance with this Trust Deed and as modified in their application to the Bonds in respect of which the Global Certificates for Bonds are issued, by the provisions of such

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Global Certificates. Any reference to a particularly numbered Condition shall be construed accordingly;

"**Delegate**" means any delegate, agent, attorney or co-trustee appointed by the Collateral Agent or Receiver under, and in accordance with, the Intercreditor Agreement and/or the Collateral Documents;

"**Directors**" means the executive directors and non-executive directors of the Issuer, the Parent Guarantor or a Subsidiary Guarantor from time to time;

"**DTC**" means The Depository Trust Company, a New York corporation;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Event of Default**" means an event described in Condition 8;

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**Extraordinary Resolution**" has the meaning set out in Schedule 4;

"**Force Majeure Event**" means any event (including but not limited to: an act of God, fire, pandemic, explosion, floods, earthquakes, typhoons; riot, civil commotion or unrest, insurrection, terrorism, war, strikes or lockouts; nationalisation, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; and breakdown, failure or malfunction of any telecommunications, computer services or systems, or other causes) beyond the control of any party which restricts or prohibits the performance of the obligations of such party contemplated by this Trust Deed;

"**Global Certificates**" means the Restricted Global Certificates, if any, and the Unrestricted Global Certificates, if any, issued in respect of the Bonds and "**Global Certificate**" means any one of them;

"**Indian Encumbrance Reasons Circular**" means Securities and Exchange Board of India circular bearing reference number SEBI/HO/CFD/DCR1/CIR/P/2019/90 dated 7 August 2019, as amended;

"**Indian Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;

"**Indian Takeover Code**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended;

"**Intercreditor Agreement**" has the meaning set out in Condition 1(f), substantially in the form of Schedule 6;

"**Listed Indian Subsidiary**" means any Subsidiary of the Issuer in India whose Common Stock is listed on a stock exchange;

"**Material Subsidiary**" has the meaning set out in Condition 8;

"**outstanding**" means, in relation to the Bonds, all the Bonds issued except:

(a) those which have been redeemed in accordance with the Conditions;

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(b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Agent as provided in Clause 2 and remain available for payment following surrender of Certificates in respect of Bonds;

(c) those which have become void;

(d) those which have been purchased and cancelled as provided in the Conditions; and

(e) the Bonds represented by Global Certificates to the extent that the Global Certificates have been exchanged for definitive Certificates pursuant to their provisions,

provided that for the purposes of:

(i) ascertaining the right to attend and vote at any meeting of the Bondholders;

(ii) the determination of how many Bonds are outstanding for the purposes of Conditions 8, 12 and 13 and Schedule 4;

(iii) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Bondholders; and

(iv) the certification by the Trustee as to whether an Event of Default under paragraphs (b)(ii), (d), (e) and (h) of Condition 8 is in its opinion materially prejudicial to the interests of the Bondholders,

those Bonds which are beneficially held by or on behalf of the Issuer, the Parent Guarantor, each Subsidiary Guarantor or any of their respective Subsidiaries and not cancelled shall (unless no longer so held) be deemed not to remain outstanding;

"**OCA Appointment Agreement (VRF)**" means the onshore collateral agent appointment agreement entered into between the Onshore Collateral Agent and the Issuer, dated on or about the date of this Trust Deed;

"**Paying Agents**" means the banks (including the Principal Agent) referred to as such in the Conditions or any Successor Paying Agents in each case at their respective specified offices;

"**Potential Event of Default**" means an event or circumstance which would with the giving of notice, lapse of time and/or issuing of a certificate become an Event of Default;

"**Principal Agent**" means the bank named as such in the Conditions or any Successor Principal Agent;

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security appointed by the Collateral Agent under, and in accordance with, the Intercreditor Agreement and/or the Collateral Documents;

"**Registrar**" means Citigroup Global Markets Europe AG at its specified office at Reuterweg 16, 80323 Frankfurt, Germany, or any Successor Registrar appointed under the Agency Agreement at its specified office;

"**Regulation S**" means Regulation S under the Securities Act;

"**Restricted Global Certificate**" means a global certificate substantially in the form set out in Part II to Schedule 3 bearing the Securities Act Legend and the legends required by DTC;

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"**Rule 144A**" means Rule 144A under the Securities Act;

"**Secured Parties**" means the Bondholders, the Trustee for itself and on behalf of the Bondholders, the Collateral Agent, the Paying Agents and any Receiver or Delegate appointed by the Collateral Agent;

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Securities Act Legend**" means the transfer restriction legend set out in Schedule 2 and Schedule 3 on the individual definitive Certificate and the Restricted Global Certificates;

"**Security**" has the meaning set out in Condition 3(a);

"**Security Creation Date**" has the meaning set out in Clause 8.21 (Creation of Security) of this Trust Deed;

"**Security Provider**" means the Parent Guarantor in its capacity of granting the Collateral as Security under the Conditions;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**specified office**" means, in relation to a Paying Agent, the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to Bondholders pursuant to Clause 8.14 ;

"**Subsidiary**" has the meaning set out in Condition 3(a);

"**Successor**" means, in relation to the Paying Agents and Registrar, such other or further person as may from time to time be appointed by the Issuer, the Parent Guarantor and Subsidiary Guarantors as a Paying Agent or Registrar, as the case may be, with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Bondholders pursuant to Clause 8.14;

"**Trust Deed**" means this Trust Deed (as from time to time altered in accordance with this Trust Deed) and any other document executed in accordance with this Trust Deed (as from time to time so altered) and expressed to be supplemental to this Trust Deed;

"**trust corporation**" means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees; and

"**Unrestricted Global Certificate**" means a global certificate substantially in the form set out in Part I to Schedule 3.

1.2 Construction of Certain References: References to:

1.2.1 costs, charges, remuneration or expenses include withholding, any value added, turnover or similar tax charged in respect thereof;

1.2.2 "**U.S. dollars**", "**$**" and "**U.S.$**" are to the lawful currency for the time being of the United States of America; and

1.2.3 an action, remedy or method of judicial proceedings for the enforcement of creditors' rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto.

1.3 **Headings**: Headings shall be ignored in construing this Trust Deed.

1.4 **Schedules**: The Schedules are part of this Trust Deed and have effect accordingly.

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1.5 **Contracts (Rights of Third Parties) Act 1999**: A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms.

1.6 **Supplemental Deeds and Agreements**: Except where the context otherwise requires, all references contained herein to this Trust Deed, the Agency Agreement, the Collateral Documents and the Intercreditor Agreement shall be deemed to refer to such documents as amended, restated, novated and/or supplemented from time to time (to the extent such amendment, restatement, novation and/or supplement is permitted by the Conditions and this Trust Deed).

1.7 **References to Collateral Agent**: References to the Collateral Agent in this Trust Deed shall be applicable once the Collateral Agent has acceded to this Trust Deed pursuant to Clause 9.

1.8 **Party**: All references to any party or person in this Trust Deed include its successors in title, permitted assignees and permitted transferees.

2 Amount of the Bonds and Covenant to Pay

2.1 **Amount of the Bonds**: Subject to Clause 20, the aggregate principal amount of the Bonds is limited to $1,200,000,000.

2.2 **Covenant to pay**: The Issuer will on any date when any Bonds become due to be redeemed unconditionally pay to or to the order of the Trustee in Hong Kong in U.S. dollars in same day funds the principal amount of the Bonds becoming due for redemption on that date together with any applicable premium and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally so pay to or to the order of the Trustee interest on the principal amount of the Bonds outstanding as set out in the Conditions *provided that*:

2.2.1 payment of any sum due in respect of the Bonds made to the Principal Agent as provided in the Agency Agreement shall, to that extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions; and

2.2.2 a payment made after the due date or pursuant to Condition 8 will be deemed to have been made when the full amount due has been received by the Principal Agent or the Trustee and notice to that effect has been given to the Bondholders (if required under Clause 8.11), except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions.

The Trustee hereby declares itself trustee of all the covenants, undertakings and security interests made or given to it and will hold these on trust for the benefit of itself and the Bondholders according to their respective interest.

2.3 **Discharge**: Subject to Clause 2.4, any payment to be made in respect of the Bonds by the Issuer, the Parent Guarantor, each Subsidiary Guarantor or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.4) to that extent be a good discharge by the Issuer, the Parent Guarantor, each Subsidiary Guarantor or the Trustee, as the case may be.

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2.4 **Payment after a Default**: At any time after an Event of Default or a Potential Event of Default has occurred with respect to the Bonds, the Trustee may:

2.4.1 by notice in writing to the Issuer, the Parent Guarantor, each Subsidiary Guarantor and the Agents, require the Agents or any of them until notified by the Trustee to the contrary, so far as permitted by applicable law:

(i) to act as Agents of the Trustee under this Trust Deed and the Bonds on the terms of the Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and expenses of the Agents shall be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of this Trust Deed and available for that purpose) and thereafter to hold all Certificates and all moneys, documents and records held by them in respect of the Bonds to the order of the Trustee; and/or

(ii) to deliver all Certificates and all moneys, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee directs in such notice; and

2.4.2 by notice in writing to the Issuer, the Parent Guarantor and each Subsidiary Guarantor, require them to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Principal Agent.

3 Form of the Bonds and Certificates; Issue of the Bonds

3.1 **The Global Certificates**: On issue of the Bonds, the Global Certificates substantially in the form of Schedule 3 will be issued in respect of the aggregate principal amount of the Bonds and the Issuer shall procure the Registrar to make such entries in the register of the Bonds as appropriate. The Unrestricted Global Certificate will be issued in the name of a nominee of DTC for the accounts of Euroclear and Clearstream and the Restricted Global Certificate will be issued in the name of a nominee for DTC. The Global Certificates need not be security printed. The Bonds evidenced by the Global Certificates shall, subject to their terms in all respects, be entitled to the same benefits under this Trust Deed as individual Bonds.

3.2 **The Definitive Certificates**: The individual definitive Certificates, if issued, will be printed in accordance with all applicable stock exchange requirements and will be substantially in the form set out in Schedule 2 and endorsed with the Conditions.

3.3 **Signature**: The Global Certificates shall be signed manually or in facsimile by one or more Directors or officers of the Issuer duly authorised for the purpose or manually by any duly authorised attorney of the Issuer and authenticated manually by or on behalf of the Registrar (or its agent on its behalf). The individual definitive Certificates (if issued) will be signed manually or in facsimile by one or more Directors or duly authorised officers of the Issuer and authenticated manually by or on behalf of the Registrar (or its agent on its behalf). The Issuer may use the facsimile signature of any person who at the date of this Trust Deed is a Director of the Issuer even if at the time of issue of any Certificate (including the Global Certificates) he no longer holds such office. Bonds represented by Certificates (including the Global Certificates) so executed and authenticated will be binding and valid obligations of the Issuer.

3.4 **Issue**: Issue and delivery of the Bonds shall be complete on the issue and delivery of the Global Certificates to Euroclear, Clearstream and DTC, or to a custodian on behalf of any

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one of them, as referred to in Clause 3.1 by, or at the order of, the Issuer and completion of the register of holders by the Registrar.

3.5 **Entitlement to treat holder as owner**: A Bondholder will (save as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as the absolute owner of a Bond registered in its name for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or the theft or loss of the Certificate, if any, issued in respect of it or anything written on it or on the relevant Certificate) and no person will be liable for so treating the holder. Title to the Bonds passes only by transfer and registration in the Register.

4 Stamp Duties and Taxes

4.1 **Stamp Duties**: The Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, will pay any ad valorem stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties arising in respect thereof, payable in respect of the creation, issue and initial delivery of the Bonds and the execution or delivery of this Trust Deed, the Agency Agreement, the Collateral Documents and the Intercreditor Agreement. The Issuer, the Parent Guarantor and each Subsidiary Guarantor will also severally and jointly indemnify the Trustee and the Bondholders from and against all stamp, issue, registration, documentary or other similar taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be and where permitted under this Trust Deed to do so, the Bondholders of the Bonds to enforce the Issuer's, the Parent Guarantor's or the Subsidiary Guarantors' respective obligations under this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor Agreement and the Bonds.

4.2 **Change of Taxing Jurisdiction**: If the Issuer, or as the case may be, the Parent Guarantor or each Subsidiary Guarantor becomes subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax other than or in addition to Mauritius, the United Kingdom or Cyprus or any such authority of or in such territory then the Issuer, or as the case may be, the Parent Guarantor and each Subsidiary Guarantor will (unless the Trustee otherwise agrees) give the Trustee an undertaking satisfactory to the Trustee in terms corresponding to the terms of Condition 7 with the substitution for, or (as the case may require) the addition to, the references in that Condition to Mauritius, the United Kingdom or Cyprus of references to that other or additional territory or authority to whose taxing jurisdiction the Issuer, the Parent Guarantor or each Subsidiary Guarantor has become so subject. In such event this Trust Deed and the Bonds will be read accordingly.

5 Guarantees and Indemnity

5.1 **Guarantee of the Bonds**: The Parent Guarantor and the Subsidiary Guarantors unconditionally and irrevocably guarantee, on a joint and several basis, that if the Issuer does not pay any sum payable by it under this Trust Deed, the Collateral Documents or the Bonds by the time and on the date specified for such payment (whether on the normal due date or otherwise), the Parent Guarantor and the Subsidiary Guarantors will pay that sum to or to the order of the Trustee, in the manner provided in Clause 2.2, forthwith on demand. Clauses 2.2.1 and 2.2.2 will apply (with consequential amendments as necessary) to such payments other than those in respect of sums due under Clause 10. All payments under the Guarantees by the Parent Guarantor and Subsidiary Guarantors will be made subject to Condition 1(c) and Clauses 4.1 and 10.6.

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5.2 **Parent Guarantor and Subsidiary Guarantors as Principal Debtors**: As between the Parent Guarantor, the Subsidiary Guarantors, the Trustee and the Bondholders but without affecting the Issuer's obligations, the Parent Guarantor and each Subsidiary Guarantor will be liable under this Clause 5 as if it were the sole principal debtor and not merely a surety. Accordingly, they will not be discharged, nor will their liability be affected, by anything which would not discharge them or affect their liability if they were the sole principal debtor including:

5.2.1 any time, indulgence, waiver or consent at any time given to the Issuer or any other person;

5.2.2 any amendment to any other provisions of this Trust Deed, the Conditions, the Collateral Documents or any security or other guarantee or indemnity;

5.2.3 the making or absence of any demand on the Issuer or any other person for payment;

5.2.4 the enforcement or absence of enforcement of this Trust Deed, the Collateral Documents, the Bonds or any security or other guarantee or indemnity;

5.2.5 the taking, existence or release of any security, guarantee or indemnity;

5.2.6 the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person; or

5.2.7 the illegality, invalidity or unenforceability of or any defect in any provision of this Trust Deed, the Collateral Documents, the Bonds or any of the Issuer's obligations under any of them.

5.3 **Parent Guarantor's and Subsidiary Guarantors' Obligations Continuing**: The Parent Guarantor's and each Subsidiary Guarantor's obligations under this Trust Deed are and will remain in full force and effect by way of continuing security until no sum remains payable under this Trust Deed, the Collateral Documents or the Bonds. Furthermore, those obligations of the Parent Guarantor and each Subsidiary Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Parent Guarantor or the Subsidiary Guarantors or otherwise and may be enforced without first having recourse to the Issuer, any other person or any other security or any other guarantee or indemnity. The Parent Guarantor and each Subsidiary Guarantor irrevocably waives all notices and demands of any kind in relation to the Guarantees.

5.4 **Exercise of Parent Guarantor's and Subsidiary Guarantors' Rights**: So long as any sum remains payable under this Trust Deed, the Collateral Documents or the Bonds:

5.4.1 any right of the Parent Guarantor and the Subsidiary Guarantors, by reason of the performance of any of their obligations under this Clause 5, to be indemnified by the Issuer or to take the benefit of or to enforce any security or other guarantee or indemnity will be exercised and enforced by the Parent Guarantor and the Subsidiary Guarantors only in such manner and on such terms as the Trustee may require or approve; and

5.4.2 any amount received or recovered by the Parent Guarantor and each Subsidiary Guarantor:

(i) as a result of any exercise of such right; or

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(ii) in the dissolution, amalgamation, reconstruction or reorganisation of the Issuer,

will be held in trust for the Trustee and immediately paid to the Trustee and the Trustee will hold it on the trusts set out in Clause 6.1 but so that nothing in this Clause 5.4 shall be construed as creating a charge or any other security interest.

5.5 **Suspense Accounts**: Any amount received or recovered by the Trustee (otherwise than as a result of a payment by the Issuer to the Trustee in accordance with Clause 2) in respect of any sum payable by the Issuer under this Trust Deed, the Collateral Documents or the Bonds may be placed in a suspense account and kept there for so long as the Trustee thinks fit.

5.6 **Avoidance of Payments**: The Parent Guarantor and each Subsidiary Guarantor shall on demand indemnify, on a joint and several basis, the Trustee and each Bondholder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution, or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under this Trust Deed, the Collateral Documents or the Bonds and shall in any event pay to the Trustee or such Bondholders on demand the amount as refunded by it.

5.7 **Debts of Issuer**: If any moneys become payable by the Parent Guarantor and the Subsidiary Guarantors under the Guarantees, the Issuer will not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Parent Guarantor and the Subsidiary Guarantors.

5.8 **Indemnity**: As separate, independent and alternative stipulations, the Parent Guarantor and each Subsidiary Guarantor unconditionally and irrevocably agree, on a joint and several basis:

5.8.1 that any sum which, although expressed to be payable by the Issuer under this Trust Deed, the Collateral Documents or the Bonds, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee or any Bondholder) not recoverable from the Parent Guarantor or the Subsidiary Guarantors on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Trustee on demand; and

5.8.2 as a primary obligation to indemnify the Trustee and each Bondholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under this Trust Deed, the Collateral Documents or the Bonds not being paid on the date and otherwise in the manner specified in this Trust Deed, the Collateral Documents or any payment obligation of the Issuer under this Trust Deed, the Collateral Documents or the Bonds being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to the Trustee or any Bondholder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

6 Application of Moneys Received by the Trustee

6.1 **Declaration of Trust**: All moneys received by the Trustee in respect of the Bonds or amounts payable under this Trust Deed, the Collateral Documents or the Guarantees will, despite any

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appropriation of all or part of them by the Issuer, the Parent Guarantor or any Subsidiary Guarantor, be held by the Trustee on trust to apply them (subject to Clauses 5.5 and 6.2)

6.1.1 first, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee, the Collateral Agent, any Receiver or Delegate (including remuneration payable to it) in carrying out its functions under this Trust Deed, the Collateral Documents and the Bonds;

6.1.2 second, in payment of any amounts owing in respect of the Bonds pari passu and rateably; and

6.1.3 third, in payment of any balance to the Issuer for itself or, if any moneys were received from the Parent Guarantor and the Subsidiary Guarantors and to the extent of such moneys, the Parent Guarantor and each Subsidiary Guarantor.

If the Trustee holds any moneys in respect of Bonds which have become void, the Trustee will hold such moneys upon the above trusts.

6.2 **Accumulation**: If the amount of the moneys at any time available for payment in respect of the Bonds under Clause 6.1 is less than 10 per cent. of the principal amount of the Bonds then outstanding, the Trustee may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the principal amount of the Bonds then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) will be applied as specified in Clause 6.1.

6.3 **Investment**: Moneys held by the Trustee may, pending application in accordance with Clause 6.1, be invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise. All interest or income deriving from any such investments or assets shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 10 to the Trustee and otherwise held for the benefit of and paid to the Bondholders in accordance with Clause 6.1.

6.4 **No Calculations**: The Trustee shall not be required to undertake any calculations with respect to any application of funds or other payments hereunder (including for the avoidance of doubt any calculations with respect to the Applicable Premium (as defined in the Conditions)).

7 Covenant of Compliance

7.1 Each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor hereby covenants with the Trustee that it will comply with and perform and observe all the applicable provisions of this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor

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Agreement and the Conditions which are expressed to be binding on it. The Conditions shall be binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Bondholders. The Trustee shall be entitled to enforce the respective obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors under the Bonds and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

8 Covenants by the Issuer, the Parent Guarantor and Subsidiary Guarantor

So long as any Bond remains outstanding, each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor covenants, on a joint and several basis, in favour of the Trustee that:

8.1 **Books of Account**: it will keep, and, in the case of the Parent Guarantor procure that each of the Material Subsidiaries keeps, proper books of account and, so far as permitted by applicable law, it will allow and, in the case of the Parent Guarantor, procure that each such Material Subsidiary will allow, the Trustee and anyone appointed by it, access to its books of account at all reasonable times during normal business hours.

8.2 **Notice of Events of Default**: it will notify the Trustee and the Collateral Agent in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default. Neither the Trustee nor any of the Agents shall be required to take any steps to ascertain whether an Event of Default or Potential Event of Default has occurred and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer, the Parent Guarantor or any Subsidiary Guarantor.

8.3 **Information**: it will, so far as permitted by applicable law, give the Trustee such information, opinions, certificates and other evidence as it reasonably requires to perform its functions under this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor Agreement and the Conditions or by operation of law, including but not limited to a copy of the disclosures required to be made under the Indian Takeover Code and Indian Listing Regulations.

8.4 **Financial Statements etc**.: in the case of the Parent Guarantor, it will:

8.4.1 deliver to the Trustee and the specified office of each of the Paying Agents as soon as reasonably practicable after the issue or publication thereof and in any event within 180 days after the end of each financial year (beginning with 31 March 2021), a copy of its annual report and audited Accounts (in the English language) as of the end of and for such financial year, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such annual report and audited Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries;

8.4.2 as soon as reasonably practicable after the issue or publication thereof (and in any event within 90 days after the end of each six-month period ending on 30 September of each financial year if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange), it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of its unaudited interim Accounts (in the English language) as of the end of and for each six-month period ending on 30 September (beginning with 30 September 2021), *provided* that if and to the extent that the financial statements are not prepared or adjusted on a basis consistent with

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that used for the preceding relevant semi-annual or annual fiscal period, that fact shall be stated, and will establish, announce and conduct one conference call with all the holders of Bonds (including the beneficial owners thereof), the contents of which will be limited to such unaudited interim Accounts and any other publicly available information regarding the Parent Guarantor and its Subsidiaries; and

8.4.3 if the Common Stock of Vedanta Limited is not listed on an internationally recognized stock exchange, as soon as reasonably practicable after the issue or publication thereof and in any event within 90 days after the end of each three-month period ending 30 June and 31 December, it will deliver to the Trustee and the specified office of each of the Paying Agents a copy of the unaudited consolidated statement of profit or loss for Vedanta Limited for such three-month period along with key production data for such three-month period, *provided that* if and to the extent that the statement of profit or loss is not prepared or adjusted on a basis consistent with that used for the preceding relevant three-month, semi-annual or annual fiscal period, that fact shall be stated; and

8.4.4 with each set of Accounts delivered by it under Condition 3(f)(i) and (3)(f)(ii), the Parent Guarantor will deliver to the Trustee and the specified office of each of the Paying Agents the Compliance Certificate.

8.5 **Certificate of Directors**: in the case of the Parent Guarantor, it will send to the Trustee, together with the delivery of each Compliance Certificate referred to in Clause 8.4.4, and also within 14 days of any request by the Trustee, a certificate of the Parent Guarantor signed by any two of its Directors or authorised signatories or one of its Directors and its chief financial officer that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Parent Guarantor as at a date (the "**Certification Date**") not more than five days before the date of the certificate no Event of Default or Potential Event of Default or other breach of this Trust Deed had occurred since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such an event had occurred, giving details of it. The Trustee shall be entitled to conclusively rely upon such certificates of the Parent Guarantor.

8.6 **Notices to Bondholders**: it will send to the Trustee the form of each notice to be given to Bondholders and, once given, a copy of each such notice, such notice to be in a form approved by the Trustee (such approval, unless so expressed, not to constitute approval for the purpose of Section 21 of the Financial Services and Markets Act 2000).

8.7 **Notices to all Shareholders and all Creditors**: it will send to the Trustee as soon as reasonably practicable, a copy of every report or other notice, statement or circular issued (or which under any legal or contractual obligation should be issued) to all its shareholders or all its creditors in their capacity as such at the time of the actual (or legally or contractually required) issue or publication thereof.

8.8 **Further Acts**: it will, so far as permitted by applicable law, do such further things as may be necessary in the opinion of the Trustee, acting reasonably, to give effect to this Trust Deed and the Conditions.

8.9 **Notice of Redemption or Repayment**: it will, not less than the number of days specified in the relevant Condition prior to the redemption or repayment date in respect of the Bonds or any of them, give to the Trustee notice in writing of the amount of such redemption or repayment pursuant to the Conditions and duly proceed to redeem or repay such Bonds or any of them accordingly.

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8.10 **Notice of Non-Payment**: it will use all reasonable endeavours to procure that the Principal Agent notifies the Trustee forthwith if it does not, on or before the due date for payment in respect of the Bonds or any of them, receive unconditionally in the manner and in the place provided by the Agency Agreement the full amount of the moneys payable on such due date on all such Bonds.

8.11 **Notice of Late Payment**: it will forthwith upon request by the Trustee give notice to the Bondholders of any unconditional payment to the Principal Agent or the Trustee of any sum due in respect of the Bonds made after the due date for such payment.

8.12 **Liability to Tax**: it will promptly give written notice to the Trustee if it is required by law to withhold or account for tax in respect of any payment due in respect of the Bonds.

8.13 **Listing**: it will use all reasonable endeavours to maintain the listing and the admission to trading of the Bonds on the SGX-ST and, if it is unable to do so, having used all reasonable endeavours, or if the maintenance of such listing and/or admission to trading is agreed by the Trustee to be unduly onerous and the Trustee is satisfied that the interests of the Bondholders would not be thereby materially prejudiced, instead use all reasonable endeavours to obtain and maintain a listing and/or admission to trading (if relevant) of the Bonds on another stock exchange approved in writing by the Trustee, such approval not to be unreasonably withheld or delayed.

8.14 **Change in Registrar, Paying Agents and Collateral Agent**: it will give at least 14 days' prior written notice to the Bondholders of any future appointment, resignation or removal of the Registrar, a Paying Agent or Collateral Agent or of any change by the Registrar, a Paying Agent or Collateral Agent of its specified office and not make any such appointment or removal without the Trustee's written approval, such approval not to be unreasonably withheld or delayed.

8.15 **Rule 144A(d)(4)**: for so long as any Bonds and the Guarantees are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer, the Parent Guarantor and each Subsidiary Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser in each case upon the request of such holder, beneficial owner, prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. The Trustee will hold the benefit of this covenant on trust for the holders and beneficial owners and the prospective purchasers designated by such holders and beneficial owners, from time to time, of such restricted securities. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 8.15.

8.16 **Bonds held by Issuer, the Parent Guarantor or the Subsidiary Guarantors etc**.: it will send to the Trustee as soon as practicable after being so requested by the Trustee a certificate of the Issuer, the Parent Guarantor and the Subsidiary Guarantors, as the case may be, signed by any two of the Issuer's Directors or authorised signatories or, as the case may be, any two of the Parent Guarantor's and or any two of each relevant Subsidiary Guarantor's Directors or authorised signatories, stating the number of Bonds held at the date of such certificate by or on behalf of the Issuer, the Parent Guarantor, each Subsidiary Guarantor or their respective Subsidiaries.

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8.17 **Issuer to Appoint Additional Paying Agents Following an Imposition of Taxation**: if payments made by or through each existing Paying Agent (including any additional Paying Agents appointed after the date hereof pursuant to this Clause 8.17) are or would be subject to withholding or deduction for or on account of tax, within 20 days of becoming aware of the same, the Issuer, the Parent Guarantor and the Subsidiary Guarantors shall use reasonable endeavours to appoint a Successor Paying Agent in a jurisdiction through which such payments may be made without such withholding or deduction.

8.18 **Material Subsidiaries**: in the case of the Parent Guarantor, it will give to the Trustee at the same time as sending the certificate referred to in Clause 8.5 or within 28 days of a request by the Trustee, a certificate of the Parent Guarantor signed by any two of its Directors listing those Subsidiaries of the Parent Guarantor which as at the last day of the last financial year of the Parent Guarantor or as at the date specified in such request were Material Subsidiaries. The Trustee shall be entitled to conclusively rely upon such certificates of the Parent Guarantor.

8.19 **Validity of Guarantee**: it will not carry out any act, or permit any act to be carried out, which would invalidate in whole or in part the liability of the Parent Guarantor or the Subsidiary Guarantors under the Guarantees.

8.20 **Disclosure Obligations under the Indian Takeover Code**: The Parent Guarantor, each Subsidiary Guarantor and the Issuer shall make requisite disclosures in accordance with Regulation 31 of the Indian Takeover Code (in the prescribed format) in relation to creation of encumbrance within specified timelines to (a) the Indian stock exchanges where the equity shares of the relevant Listed Indian Subsidiaries are listed i.e., BSE Limited and/or National Stock Exchange of India Limited (as applicable) ("**Indian Stock Exchanges**"); and (b) the relevant Listed Indian Subsidiary at its registered office and thereafter make requisite disclosures in accordance with Regulation 31 of the Indian Takeover Code, when such encumbrance is released. Further, the Parent Guarantor, each Subsidiary Guarantor and the Issuer shall make requisite disclosures for reasons of such encumbrance in accordance with Indian Encumbrance Reasons Circular to the Indian Stock Exchanges.

8.21 **Creation of Security**: the obligations of the Issuer with respect to the Bonds and the performance of all other obligations of the Issuer under this Trust Deed and the Bonds will, within thirty (30) calendar days following repayment in full of the Private Credit Facility and any refinancing thereof, and the release of the Security benefiting the creditors of the Private Credit Facility, be secured by the Collateral (the date of such security creation, the "**Security Creation Date**").

8.22 **Disclosure Obligations under the Indian Listing Regulations**: The Parent Guarantor, each Subsidiary Guarantor and the Issuer shall in accordance with Regulation 30A(1) of the Indian Listing Regulations, inform the relevant Listed Indian Subsidiary of the details of agreements specified in Clause 5A of Para A of Part A of Schedule III of the Indian Listing Regulations in relation to details of such agreements which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control or impose any restriction or create any liability on the relevant Listed Indian Subsidiary and to which such Listed Indian Subsidiary is not a party.

Further, the Parent Guarantor and each Subsidiary Guarantor shall ensure that the relevant Listed Indian Subsidiary shall make requisite disclosures in relation to details of such agreements which directly or indirectly or potentially or whose purpose and effect is to, impact the management or control or impose any restriction or create any liability on such

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Listed Indian Subsidiary, to the Indian Stock Exchanges, in accordance with Regulation 30 of the Indian Listing Regulations read with Clause 5A of Para A of Part A of Schedule III of the Indian Listing Regulations.

9 Accession of Collateral Agent into this Trust Deed

9.1 On the Security Creation Date, the parties to this Trust Deed shall enter into an Accession Deed with the Collateral Agent and the Security Provider shall enter into the Collateral Documents for the purpose of creating the Security in accordance with the terms set out in the Conditions and the Collateral Documents in favour of the Collateral Agent who shall hold the Security on trust for the benefit of the Secured Parties.

9.2 The Issuer or the Parent Guarantor shall notify the Trustee of the expected Security Creation Date by no later than twenty (20) calendar days prior to the date thereof.

10 Remuneration and Indemnification of the Trustee

10.1 **Normal Remuneration**: So long as any Bond is outstanding the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, will pay the Trustee as remuneration for its services as Trustee such sum on such dates in each case as they may from time to time agree. Such remuneration will accrue from day to day from the date of this Trust Deed. However, if any payment to a Bondholder of moneys due in respect of any Bond is improperly withheld or refused, such remuneration will again accrue as from the date of such withholding or refusal until payment to such Bondholder is duly made.

10.2 **Extra Remuneration**: If an Event of Default or Potential Event of Default with respect to Bonds shall have occurred or if the Trustee finds it expedient or necessary or is requested by the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors to undertake duties which they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the Collateral Documents and the Intercreditor Agreement, the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, will pay such additional remuneration as they may agree or, failing agreement as to any of the matters in this Clause 10.2 (or as to such sums referred to in Clause 10.1), as determined by an investment bank of international repute (acting as an expert and not as arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such investment bank's fee will be borne by the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors. The determination of such investment bank will be conclusive and binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee and the Bondholders.

10.3 **Expenses**: The Issuer, failing whom, the Parent Guarantor and each Subsidiary Guarantors, will also on demand by the Trustee pay or discharge all costs, charges, liabilities and expenses properly incurred by the Trustee in the preparation and execution of this Trust Deed, the Collateral Documents and the Intercreditor Agreement and the performance of its functions under this Trust Deed, the Collateral Documents, the Intercreditor Agreement and the Conditions including, but not limited to, properly incurred legal and travelling expenses and any stamp, documentary or other similar taxes or duties paid by the Trustee in connection with any legal proceedings reasonably brought or contemplated by the Trustee against the Issuer, the Parent Guarantor and/or the Subsidiary Guarantors to enforce any provision of this Trust Deed, the Collateral Documents, the Intercreditor Agreement and/or the Conditions. Such costs, charges, liabilities and expenses will:

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10.3.1 in the case of payments made by the Trustee before such demand, carry interest from the date of the demand at the rate of two per cent. per annum over the base rate of Citibank N.A. on the date on which the Trustee made such payments; and

10.3.2 in all other cases, carry interest at such rate from 30 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

10.4 **Indemnity**: The Issuer, the Parent Guarantor and the Subsidiary Guarantors, on a joint and several basis, will on demand by the Trustee indemnify it in respect of Amounts or Claims paid or properly incurred by it or to which it may be subject in acting as trustee under this Trust Deed including:

10.4.1 any Agent/Delegate Liabilities; and

10.4.2 in respect of disputing or defending any Amounts or Claims made against the Trustee or any Agent/Delegate Liabilities,

except, with respect to taxes, to the extent covered by Clause 10.6. The Issuer will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities. "**Amounts or Claims**" are losses, damages, fees, judgments, proceedings, liabilities, taxes, costs, charges, claims, actions, demands or expenses and "**Agent/Delegate Liabilities**" are Amounts or Claims which the Trustee is or would be obliged to pay or reimburse to any of its agents or delegates (including any professional consultants) appointed pursuant to this Trust Deed. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 10.4.

10.5 **Continuing Effect**: Clauses 10.3 and 10.4 will continue in full force and effect with respect to the Trustee even if:

10.5.1 it no longer is Trustee;

10.5.2 the Bonds are no longer outstanding; or

10.5.3 this Trust Deed has been discharged.

10.6 **Taxes**: All sums payable by the Issuer, the Parent Guarantor and Subsidiary Guarantors pursuant to this Trust Deed shall be paid without any deduction or withholding for or on account of any taxes, duties, assessments or governmental charges except to the extent required by law. If such deduction or withholding is required by law, the Issuer, failing whom, the Parent Guarantor and Subsidiary Guarantors, shall pay such additional amounts as will result in receipt by the Trustee of such amounts as would have been received by the Trustee had no such deduction or withholding been required to be made. This Clause 10.6 shall not operate with respect to any sum payable by the Issuer pursuant to Clause 2.2, in respect of which the Issuer, failing whom, the Parent Guarantor and Subsidiary Guarantors, shall pay such additional amounts as may be required (if any) by the Conditions.

11 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by this Trust Deed. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act. In addition, the statutory duty of care set out in Section 3A of the Trustee Ordinance (Cap. 29) of Hong Kong, as amended

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by the Trust Law (Amendment) Ordinance 2013, shall not apply to the duties of the Trustee in relation to this Trust Deed. The Trustee shall have all of the powers conferred upon trustees by the Trustee Act 1925 and the Trustee Act 2000, and by way of supplement thereto it is expressly declared as follows:

11.1 **Advice**: The Trustee may act and rely on the opinion or advice of, or information obtained from, any expert and will not be responsible to anyone for any loss occasioned by so acting or relying whether such advice is obtained by or addressed to the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee or any other person. Any such opinion, advice or information may be sent or obtained by letter, telex, fax or electronic mail and the Trustee will not be liable to anyone for acting or relying in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic.

11.2 **Trustee to Assume Performance**: The Trustee need not notify anyone of the execution of this Trust Deed, the Collateral Documents, the Intercreditor Agreement or any other document referred to herein or therein or do anything to find out if an Event of Default or Potential Event of Default has occurred. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no Event of Default or Potential Event of Default has occurred and that the Issuer, the Parent Guarantor and the Subsidiary Guarantor are performing all their respective obligations under this Trust Deed, the Collateral Documents, the Intercreditor Agreement and the Bonds.

11.3 **Resolutions of Bondholders**: The Trustee will not be responsible for having acted in good faith on: (i) a resolution purporting to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed (or purported to be signed); or (ii) any direction or request of the Bondholders even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or that the resolution was not valid or binding on the Bondholders.

11.4 **Certificate Signed by Directors**: If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate or any written communication signed by two Directors of the Issuer or, as the case may be, by two Directors of the Parent Guarantor and/or each Subsidiary Guarantor as to that fact or to the effect that, in his or her opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible or liable to any Bondholder or any other person for any loss occasioned by relying or acting on such a certificate.

11.5 **Deposit of Documents**: The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

11.6 **Discretion**: The Trustee will have absolute and uncontrolled discretion as to the exercise or non-exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience which may result from their exercise or non-exercise. Where the Trustee has discretion or permissive power pursuant to this Trust Deed, the Conditions, the Agency Agreement, the Collateral Documents or the Intercreditor Agreement or by law, it may decline to exercise the same in the absence of approval by the Bondholders and need not exercise or take any other action unless first pre-funded and/or

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indemnified and/or secured (including by way of payment in advance) to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing by the Bondholders.

11.7 **Agents**: Whenever it considers it expedient in the interests of the Bondholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money, but must give notice to the Issuer, the Parent Guarantor and Subsidiary Guarantors of any such appointment).

11.8 **Delegation**: Whenever it considers it expedient in the interests of the Bondholders, the Trustee may delegate to any person on any terms (including power to sub-delegate) all or any of its functions. The Trustee shall promptly after any such delegation or any renewal, extension or termination thereof give notice to the Issuer, the Parent Guarantor and the Subsidiary Guarantors.

11.9 **Nominees**: In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee on any terms.

11.10 **Confidentiality**: Unless and to the extent ordered to do so by a court of competent jurisdiction the Trustee shall not be required to disclose to any Bondholder any confidential financial or other information made available to the Trustee by the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors.

11.11 **Determinations Conclusive**: As between itself and the Bondholders the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor Agreement and the Conditions. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and shall bind all parties to this Trust Deed and the Bondholders.

11.12 **Currency Conversion**: Where it is necessary or desirable to convert any sum from one currency to another, it will (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Bondholders.

11.13 **Events of Default**: The Trustee may determine whether or not an Event of Default or Potential Event of Default with respect to the Bonds is in its opinion capable of remedy and/or whether any event is in its opinion materially prejudicial to the interests of the Bondholders. Any such determination will be conclusive and binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Bondholders.

11.14 **Payment for Bonds**: The Trustee will not be responsible for the receipt or application by the Issuer, the Parent Guarantor and/or the Subsidiary Guarantors of the proceeds of the issue of the Bonds, the exchange of interests between the Bonds evidenced by the Global Certificates or the delivery of Certificates to the persons entitled to them.

11.15 **Bonds Held by the Issuer, the Parent Guarantor or the Subsidiary Guarantors etc**.: In the absence of knowledge or express notice to the contrary, the Trustee may assume without

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enquiry (other than requesting a certificate under Clause 8.16) that no Bonds are for the time being held by or on behalf of the Issuer, the Parent Guarantor, the Subsidiary Guarantors or their respective Subsidiaries.

11.16 **Responsibility for Appointees etc**.: If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this Clause 11 (an "**Appointee**"), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee's misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

11.17 **Auditors' Reports**: The Trustee may rely on reports from the Auditors in relation to the Conditions or this Trust Deed, whether or not addressed to the Trustee and whether or not any such report or engagement letter or other document entered into by the Trustee and the Auditors in connection therewith contains any limit on the liability of the Auditors. Any such reports shall be conclusive and binding on the Trustee, the Issuer, the Parent Guarantor, the Subsidiary Guarantor and the Bondholders.

11.18 **Indemnification**: The Trustee is not obliged to institute proceedings against the Issuer, the Parent Guarantor or any of the Subsidiary Guarantors to enforce the terms of this Trust Deed, the Agency Agreement, the Collateral Documents, the Intercreditor Agreement and the Bonds or to convene a meeting of Bondholders pursuant to a request made in accordance with Condition 12(a) or (save as provided in Condition 8) to take action at the request or direction of the Bondholders which may involve it in incurring personal liability or expense unless it shall have been pre-funded and/or indemnified and/or secured (including by way of payment in advance) to its satisfaction.

11.19 **Clearing System**: So long as any Global Certificate is held on behalf of a clearing system, in considering the interest of the Bondholders, the Trustee may have regard to and rely upon any information provided to it by such clearing system or its operator as to the identity (either individual or by category) of its accountholders or participants with entitlements to any such Global Certificate and may consider such interests as if such accountholders or participants were the holders thereof.

11.20 **Bondholders as a Class**: Whenever in this Trust Deed the Trustee is required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Bondholders, it shall have regard to the interests of the Bondholders as a class and, in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual Bondholder resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

11.21 **Responsibility**: The Trustee assumes no responsibility for the accuracy of Recital (A) to this Trust Deed which shall be taken as a statement by the Issuer, the Parent Guarantor or by the Subsidiary Guarantors, nor shall the Trustee by the execution of this Trust Deed be deemed to make any representation as to the validity, sufficiency or enforceability of the Bonds.

11.22 **Enforcement**: The Trustee shall not be under any obligation to take proceedings against the Issuer, the Parent Guarantor, the Subsidiary Guarantors and/or (on or after the Security Creation Date,) the Security Provider to enforce payment of the Bonds or any provision of this Trust Deed, the Bonds, the Guarantees, the Collateral Documents, the Intercreditor

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Agreement and/or the Agency Agreement nor shall it be under any obligation to declare the Bonds due and payable, unless and until:

11.22.1 it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders; and

11.22.2 it shall have been pre-funded and/or indemnified and/or secured to its satisfaction by the Bondholders (including by way of payment in advance) and shall incur no liability in taking or refraining from taking such action.

No Bondholder will be entitled to proceed directly against the Issuer, the Parent Guarantor or Subsidiary Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing. However, such limitation does not apply to the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds.

11.23 **The Parent Guarantor's instructions binding on the Issuer**: The Trustee may act on the instructions of, or requested from, the Parent Guarantor which instructions or request shall be binding on the Issuer. The Trustee shall be entitled to conclusively rely upon such instructions or requests by the Parent Guarantor on behalf of the Issuer.

11.24 **Consolidation, amalgamation etc**.: The Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer, the Parent Guarantor or of any of the Subsidiary Guarantors or any sale or transfer of all or any part of the assets of the Issuer, the Parent Guarantor or of the Subsidiary Guarantors or the form of substance of any plan relating thereto or the consequences thereof to any Bondholder.

11.25 **Bonds and documents**: The Trustee shall not be liable to the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any Bondholder if without fraud, gross negligence or wilful default on its part it has accepted as valid or has not rejected any Bonds purporting to be such and subsequently found to be forged or not authentic nor shall it be liable for any action taken or omitted to be taken in reliance on any document, certificate or communication believed by it to be genuine and to have been presented or signed by the proper parties. The Trustee shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

11.26 **Consent**: Any consent to be given by the Trustee for the purposes of this Trust Deed may be given on such reasonable terms and subject to such reasonable conditions (if any) as the Trustee thinks fit.

11.27 **Reliance**: Any certificate or report of the Auditors, professional advisers or any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purpose of this Trust Deed or the Conditions may be relied upon by the Trustee as sufficient evidence of the facts therein and shall, in the absence of manifest error, be conclusive and binding on all parties and the Trustee shall not be responsible for any loss occasioned by acting or refraining from acting in reliance on any such certificate or report. The Trustee shall be entitled to rely on any report of accountants, financial advisers or investment bank where the Issuer, the Parent Guarantor or the Subsidiary Guarantors procure the delivery of the same pursuant to their respective obligations to do so under the Conditions and such report shall be binding on the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the holders of the Bonds in the absence of manifest or proven error.

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11.28 **Expenditure by the Trustee**: Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder or pursuant to the Conditions, the Collateral Documents, the Intercreditor Agreement and/or the Agency Agreement if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

11.29 **Illegality**: Notwithstanding anything else herein contained, the Trustee may refrain without liability from doing anything: (i) that would render it liable to any person in the relevant jurisdiction; or (ii) that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Hong Kong, Germany, the United States of America or any jurisdiction forming a part of it and England and Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

11.30 **Consequential Loss**: Notwithstanding any provision of this Trust Deed, the Collateral Documents, the Intercreditor Agreement, the Agency Agreement or the Conditions to the contrary, the Trustee shall not in any event be liable under any circumstances for any special, indirect, punitive or consequential loss or damages of any kind whatsoever (including but not limited to lost profits, business, goodwill, reputation or opportunity), in each howsoever caused or arising and whether arising directly or indirectly and whether or not foreseeable, even if the Trustee is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust or otherwise. The provisions of this Clause 11.30 shall survive the termination or expiry of this Trust Deed and/or the resignation or removal of the Trustee.

11.31 **No obligation to monitor**: The Trustee shall be under no obligation to monitor the financial performance or supervise the function of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach or obligation, to assume that each such person is properly performing and complying with its obligations.

11.32 **Error of Judgment**: The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.

11.33 **Professional Charges**: Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matter arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person.

11.34 **Waiver of Conflict**: Each of the Issuer, the Parent Guarantor and the Subsidiary Guarantors hereby irrevocably waives in favour of the Trustee any conflict of interest which may arise by virtue of the Trustee acting in various capacities under this Trust Deed, the Collateral Documents, the Intercreditor Agreement and the Agency Agreement or for other customers of the Trustee. Each of the Issuer, the Parent Guarantor and the Subsidiary Guarantors acknowledges that the Trustee and its respective affiliates (together, the "**Trustee Parties**")

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may have interests in, or may be providing or may in the future provide financial or other services to, other parties with interests which an issuer may regard as conflicting with its interests and may possess information (whether or not material to the Issuer, the Parent Guarantor or the Subsidiary Guarantors), other than as a result of the Trustee Parties acting as trustee hereunder, that the Trustee Parties may not be entitled to share with the Issuer, the Parent Guarantor and the Subsidiary Guarantors. The Trustee will not disclose confidential information obtained from the Issuer, the Parent Guarantor or the Subsidiary Guarantors (without their respective consents) to any of their respective other customers nor will they use on the Issuer's, the Parent Guarantor's and the Subsidiary Guarantors' behalf any confidential information obtained from any other customer. Without prejudice to the foregoing, each of the Issuer, the Parent Guarantor and the Subsidiary Guarantors agrees that the Trustee Parties may deal (whether for its own or its customers' account) in, or advise on, securities of any party and that such dealing or giving of advice will not constitute a conflict of interest for the purposes of this Trust Deed.

11.35 **Sharing of Information**: Each of the Issuer, the Parent Guarantor and each of the Subsidiary Guarantor understands that the Trustee and the Agents are part of a global financial organisation that operates in and provides services and products to clients through affiliates and subsidiaries located in multiple jurisdictions (such global financial organisation, the "**Citi Group**"). Each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor also understands that the Citi Group may centralise in one or more affiliates, subsidiaries or unaffiliated service providers certain activities, including audit, accounting, administration, risk management, legal, compliance, sales, marketing, relationship management, and the storage, maintenance, aggregation, processing and analysis of information and data regarding the Issuer, the Parent Guarantor and the Subsidiary Guarantors. Consequently, each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor hereby consents and authorises the Trustee to disclose to other members of the Citi Group (and their respective officers, directors and employees), information and data regarding the Issuer, the Parent Guarantor or the Subsidiary Guarantors, their employees and representatives, or any accounts established pursuant to this Trust Deed in connection with the foregoing activities, subject to maintaining the confidentiality of such information and data. To the extent that information and data includes personal data encompassed by relevant data protection legislation applicable to either the Issuer, the Parent Guarantor or the Subsidiary Guarantors, each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor represents and warrants that it is authorised to provide the foregoing consents and authorisations and that the disclosure to the Trustee will comply with the relevant data protection legislation; provided that neither the Issuer, the Parent Guarantor nor the Subsidiary Guarantors shall be obliged to send any such personal data if it is not satisfied that it is able to provide the foregoing representation and warranty. Each of the Issuer, the Parent Guarantor and each Subsidiary Guarantor acknowledges and agrees that information concerning Issuer, the Parent Guarantor and any Subsidiary Guarantor may be disclosed to unaffiliated service providers, third parties and agents who are required to maintain the confidentiality of such information, to governmental and regulatory authorities in jurisdictions where the Citi Group operates, and otherwise as required by law.

11.36 **No Liabilities Under Certain Conditions**: The Trustee shall not be responsible for any loss or damage, or failure to comply or delay in complying with any duty or obligation, under or pursuant to this Trust Deed arising as a direct or indirect result of any Force Majeure Event or any event where, in the reasonable opinion of the Trustee, performance of any duty or obligation under or pursuant to this Trust Deed would or may be illegal or would result in the

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Trustee being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organisation to which the Trustee is subject.

11.37 **Valuations etc.:** Each of the Bondholders shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Parent Guarantor and the Subsidiary Guarantors, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

11.38 **No implied duties:** The Trustee shall have only those duties, obligations and responsibilities expressly specified in this Trust Deed and no others shall be implied.

11.39 **Trustee Division Separate**: In acting as trustee for the Bondholders, the Trustee shall be regarded as acting through its agency and trust division which shall be treated as a separate entity from any of its other divisions or departments. If information is received by another division or department of the Trustee, it may be treated as confidential to that division or department and the Trustee shall not be deemed to have notice of it.

11.40 **Acceptance of Title:** The Trustee shall, without investigation, request or objection, accept such right and title as the Security Provider may have to any of the security created pursuant to the Collateral Documents and shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of a Security Provider to the Security created pursuant to the Collateral Documents or any part thereof whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not.

11.41 **HKMA Stay Rules:** If this Trust Deed is or becomes a "covered contract" (within the meaning of the Financial Institutions (Resolution) (Contractual Recognition of Suspension of Termination Rights – Banking Sector) Rules (Cap, 628C) of Hong Kong (the "**Stay Rules**")), the Issuer and the Subsidiary Guarantors agree that, despite any other term or conditions of this Trust Deed or any other agreement, arrangement or understanding, the Issuer and the Subsidiary Guarantors will be bound by a suspension of a "termination right" (within the meaning of the Stay Rules) in relation to this Trust Deed imposed by the Hong Kong Monetary Authority under section 90(2) of the Financial Institutions (Resolution) Ordinance (Cap 628) of Hong Kong.

12 Trustee Liable for Negligence

Nothing in this Trust Deed shall exempt the Trustee from or indemnify it against any liability which would otherwise attach to it in respect of any negligence or wilful default of which it may be guilty.

13 Waiver and Proof of Default

13.1 **Waiver**: The Trustee (and the Collateral Agent, to the extent relevant and permitted under this Trust Deed, the Conditions, the Bonds, the Collateral Documents, the Intercreditor Agreement or the Agency Agreement) may, without the consent of the Bondholders and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default from time to time and at any time, if in its opinion the interests of the Bondholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer, the Parent Guarantor

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and/or the Subsidiary Guarantors of this Trust Deed, the Conditions, the Bonds, the Collateral Documents, the Intercreditor Agreement or the Agency Agreement or determine that an Event of Default or Potential Event of Default will not be treated as such provided that the Trustee (and/or the Collateral Agent, as applicable) will not do so in contravention of an express direction given by an Extraordinary Resolution of the Bondholders or a request made pursuant to Condition 8. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Bondholders and shall be notified to the Bondholders as soon as practicable.

13.2 **Proof of Default**: Proof that either the Issuer, the Parent Guarantor or any Subsidiary Guarantor has failed to pay a sum due to the holder of any one Bond will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Bonds which are then payable.

14 Trustee Contracting with the Issuer, the Parent Guarantor and Subsidiary Guarantors

14.1 Neither the Trustee nor any director or officer or holding company, subsidiary or associated company of a corporation acting as a trustee under these presents shall by reason of its or his fiduciary position be in any way precluded from:

14.1.1 entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any person or body corporate associated with the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any other person or body corporate (including without limitation any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of or the subscribing or procuring subscriptions for or otherwise acquiring, holding or dealing with, or acting as paying agent in respect of, the Bonds or any other notes, bonds stocks, shares, debenture stock, debentures or other securities of, Issuer, the Parent Guarantor, the Subsidiary Guarantors or any person or body corporate associated as aforesaid or any other person or body corporate); or

14.1.2 accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any such person or body corporate so associated or any other person or body corporate or any other office of profit under the Issuer, the Parent Guarantor, the Subsidiary Guarantors or any such person or body corporate so associated or any other person or body corporate,

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (a) above or, as the case may be, any such trusteeship or office of profit as is referred to in (b) above without regard to the interests of the Bondholders and notwithstanding that the same may be contrary or prejudicial to the interests of the Bondholders and shall not be responsible for any liability occasioned to the Bondholders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

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14.2 Where any holding company, subsidiary or associated company of the Trustee or any director or officer of the Trustee acting other than in his capacity as such a director or officer has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Bondholders resulting from the Trustee's failing to take such information into account in acting or refraining from acting under or in relation to these presents.

15 Deductions and Withholdings

Notwithstanding anything contained in this Trust Deed, to the extent required by applicable law, if the Trustee is required to make any deduction or withholding from any distribution or payment made by it under this Trust Deed or if the Trustee is otherwise charged to, or may become liable to, tax as a consequence of performing its duties under this Trust Deed, or otherwise, then the Trustee shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee on the trusts constituted by this Trust Deed. For the avoidance of doubt, this Clause 15 shall not apply to amounts received by the Trustee by way of remuneration or fees for acting in its capacity as Trustee pursuant to this Trust Deed.

16 Modification

16.1.1 The Trustee (and the Collateral Agent, to the extent relevant and permitted under this Trust Deed, the Conditions, the Bonds, the Collateral Documents, the Intercreditor Agreement or the Agency Agreement) may agree, without the consent of the Bondholders, to: any modification to the Conditions or to the provisions of this Trust Deed, the Agency Agreement, the Collateral Documents or the Intercreditor Agreement which is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and

16.1.2 any other modification (except as provided for in this Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of these Conditions, this Trust Deed, the Agency Agreement, the Collateral Documents or the Intercreditor Agreement which is in the opinion of the Trustee (and/or the Collateral Agent, as applicable) not materially prejudicial to the interests of the Bondholders.

Any such modification, authorisation or waiver shall be binding on the Bondholders and such modification shall be notified to the Bondholders as soon as practicable.

17 Appointment, Retirement and Removal of the Trustee

17.1 **Appointment**: The Issuer, the Parent Guarantor and the Subsidiary Guarantors have the power of appointing new trustees but no one may be so appointed unless previously approved by an Extraordinary Resolution of the Bondholders. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, to the Bondholders as soon as practicable.

17.2 **Retirement and Removal**: Any Trustee may retire at any time on giving at least three months written notice to the Issuer, the Parent Guarantor and the Subsidiary Guarantors

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without giving any reason or being responsible for any costs occasioned by such retirement and the Bondholders may by Extraordinary Resolution of Bondholders remove any Trustee provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, it will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee.

17.3 **Co-Trustees**: The Trustee may, notwithstanding Clause 17.1, by written notice to the Issuer, the Parent Guarantor and the Subsidiary Guarantors, appoint anyone to act as an additional trustee jointly with the Trustee:

17.3.1 if the Trustee considers the appointment to be in the interests of the Bondholders;

17.3.2 to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed; or

17.3.3 to obtain a judgment or to enforce a judgment or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Issuer, the Parent Guarantor and the Subsidiary Guarantors and that person remove that person. At the Trustee's request, the Issuer, the Parent Guarantor and the Subsidiary Guarantors will forthwith do all things as may be required to perfect such appointment or removal and it irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so.

17.4 **Competence of a Majority of Trustees**: If there are more than two Trustees the majority of them will be competent to perform the Trustee's functions provided the majority includes a trust corporation.

17.5 **Merger**: Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee under this Trust Deed, provided such corporation shall be otherwise qualified and eligible under this Clause 17, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

18 Currency Indemnity

18.1 **Currency of Account and Payment**: U.S. dollars (the "**Contractual Currency**") is the sole currency of account and payment for all sums payable by the Issuer, the Parent Guarantor or the Subsidiary Guarantors under or in connection with this Trust Deed and the Bonds, including damages.

18.2 **Extent of Discharge**: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer, the Parent Guarantor, the Subsidiary Guarantors or otherwise), by the Trustee or any Bondholder in respect of any sum expressed to be due to it from the Issuer, the Parent Guarantor or the Subsidiary Guarantors will only discharge the Issuer, the Parent Guarantor or the Subsidiary Guarantors, as the case may be, to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in

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that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

18.3 **Indemnity**: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Bonds, the Issuer, the Parent Guarantor or the Subsidiary Guarantors, as the case may be, will indemnify the recipient against any loss sustained by it as a result. In any event, the Issuer, failing whom, the Parent Guarantor and the Subsidiary Guarantors, will indemnify the recipient against the cost of making any such purchase.

18.4 **Indemnity Separate**: The indemnities in this Clause 18 and in Clauses 4.1 and 10.4 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Trustee and/or any Bondholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed and/or the Bonds or any other judgment or order.

18.5 **Excess on Conversion**: If by reason of any judgment or order as is referred to in Clause 18.2 the amount receivable by the Trustee or the Bondholders if converted on the date of payment into the Contractual Currency would yield a sum in excess of that due in the Contractual Currency, the Trustee shall apply such excess in accordance with Clause 6.1.

19 Communications

19.1 **Communication details**: Any communication shall be by letter or fax:

in the case of the Issuer, the Parent Guarantor and the Subsidiary Guarantors, to it at:

Vedanta Resources Limited
30 Berkeley Square
London W1J 6EX
United Kingdom

Telephone: +44 20 7499 5900
Fax: +44 20 7491 8440
Attention: Deepak Kumar, Company Secretary

and in the case of the Trustee, to it at:

Citicorp International Limited
20/F, Citi Tower, One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

Fax no.: +852 2323 0279
Attention: Agency and Trust

and in the case of the Onshore Collateral Agent, to it at:

Axis Trustee Services Limited
[●]
India

Fax no.: [●]
Telephone: [●]

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Email: [●]
Attention: [●]

Communications will take effect, in the case of delivery, when delivered or, in the case of fax, when despatched. Communications not by letter shall be confirmed by letter but failure to send or receive that letter shall not invalidate the original communication.

19.2 **English language:** Any notice given under or in connection with this Trust Deed and the Conditions must be in English. All other documents provided under or in connection with this Trust Deed and the Conditions must be: (i) in English; or (ii) if not in English, and if so required by the Trustee and at the cost of the Issuer (failing which the Parent Guarantor and the Subsidiary Guarantors), accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

20 Further Issues

20.1 **Supplemental Trust Deed**: If the Issuer issues further securities as provided in the Conditions, the Issuer, the Parent Guarantor and the Subsidiary Guarantors, shall prior to the issue of any such further securities, execute and deliver to the Trustee a deed supplemental to this Trust Deed containing such provisions (corresponding to any of the provisions of this Trust Deed) as the Trustee may require.

20.2 **Meetings of Bondholders**: If the Trustee so directs, Schedule 4 shall apply equally to Bondholders of Bonds and to holders of any securities issued pursuant to the Conditions as if references in it to "**Bonds**" and "**Bondholders**" were also to such securities and their holders respectively.

21 Governing Law and Jurisdiction

21.1 **Governing Law**: This Trust Deed and all non-contractual matters arising from or connected with this Trust Deed, are governed by and shall be construed in accordance with English law.

21.2 **Jurisdiction**: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with this Trust Deed or the Bonds and all non-contractual matters arising from or in connection therewith (including a dispute regarding the existence, validity or termination of this Trust Deed or the Bonds or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

21.3 **Process Agent**: Each Subsidiary Guarantor hereby irrevocably appoints the Parent Guarantor, located at 30 Berkeley Square, London W1J 6EX, as its agent in England and Wales to receive service of process in any Proceedings in England. If the Parent Guarantor ceases to be able to accept service of process in England and Wales, each Subsidiary Guarantor shall immediately appoint a new agent to accept such service of process in England and notify the Trustee of the same. Nothing herein shall affect the right to serve process in any other manner permitted by law.

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21.4 **Waiver of Immunity:** Each of the Issuer, the Parent Guarantor and the Subsidiary Guarantors irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

21.4.1 suit;

21.4.2 jurisdiction of any court;

21.4.3 relief by way of injunction or order for specific performance or recovery of property;

21.4.4 attachment of its assets (whether before or after judgment); and

execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

21.5 **Entire Agreement**: This Trust Deed constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

22 Counterparts

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

23 Severability

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

24 Miscellaneous

The provisions of the Hong Kong Trustee Ordinance do not apply to this Trust Deed.

25 Disclosure Obligations under the Indian Takeover Code on the Onshore Collateral Agent:

On behalf of the Secured Parties, the Onshore Collateral Agent (or, in each case, a representative or nominee on its behalf), as applicable, shall make requisite disclosures in accordance with Regulation 29 of the Indian Takeover Code (in the prescribed format) in relation to creation of encumbrance within specified timelines to (a) the Indian Stock Exchanges; and (b) the relevant Listed Indian Subsidiary at its registered office and thereafter make requisite disclosures in accordance with Regulation 29 of the Indian Takeover Code, when such encumbrance is released.

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Schedule 1
Terms and Conditions of the Bonds



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Schedule 2
Form of Definitive Certificate

On the front:

[THE BONDS OF VEDANTA RESOURCES FINANCE II PLC (THE "ISSUER") UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY VEDANTA RESOURCES LIMITED, TWIN STAR HOLDINGS LTD AND WELTER TRADING LIMITED (THE "GUARANTORS") IN RESPECT OF WHICH THIS CERTIFICATE IS ISSUED (THE "BONDS") AND THE GUARANTEES THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE BONDS.][1]

Identifying Number: [●]
ISIN: [●]

VEDANTA RESOURCES FINANCE II PLC
(incorporated with limited liability under the laws of England and Wales)

$1,200,000,000 originally 8.95% and increased to 13.875% Guaranteed Senior Bonds originally due 2025 and extended to 2028 and unconditionally and irrevocably guaranteed by VEDANTA RESOURCES LIMITED, TWIN STAR HOLDINGS LTD AND WELTER TRADING LIMITED.

The bonds in respect of which this Certificate is issued, the identifying numbers of which are noted below, are in registered form (the "**Bonds**") of Vedanta Resources Finance II plc (the "**Issuer**"), are unconditionally and irrevocably guaranteed by Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited (the "**Guarantors**"), and constituted by the Trust Deed referred to on the reverse hereof. The Bonds are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the "**Conditions**") set out on the reverse hereof.

The Issuer hereby certifies that [●] of [●] is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of $[●] ([●] United States dollars). For value received, the Issuer promises to pay the person who appears at the relevant time on the register of

[1] This legend shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

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Bondholders as holder of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions.

This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Bondholders and only the duly registered holder is entitled to payments on the Bonds in respect of which this Certificate is issued.

[The statements set forth in the legend above are an integral part of the Bonds in respect of which this Certificate is issued and by acceptance hereof each holder or beneficial owner of such Bonds agrees to be subject to and bound by the terms and provisions set forth in such legend. For as long as the Bonds and the Guarantees in respect of which this Certificate is issued are "**restricted securities**" within the meaning of Rule 144(a)(3) under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the Guarantors will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.][2]

This Certificate shall not be valid for any purpose until authenticated by the Registrar (or its agent on its behalf).

The Certificate is governed by, and shall be construed in accordance with, English law.

In witness whereof the Issuer has caused this Certificate to be signed on its behalf.

Dated [●]

VEDANTA RESOURCES FINANCE II PLC

By: ……..
Director/Authorised Signatory

By: ……..
Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of Bonds with identifying numbers:

[2] This language shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on, Rule 144A under the Securities Act.

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Citigroup Global Markets Europe AG as Registrar (without recourse, warranty or liability)

By:

Name:

Title:

Dated:

TRUE COPY

On the back:

Terms and Conditions of the Bonds

[*Terms and Conditions of the Bonds to be inserted at back of certificate*]

TRUE COPY

Form of Transfer

FOR VALUE RECEIVED the undersigned hereby transfers to

……

……

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

$[●] principal amount of the Bonds in respect of which this Certificate is issued, and all rights in respect thereof.

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account:

Name of bank: ……..

U.S.$ account number: ……

For the account of: ……

In connection with any transfer of this Note:

[Check One]

☐ (a) these Bonds are being transferred to the Issuer, the Guarantors or any of their Subsidiaries;

☐ (b) these Bonds are being transferred pursuant to and in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, accordingly, the undersigned does hereby further certify that these Bonds are being transferred to a person that the undersigned reasonably believes is purchasing the Bonds for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a "**qualified institutional buyer**" within the meaning of Rule 144A, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States;

☐ (c) these Bonds are being transferred pursuant to and in accordance with Regulation S and:

A. the offer of these Bonds was not made to a person in the United States;

B. either:

(i) at the time the buy order was originated, the transferee was outside the United States or the undersigned and any person acting on its behalf reasonably believed that the transferee was outside the United States, or

(ii) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the undersigned nor any person acting on its behalf knows that the transaction was prearranged with a buyer in the United States;

C. no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or 904(b) of Regulation S, as applicable; and

D. the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act;

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☐ (d) these Bonds are being transferred in a transaction permitted by Rule 144; or

☐ (e) the undersigned did not purchase these Bonds as part of the initial distribution thereof and the transfer is being effected pursuant to and in accordance with an applicable exemption (other than (a) through (d) above) from the registration requirements under the Securities Act and the undersigned has delivered to the Trustee such additional evidence that the Issuer, the Guarantors or the Trustee may require as to compliance with such available exemption.

If none of the foregoing boxes is checked, none of the Trustee, the Paying Agent or the Registrar shall register these Bonds in the name of any person other than the holder hereof unless and until the conditions to any such transfer or registration set forth herein and in Exhibit A to the Agency Agreement shall have been satisfied.

Dated .....

Certifying Signature

.....

Name .....

Notes:

1 A representative of the Bondholder should state the capacity in which he signs, e.g. executor.

2 The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar or the Transfer Agent may require.

TRUE COPY

Schedule 3
Part I
Form of Unrestricted Global Certificate

THIS BOND AND THE GUARANTEES IN RESPECT HEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, FOR THE ACCOUNT OR BENEFIT OF, ANY UNITED STATES PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

Unless this Unrestricted Global Certificate is presented by an authorised representative of DTC to the Registrar or its agent for registration of transfer, exchange, or payment, and any Certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Vedanta Resources Finance II Plc
(incorporated with limited liability under the laws of England and Wales)
$1,200,000,000 originally 8.95% and increased to 13.875% Guaranteed Senior Bonds originally due 2025 and extended to 2028

unconditionally and irrevocably guaranteed by
Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited

UNRESTRICTED GLOBAL CERTIFICATE

CUSIP Number: G9T27H AD6
ISIN: USG9T27HAD62

Common Code: 230809038

The bonds in respect of which this Unrestricted Global Certificate is issued are in registered form (the "**Bonds**") of Vedanta Resources Finance II plc (the "**Issuer**") unconditionally and irrevocably guaranteed by Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited (the "**Guarantors**").

The Issuer hereby certifies that Cede & Co., as nominee of The Depository Trust Company ("**DTC**") for the accounts of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"), is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of [●] ([●] United States dollars) or such other amount as is shown on the register of Bondholders as being represented by this Unrestricted Global Certificate and is duly endorsed (for information purposes only) in the fourth column of Schedule A to this Unrestricted Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this

Unrestricted Global Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions referred to below.

The Bonds are constituted by a Trust Deed dated 11 March 2021 between the Issuer, the Guarantors and Citicorp International Limited as trustee (the "**Trustee**") and are subject to, and have the benefit of, the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule 1 to the Trust Deed, as modified by the provisions of this Unrestricted Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein.

Owners of interests in the Bonds in respect of which this Unrestricted Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates (free of charge to the holder) if: (i) DTC (or any other clearing system (an "**alternative clearing system**") as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by this Unrestricted Global Certificate may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "**Clearing Agency**" registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or is at any time no longer eligible to act as such and the Issuer[3] is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC (or, as the case may be, such alternative clearing system); or (ii) if instructions have been given for the transfer of an interest in the Bonds evidenced by this Unrestricted Global Certificate to a person who would otherwise take delivery thereof in the form of an interest in the Bonds evidenced by the Restricted Global Certificate where such Restricted Global Certificate has been exchanged for definitive Certificates.

In such circumstances, the Issuer, failing whom, the Guarantors, will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Bondholders within 21 days following a request therefor by the relevant Bondholders. A person with an interest in the Bonds in respect of which this Unrestricted Global Certificate is issued must provide the Registrar with a written order containing instructions and such other information as the Issuer, the Guarantors and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

This Unrestricted Global Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the register of Bondholders and only the duly registered holder is entitled to payments on the Bonds in respect of which this Unrestricted Global Certificate is issued.

The Conditions are modified as follows in so far as they apply to the Bonds in respect of which this Unrestricted Global Certificate is issued.

Meetings

The holder hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each $1,000 in principal amount of the Bonds for which this Unrestricted Global Certificate may be exchanged. The Trustee may allow to attend and speak (but not to vote) at any meeting of Bondholders any accountholder (or the representative of any such person) of a clearing system entitled to Bonds in respect of which this Unrestricted Global Certificate is issued on confirmation of entitlement and proof of his identity.

Trustee's Powers

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In considering the interests of Bondholders whether this Unrestricted Global Certificate is held on behalf of any one or more of Euroclear and Clearstream and an alternative clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances: (i) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds; and (ii) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which this Unrestricted Global Certificate is issued.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which this Unrestricted Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of the Bonds in such principal amounts.

Purchase and Cancellation

Cancellation of any Bonds required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Bonds in the Register.

Payments

Payments of principal, interest and premium in respect of the Bonds represented by this Unrestricted Global Certificate will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of this Unrestricted Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose,

All payments in respect of Bonds represented by this Unrestricted Global Certificate will be made to, or to the order of, the person(s) whose name is entered on the register of Bondholders at the close of business on the record date, which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

Transfers

Transfers of interests in the Bonds with respect to which this Unrestricted Global Certificate is issued shall be made in accordance with the Agency Agreement.

Notices

So long as the Bonds are represented by this Unrestricted Global Certificate and this Unrestricted Global Certificate is held on behalf of Euroclear or Clearstream or an alternative clearing system, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions. This notice given through a clearing system shall be deemed to be given to the Bondholders on the day such notice is received by the clearing system.

This Unrestricted Global Certificate shall not be valid for any purpose until it has been duly authenticated by the Registrar (or its agent on its behalf).

This Unrestricted Global Certificate is governed by, and shall be construed in accordance with, English law.

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In witness whereof the Issuer has caused this Unrestricted Global Certificate to be signed on its behalf.

Dated [●] 2024

VEDANTA RESOURCES FINANCE II PLC

By: ……..

Director/Authorised Signatory

By: ……..

Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of the Bonds.

Citigroup Global Markets Europe AG as Registrar (without recourse, warranty or liability)

By: ……..

Authorised Signatory

Dated:……..

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Schedule A

Schedule of Increase or Reductions in Principal Amount of the Bonds in Respect of which this Unrestricted Global Certificate is Issued

The following increase or reductions in the principal amount of the Bonds in respect of which this Unrestricted Global Certificate is issued have been made as a result of: (i) redemption of the Bonds; (ii) transfer of the Bonds (including transfers of interests between the Global Certificates); or (iii) purchase and cancellation of the Bonds.

Date of redemption/ purchase and cancellation/ transfer (stating which)	Amount of increase/decrease in principal amount of the Bonds	Principal amount of the Bonds following such increase/decrease	Notation made by or on behalf of the Registrar
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……

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Schedule B
Interest Payments in Respect of this Unrestricted Global Certificate

The following payments of interest in respect of this Unrestricted Global Certificate and the Bonds represented by this Unrestricted Global Certificate have been made:

Date of made	Amount of Interest due payable	Amount of Interest paid	Notation made by or on behalf of the Registrar
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……

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Form of Transfer

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of the Bonds in respect of which the Certificate is issued, and all rights in respect thereof, to the transferee(s) listed below:

Principal Amount transferred	**Name, address and account for payments of transferee**

Dated

Name

Certifying Signature

Notes:

1. A representative of the Bondholder should state the capacity in which he signs, e.g. executor.
2. The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Transfer Agent or the Registrar may require.

PRINCIPAL AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A., London Branch as Principal Agent and Transfer Agent
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Dublin 1
Ireland

Citigroup Global Markets Europe AG as Registrar
Reuterweg 16
60323 Frankfurt
Germany

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Part II
Form of Restricted Global Certificate

[THIS BOND AND THE GUARANTEES IN RESPECT HEREOF HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER OF THIS BOND WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS BOND OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.]*

* This legend shall be borne by any Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

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Unless this Restricted Global Certificate is presented by an authorised representative of DTC to the Registrar or its agent for registration of transfer, exchange, or payment, and any Certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorised representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Vedanta Resources Finance II Plc
(incorporated with limited liability under the laws of England and Wales)
$1,200,000,000 originally 8.95% and increased to 13.875% Guaranteed Senior Bonds originally due 2025 and extended to 2028

unconditionally and irrevocably guaranteed by
Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited

RESTRICTED GLOBAL CERTIFICATE

CUSIP Number: 92243X AE1
ISIN: US92243XAE13
Common Code: 230809046

The bonds in respect of which this Restricted Global Certificate is issued are in registered form (the "**Bonds**") of Vedanta Resources Finance II plc (the "**Issuer**") and unconditionally and irrevocably guaranteed by Vedanta Resources Limited, Twin Star Holdings Ltd. and Welter Trading Limited (the "**Guarantors**").

The Issuer hereby certifies that Cede & Co., as nominee of The Depository Trust Company ("**DTC**"), is, at the date hereof, entered in the register of Bondholders as the holder of the Bonds in the principal amount of $[●] ([●] United States dollars) or such other amount as is shown on the register of Bondholders as being represented by this Restricted Global Certificate and is duly endorsed (for information purposes only) in the fourth column of Schedule A to this Restricted Global Certificate. For value received, the Issuer promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Restricted Global Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions referred to below.

The Bonds are constituted by a Trust Deed dated 11 March 2021 between the Issuer, the Guarantors and Citicorp International Limited as trustee (the "**Trustee**") and are subject to, and have the benefit of, the Trust Deed and the terms and conditions (the "**Conditions**") set out in Schedule 1 to the Trust Deed and herein, as modified by the provisions of this Restricted Global Certificate. Terms defined in the Trust Deed have the same meaning when used herein.

Owners of interests in the Bonds in respect of which this Restricted Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates (free of charge to the holder) if: (i) DTC (or any other clearing system (an "**alternative clearing system**") as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Bonds evidenced by this Restricted Global Certificate may be held) notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Bonds, or ceases to be a "**Clearing Agency**" registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice

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of such ineligibility on the part of DTC (or, as the case may be, such alternative clearing system); or (ii) if instructions have been given for the transfer of an interest in the Bonds evidenced by this Restricted Global Certificate to a person who would otherwise take delivery thereof in the form of an interest in the Bonds evidenced by the Unrestricted Global Certificate where such Unrestricted Global Certificate has been exchanged for definitive Certificates.

In such circumstances, the Issuer, failing whom, the Guarantors, will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Bondholders within 21 days following a request therefor by the relevant Bondholders. A person with an interest in the Bonds in respect of which this Restricted Global Certificate is issued must provide the Registrar with: (i) a written order containing instructions and such other information as the Issuer, the Guarantors and the Registrar may require to complete, execute and deliver such individual definitive Certificates; and (ii) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous sale pursuant to Rule 144A under the Securities Act ("**Rule 144A**"), Regulation S under the Securities Act ("**Regulation S**") or Rule 144 under the Securities Act ("**Rule 144**"), a certification that the transfer is being made in compliance with the provisions of Rule 144A, Regulation S or Rule 144, as the case may be, in accordance with the Agency Agreement. Individual definitive Certificates issued in respect of the Bonds sold in reliance on Rule 144A shall bear the legends applicable to transfers pursuant to Rule 144A.

The statements set out in the legend above are an integral part of the Bonds in respect of which this Restricted Global Certificate is issued and by acceptance hereof the holder of the Bonds evidenced by this Restricted Global Certificate or any owner of an interest in such Bonds agrees to be subject to and bound by the terms of such legend. For as long as the Bonds and the Guarantees in respect of which this Certificate is issued are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer, the Parent Guarantor and each Subsidiary Guarantor will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser designated by such holder or beneficial owner, or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").*

* This language shall be borne by any Restricted Global Certificate issued in respect of a Bond transferred pursuant to, and in reliance on Rule 144A under the Securities Act.

This Restricted Global Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the register of Bondholders and only the duly registered holder is entitled to payments on Bonds in respect of which this Restricted Global Certificate is issued.

The Conditions are modified as follows in so far as they apply to the Bonds in respect of which this Restricted Global Certificate is issued.

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Meetings

The holder hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each $1,000 in principal amount of the Bonds for which this Restricted Global Certificate may be exchanged. The Trustee may allow a person with an interest in the Bonds in respect of which this Restricted Global Certificate is issued to attend and speak at a meeting of Bondholders on appropriate proof of his identity and interest.

Trustee's Powers

In considering the interests of Bondholders the Trustee may, to the extent it considers it appropriate to do so in the circumstances; (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds; and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which this Restricted Global Certificate is issued.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Bonds in respect of which this Restricted Global Certificate is issued shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Bonds set out in the certificate of the holder as if they were themselves the holders of the Bonds in such principal amounts.

Purchase and Cancellation

Cancellation of any Bonds required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Bonds in the Register.

Payments

Payments of principal, interest and premium in respect of the Bonds represented by this Restricted Global Certificate will be made without presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of this Restricted Global Certificate to or to the order of the Principal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose.

All payments in respect of Bonds represented by this Restricted Global Certificate will be made to, or to the order of, the person(s) whose name is entered on the register of Bondholders at the close of business on the record date, which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

Transfers

Transfers of interests in the Bonds with respect to which this Restricted Global Certificate is issued shall be made in accordance with the Agency Agreement.

Notices

So long as the Bonds are represented by this Restricted Global Certificate and this Restricted Global Certificate is held on behalf of DTC, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions. The notice given

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through a clearing system shall be deemed to be given to the Bondholders on the day such notice is given by the relevant clearing system.

This Restricted Global Certificate shall not be valid for any purpose until it has been duly authenticated by the Registrar (or its agent on its behalf).

This Restricted Global Certificate is governed by, and shall be construed in accordance with, English law.

In witness whereof the Issuer has caused this Restricted Global Certificate to be signed on its behalf.

Dated [●] 2024

VEDANTA RESOURCES FINANCE II PLC

By: .....

Director/Authorised Signatory

By: .....

Director/Authorised Signatory

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Bondholders as holder of the above-mentioned principal amount of the Bonds.

Citigroup Global Markets Europe AG as Registrar (without recourse, warranty or liability)

By: .....

Authorised Signatory

Dated:

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Schedule A

Schedule of Increase or Reductions in Principal Amount of the Bonds in Respect of which this Restricted Global Certificate is Issued

The following increase or reductions in the principal amount of the Bonds in respect of which this Restricted Global Certificate is issued have been made as a result of: (i) redemption of the Bonds; (ii) transfer of the Bonds (including transfers of interests between the Global Certificates); or (iii) purchase and cancellation of the Bonds.

Date of redemption/ purchase and cancellation/ transfer (stating which)	Amount of increase/decrease in principal amount of the Bonds	Principal amount of the Bonds following such increase/decrease	Notation made by or on behalf of the Registrar
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……
……	……	……	……

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Schedule B
Interest Payments in Respect of this Restricted Global Certificate

The following payments of interest in respect of this Restricted Global Certificate and the Bonds represented by this Restricted Global Certificate have been made:

Date of made	Amount of Interest due payable	Amount of Interest paid	Notation made by or on behalf of the Registrar
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..
……	……	……..	……..

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Form of Transfer

FOR VALUE RECEIVED the undersigned hereby transfers the following principal amounts of the Bonds in respect of which the Certificate is issued, and all rights in respect thereof, to the transferee(s) listed below:

Principal Amount transferred	**Name, address and account for payments of transferee**

Dated

Name

Certifying Signature

Notes:

1. A representative of the Bondholder should state the capacity in which he signs, e.g. executor.
2. The signature of the transferee shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Transfer Agent or the Registrar may require.

PRINCIPAL AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A., London Branch as Principal Agent and Transfer Agent
c/o Citibank, N.A., Dublin Branch
1 North Wall Quay
Dublin 1
Ireland

Citigroup Global Markets Europe AG as Registrar
Reuterweg 16
60323 Frankfurt
Germany

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Schedule 4
Provisions for Meetings of Bondholders

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(a)

(i) A holder of a Bond may by an instrument in writing (a "**form of proxy**") in the form available from the specified office of the Principal Agent in English signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Principal Agent not later than 24 hours before the time fixed for any meeting, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of Bondholders.

(ii) A holder of a Bond which is a corporation may by delivering to any Agent not later than 24 hours before the time fixed for any meeting a resolution of its directors or other governing body in English authorise any person to act as its representative (a "**representative**") in connection with any meeting or proposed meeting of Bondholders.

(iii) If the holder of a Bond is DTC or a nominee of DTC, such nominee or DTC may appoint proxies in accordance with and in the form used by DTC as part of its usual procedures from time to time in relation to meetings of Bondholders. Any proxy so appointed may by an instrument in writing in the form in the English language available from the specified office of the Principal Agent, or in such other form as may have been approved by the Trustee, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Principal Agent not later than 24 hours before the time fixed for any meeting, appoint the Principal Agent or any employee of it nominated by it or any other person (the "**sub-proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of the Bondholders provided that any such appointment certifies that no other person has been appointed as a sub- proxy in respect of the relevant Bonds and that no voting instruction has been given in relation to those Bonds. All references to "**proxy**" or "**proxies**" in this Schedule other than in this paragraph shall be read so as to include references to "**sub-proxy**" or "**sub-proxies**".

(iv) Any proxy appointed pursuant to sub-paragraph 1(a)(i) above, sub-proxy appointed under sub-paragraph 1(a)(iii) above or representative appointed pursuant to sub-paragraph (a)(ii) above shall so long as such appointment remains in force be deemed, for all purposes in connection with any meeting or proposed meeting of Bondholders specified in such appointment, to be the holder of the Bonds to which such appointment relates and the holder of the Bond shall be deemed for such purposes not to be the holder.

(b) For so long as the Bonds are eligible for settlement through DTC's book-entry settlement system, the Issuer or Guarantors may fix a record date for the purpose of

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any meeting. The person in whose name a Bond is registered on the record date shall be the holder for the purposes of the relevant meeting.

(c) "**block voting instruction**" shall mean a document in the English language issued by the Principal Agent and dated, in which:

(i) it is certified that the Bonds are registered in the books and records maintained by the Registrar in the names of specified registered holders or, where the registered holder is DTC or a nominee of DTC, that the Bonds are Bonds in respect of which DTC has duly appointed a specified person as its proxy and that proxy has not to the knowledge of the Principal Agent appointed any other sub-proxy in respect of those Bonds nor given other voting instructions in relation to them;

(ii) it is certified that each holder of such Bonds or a duly authorised agent on his or its behalf has instructed the Principal Agent that the vote(s) attributable to his or its Bonds so deposited or registered should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any adjournment thereof and that all such instructions are, during the period of 48 hours prior to the time for which such meeting or adjourned meeting is convened, neither revocable nor subject to amendment but without prejudice to the provisions of paragraph (b) above;

(iii) the total number and the identifying numbers of the Bonds so registered are listed, distinguishing with regard to each such resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be case in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be case against the resolution; and

(iv) any person named in such document (hereinafter called a "**proxy**") is authorised and instructed by the Principal Agent to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in (ii) and (iii) above as set out in such document.

(d) Block voting instructions and forms of proxy shall be valid for so long as the relevant Bonds shall be duly registered in the name(s) of the registered holder(s) certified in the block voting instruction or, in the case of a form of proxy, in the name of the appointor or, in the case of a form of sub-proxy, in the name of DTC or its nominee but not otherwise and notwithstanding any other provision of this Schedule (other than (b) above) and during the validity thereof the proxy shall, for all purposes in connection with any meeting of holders of Bonds, be deemed to be the holder of the Bonds to which such block voting instructions or form of proxy or form of sub-proxy relates.

2 The Issuer, the Parent Guarantor or the Trustee may at any time convene a meeting of Bondholders. If it receives a written request by Bondholders holding at least 15 per cent. in principal amount of the Bonds for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of Bondholders. Every meeting shall be held at a time and place approved by the Trustee.

3 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Bondholders. A copy of the notice shall be given by the

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party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting, be given in the manner provided in the Conditions and shall specify, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall include a statement to the effect that the holders of Bonds may appoint proxies by executing and delivering a form of proxy in English to the specified office of any Agent not later than 24 hours before the time fixed for the meeting or, in the case of corporations, may appoint representatives by resolution in English of their directors or other governing body and by delivering an executed copy of such resolution to the Principal Agent not later than 24 hours before the time fixed for the meeting.

4 A person (who may, but need not, be a Bondholder) nominated in writing by the Trustee may act as chairman of a meeting but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting of the Bondholders present shall choose one of their number to be chairman, failing which the Issuer or the Parent Guarantor may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.

5 At a meeting two or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than 10 per cent. in principal amount of the Bonds for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution of the Bondholders) form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted unless the requisite quorum be present at the commencement of business. The quorum at a meeting for passing an Extraordinary Resolution of the Bondholders shall (subject as provided below) be two or more persons present in person holding Bonds or being proxies or representatives and holding or representing a clear majority in principal amount of the Bonds for the time being outstanding provided that the quorum at any meeting the business of which includes any of the matters specified in the proviso to paragraph 16 shall be two or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than two-thirds in principal amount of the Bonds for the time being outstanding.

6 If within 15 minutes from the time fixed for a meeting of the Bondholders a quorum is not present the meeting shall, if convened upon the requisition of the Bondholders or if the Issuer, the Parent Guarantor and the Trustee agree, be dissolved. In any other case it shall stand adjourned to such date, not less than 14 nor more than 42 days later, and to such place as the chairman may decide. At such adjourned meeting two or more persons present in person holding Bonds or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting provided that at any adjourned meeting at which is to be proposed an Extraordinary Resolution of the Bondholders for the purpose of effecting any of the modifications specified in the proviso to paragraph 16 the quorum shall be two or more persons so present holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-third in principal amount of the Bonds for the time being outstanding.

7 The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at an adjourned meeting which might not lawfully have been transacted at the meeting from which the adjournment took place.

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8 At least 10 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

9 Each question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a holder of a voting certificate or as a proxy or representative.

10 Unless a poll is (before or on the declaration of the result of the show of hands) demanded at a meeting by the chairman, the Issuer, the Guarantors, the Trustee or by one or more persons holding one or more Bonds or being proxies or representatives and holding or representing in the aggregate not less than two per cent. in principal amount of the Bonds for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority of the Bonds or lost or not carried by a particular majority of the Bonds shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.

12 A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

13 The Issuer, the Guarantors and the Trustee (through their respective representatives) and their respective financial and legal advisers may attend and speak at any meeting of Bondholders. No one else may attend or speak at a meeting of Bondholders unless he: (i) is the holder of a Bond or is a proxy or a representative; or (ii) has an interest in the Bonds and the Trustee has permitted him to attend and speak at the meeting of the Bondholders.

14 On a show of hands every holder of Bonds who is present in person or any person who is present and is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each $1,000 principal amount of the Bonds held or in respect of which he is a proxy or a representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

15 A proxy need not be a Bondholder.

16 A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Trust Deed, have power exercisable by Extraordinary Resolution:

(i) to sanction any proposal by the Issuer or the Guarantors for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer or the Guarantors whether or not such rights arise under this Trust Deed;

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(ii) to sanction the exchange or substitution for the Bonds, or other obligations or securities of the Issuer, the Guarantors or any other entity;

(iii) to assent to any modification of this Trust Deed, the Collateral Documents, the Intercreditor Agreement or the Bonds which shall be proposed by the Issuer, the Guarantors or the Trustee;

(iv) to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution of the Bondholders;

(v) to give any authority, direction or sanction required to be given by Extraordinary Resolution of the Bondholders;

(vi) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer on them any powers or discretions which the Bondholders could themselves exercise by Extraordinary Resolution;

(vii) to approve the substitution of any entity for the Issuer or the Guarantors (or any previous substitute of either of them) as principal debtor or guarantor (as applicable) under the Bonds, the Collateral Documents, the Intercreditor Agreement, the Agency Agreement and/or this Trust Deed;

(viii) to approve a proposed new Trustee and to remove a Trustee; and

(ix) to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Bonds,

provided that the special quorum provisions contained in the proviso to paragraph 5 and, in the case of an adjourned meeting, in the proviso to paragraph 6 shall apply in relation to any Extraordinary Resolution of the Bondholders for the purpose of paragraph 16(ii) or (vii) or the purpose of making any modification to the provisions contained in this Trust Deed or the Bonds which would have the effect of:

(i) modifying the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds;

(ii) reducing or cancelling the principal amount of, or rate of interest on, the Bonds;

(iii) changing the currency of any payment in respect of the Bonds;

(iv) cancelling or modifying any Guarantee (other than any modification described in Condition 12(b));

(v) modifying or discharging any Security over the Collateral (other than in accordance with the Collateral Document or the Intercreditor Agreement or any modification described in Condition 12(b));

(vi) impairing or affecting the contractual right of any Bondholder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Bonds;

(vii) modifying the provisions contained in this Schedule concerning the quorum required at a meeting of Bondholders or the majority required to pass an Extraordinary Resolution of Bondholders or sign a resolution in writing; or

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(viii) amending this proviso.

17 An Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with this Trust Deed shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.

18 The expression "**Extraordinary Resolution**" of Bondholders means a resolution passed at (a) a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than two-thirds of the votes cast; (b) by a Written Resolution; or (c) by an Electronic Consent.

19 A resolution in writing (a "**Written Resolution**") signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with these provisions shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders convened and held in accordance with these provisions. Such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of the Bondholders.

For so long as the Bonds are in the form of one or more Global Certificates, in respect of any resolution proposed by the Issuer, the Guarantors or the Trustee:

(i) *Electronic Consent:* Where the terms of the proposed resolution have been notified to the Bondholders through the relevant clearing system(s), each of the Issuer, the Guarantors and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer, the Guarantors or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with these provisions (the "**Required Proportion**") ("**Electronic Consent**") by close of business on the Relevant Date. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. None of the Issuer, the Guarantors or the Trustee shall be liable or responsible to anyone for such reliance;

(x) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing systems(s). The notice shall specify in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

(y) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the

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"**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform the Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to "**Relevant Date**" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer, the Guarantors or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with paragraph 2 above, unless that meeting is or shall be cancelled or dissolved; and

(ii) *Written Resolution:* Where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer, the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantors and/or the Trustee, as the case may be, by (a) accountholders in the clearing system(s) with entitlements to such Global Certificate(s) and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantors and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, DTC, Euroclear, Clearstream or any other relevant clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the person identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. None of the Issuer, the Guarantors or the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Bondholders, whether or not they participated in such Written Resolution and/or Electronic Consent.

20 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to

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have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

21 Subject to all other provisions contained in this Trust Deed, the Trustee may without the consent of the Bondholders prescribe such further regulations regarding the holding of meetings and attendance and voting at them or regarding the making of resolutions in writing as the Trustee may in its sole discretion determine including (without limitation) such regulations and requirements as the Trustee thinks reasonable to satisfy itself that persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and that those who purport to attend or vote at a meeting or to sign a written resolution are entitled to do so.

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Schedule 5
Form of Accession Deed

This Accession Deed is made on [●] between:

(1) **VEDANTA RESOURCES FINANCE II PLC** as Issuer;

(2) **VEDANTA RESOURCES LIMITED** as Parent Guarantor;

(3) **TWIN STAR HOLDINGS LTD.** as the Subsidiary Guarantor;

(4) **WELTER TRADING LIMITED** as the Subsidiary Guarantor;

(5) **CITICORP INTERNATIONAL LIMITED** as Trustee;

(6) **AXIS TRUSTEE SERVICES LIMITED** as Onshore Collateral Agent; and

(7) [***NAME OF COLLATERAL AGENT***] (the "**Collateral Agent**").

Whereas:

(A) The Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee and the Onshore Collateral Agent entered into an Amended and Restated Trust Deed dated [●] 2023.

(B) The Collateral Agent is to be a party under the Trust Deed pursuant to Clause 9 of the Trust Deed.

This Accession Deed witnesses and it is declared as follows:

1 Definitions and Interpretations

Terms defined in the Trust Deed shall, unless otherwise defined herein or the context requires otherwise, bear the same meanings herein. The rules of interpretation set out in the Trust Deed shall apply to this Accession Deed.

2 Accession of Collateral Agent

2.1 Pursuant to this Accession Deed, the Collateral Agent hereby agrees to be bound by the provisions of the Trust Deed (to the extent applicable to it) and agrees to be deemed to become a party to the Trust Deed.

2.2 Each party to the Trust Deed (other than the Collateral Agent) hereby affirms the provisions of the Trust Deed and their rights and obligations under the Trust Deed and agree to the provision of Clause 2.1 of this Accession Deed.

2.3 Without prejudice to the generality of this Clause 2, the parties agree that all of the protections, rights, disclaimers, benefits and immunities in favour of the Trustee under Clauses 10, 11 and 12 of the Trust Deed shall also be applicable to the Collateral Agent as if it is the Trustee mentioned therein.

2.4 [*INCLUDE ANY OTHER PROVISIONS REQUIRED BY THE COLLATERAL AGENT AND AGREED BY THE OTHER PARTIES*]

3 Security

3.1 **Creation of Security:** The Security Provider shall create the Security in accordance with the terms set out in the Conditions and the Collateral Documents in favour of the Collateral Agent who shall hold the Security on trust for the benefit of the Secured Parties. The Security

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shall be automatically released when all amounts due and payable under the Bonds and the Trust Deed are repaid in full.

3.2 **Enforcement of Security**: On or after the Security Creation Date, the Security shall become immediately enforceable in the event of the occurrence of an Event of Default or in any other event where the Security becomes enforceable under the Trust Deed, the Collateral Documents or the Intercreditor Agreement. At any time after the Security has become enforceable, the Collateral Agent may, at its discretion and without further notice, take such proceedings as it may think fit against or in relation to the Security Provider (including, without limitation, by taking possession or disposing of or realising the Collateral in addition to, or in lieu of taking such other action as may be permitted against the Company) to enforce and/or foreclose the Collateral, but it will not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders of at least 25% in aggregate principal amount of outstanding Bonds and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

3.3 **Liability**: None of the Trustee, the Collateral Agent, their nominee(s), any Receiver or any Appointee shall be liable by reason of (a) taking any action permitted by this Trust Deed or any Collateral Document by the Trustee, the Collateral Agent, such Receiver or such Appointee or (b) any neglect or default by the Trustee, the Collateral Agent, such Receiver or such Appointee in connection with the Collateral or (c) the taking possession or realisation of all or any part of the Collateral, except in the case of gross negligence, fraud or wilful default upon its part. The Collateral Agent shall not be responsible for the creation, validity, value, sufficiency and enforceability (which the Collateral Agent has not investigated) of the Collateral.

3.4 **Dealings with Collateral Agent:** No-one dealing with the Collateral Agent or any Receiver of any of the Collateral appointed by the Collateral Agent need enquire whether any of the powers, authorities and discretions conferred by or pursuant to the Trust Deed or the Collateral Documents in relation to such property are or may be exercisable by the Collateral Agent or such receiver or as to the propriety or regularity of acts purporting or intended to be in exercise of any such powers.

3.5 **No Responsibility for Security**: The Trustee shall not be responsible for, nor shall it have any liability with respect to, any loss, diminution in value or theft of all or any part of the Collateral (including, without limitation, any documents constituting, comprising, evidencing, representing and/or transferring any rights, benefits, and/or obligations thereunder) and shall not be obliged to monitor the value of the Collateral or to insure or to procure the insurance or to monitor the adequacy of any insurance arrangements in respect of all or any part of the Collateral (including any such documents) and shall have no responsibility whatsoever to any Bondholder as regards any deficiency which might arise because the Trustee is subject to any tax in respect of the Collateral or any part thereof or any income therefrom or any proceeds thereof or is required by law to make any withholding or deduction from any payment to any Bondholder and shall have no responsibility or liability arising from the fact that all or any part of the Collateral (including any such documents) is registered in the name of the Collateral Agent or held by it or on its behalf or in an account with any clearing system or is otherwise held in safe custody by any bank or other custodian whether or not selected by the Trustee.

4 **Communications**

Any communication to the Collateral Agent shall be by letter or fax at:

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[*INSERT COLLATERAL AGENT'S NOTICE DETAILS*]

5 Trust Deed

From and including the date hereof, this Accession Deed and the Trust Deed shall be deemed to be and regarded, read and construed as one and the same instrument. Save as expressly modified by this Accession Deed, the Trust Deed shall continue in full force and effect and the Trust Deed with effect from the date hereof shall be read and construed as one document with this Accession Deed.

6 Opinions

The Issuer or the Parent Guarantor shall procure the delivery of legal opinions addressed to the Trustee and the Collateral Agent dated the date of this Accession Deed in form and content reasonably satisfactory to the Trustee and the Collateral Agent from legal advisers as to English law [and the governing law of the Collateral Documents, if not English law].

7 Counterparts

This Accession Deed may be executed in any number of counterparts, all of which when taken together shall constitute one and the same document.

8 Governing Law and Jurisdiction

8.1 **Governing Law**: This Accession Deed and all non-contractual matters arising from or connected with this Accession Deed, are governed by and shall be construed in accordance with English law.

8.2 **Jurisdiction**: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising from or connected with this Accession Deed and all non-contractual matters arising from or in connection therewith (including a dispute regarding the existence, validity or termination of this Accession Deed or the consequences of their nullity). The submission to the jurisdiction of the courts of England is for the benefit of the Trustee and the Bondholders only and shall not (and shall not be construed so as to) limit the right of the Trustee or any Bondholder to take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if any to the extent permitted by law.

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In witness whereof this Accession Deed has been executed and delivered as a deed on the date stated at the beginning.

EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES FINANCE II PLC

.....

Director

.....

Director/Secretary

TRUE COPY

EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES LIMITED

.....

Director

.....

Director/Secretary

TRUE COPY

Executed and delivered as a deed for and on
behalf of **TWIN STAR HOLDINGS LTD.**

By:

Name: Name:

Title: Title:

TRUE COPY

Executed and delivered as a deed for and on
behalf of **WELTER TRADING LIMITED**

.....

Name:

Director

.....

Name:

Director/Secretary

TRUE COPY

Signed as a deed by……)
Attorney for **CITICORP INTERNATIONAL**……)
LIMITED (as Trustee) under a power of……)
attorney dated ……)

By:

Name:

Title:

TRUE COPY

SIGNED as a **DEED** by)
AXIS TRUSTEE SERVICES LIMITED)
(as Onshore Collateral Agent))
)
)

By: _____
Name:
Title:

TRUE COPY

Executed and delivered as a deed for and on behalf of **[*INSERT NAME OF COLLATERAL AGENT*]**

.....

[Authorised Signatory]

.....

[Authorised Signatory]

TRUE COPY

Schedule 6
Form of Intercreditor Agreement

TRUE COPY

Linklaters

1966

Form of Intercreditor Agreement

Dated as of [●]

Citicorp International Limited

as 2024 Bonds Trustee and 2025 Bonds Trustee

[●]

as Collateral Agent

Vedanta Resources Finance II plc

as Issuer

and

Vedanta Resources Limited

as Chargor

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This Intercreditor Agreement (as supplemented and amended from time to time, this "**Agreement**"), dated as of [●], by and among:

(1) **Citicorp International Limited** not in its individual capacity but solely as trustee for (i) the 2024 Noteholders under the 2024 Trust Deed (the "**2024 Bonds Trustee**") and (ii) the 2025 Noteholders under the 2025 Trust Deed (the "**2025 Bonds Trustee**");

(2) [●] as collateral agent for the benefit of the 2024 Bonds Trustee and the 2025 Bonds Trustee (for itself and the benefit of the Noteholders) and the other Secured Parties (the "**Collateral Agent**");

(3) **Vedanta Resources Finance II plc** (the "**Issuer**"); and

(4) **Vedanta Resources Limited** as the chargor (the "**Chargor**") under the Collateral Document.

Whereas:

(A) The Issuer, the Chargor, the 2024 Bonds Trustee and the 2025 Bonds Trustee have entered into the relevant Trust Deed.

(B) The Issuer may from time to time issue Additional Notes in accordance with the terms of the Trust Deeds.

(C) The Chargor has charged the Collateral to the Collateral Agent to provide a Security Interest for the Note Obligations.

(D) The Collateral Agent has been selected by the Issuer or the Chargor in accordance with the Trust Deeds and the appointment of the Collateral Agent under this Agreement is authorized under the Trust Deeds without requiring any instruction or consent from the Noteholders.

(E) The execution of this Agreement is authorized under the Trust Deeds.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein and for other good and valuable consideration, the parties hereto agree as follows:

1 Definitions

1.1 In this Agreement (including the recitals):

"**2024 Notes**" means the Issuer's US$1,000,000,000 13.875% guaranteed senior bonds due 2024 and any Additional Notes under the 2024 Trust Deed.

"**2025 Notes**" means the Issuer's US$1,200,000,000 8.95% guaranteed senior bonds due 2025 and any Additional Notes under the 2025 Trust Deed.

"**2024 Trust Deed**" means the trust deed dated as of December 21, 2020 relating to the 2024 Notes, as amended, restated, supplemented or otherwise modified from time to time.

"**2025 Trust Deed**" means the trust deed dated as of March 11, 2021 relating to the 2025 Notes, as amended, restated, supplemented or otherwise modified from time to time.

"**Additional Notes**" has the meaning given to such term in the Trust Deeds.

"**Agent**" has the meaning given to such term in the Trust Deeds.

"**Business Day**" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London or India are authorized by law or governmental regulation to close.

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"**Collateral**" has the meaning given to such term in the Trust Deeds.

"**Collateral Document[(s)]**" means [_].

"**Enforcement Notice**" means any enforcement notice to be delivered by the Collateral Agent to the Issuer and the Chargor to the effect that the Collateral has become enforceable as a result of the occurrence of an Event of Default that is continuing.

"**Event of Default**" has the meaning given to such term in any applicable Note Document.

["**Majority Secured Parties**" means, at any time, the Secured Parties who collectively represent more than 50% of the aggregate sum of the Note Participation at such time.]

"**Note Documents**" means the Trust Deeds, the Notes and such other agreements, instruments and certificates executed and delivered (or issued) by the Issuer or any Note Guarantor pursuant to the foregoing documents.

"**Note Guarantor**" has the meaning given to it in the Trust Deeds.

"**Note Obligations**" means all present and future obligations, contingent or otherwise, of the Issuer to the 2024 Bonds Trustee and the 2025 Bonds Trustee and the relevant Noteholders arising under or pursuant to the Note Documents.

"**Note Participation**" means the aggregate outstanding principal amount of the Notes held by all Noteholders.

"**Noteholders**" means the Holders (as such term is defined in the Trust Deeds).

"**Notes**" means the 2024 Notes and the 2025 Notes.

"**Payment**" means any payment, repayment, prepayment, redemption, defeasance or discharge of any principal, interest or other amount on or in respect of any of the Note Obligations.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**proceeds**" has the meaning given to such term set forth in the Collateral Document.

"**Secured Parties**" means, collectively, the 2024 Bonds Trustee and the 2025 Bonds Trustee for the benefit of the relevant Noteholders.

"**Security Enforcement Objective**" means maximizing, so far as is consistent with prompt and expeditious realization of value from enforcement of the Shared Security Interest, and in a manner consistent with the provisions of this Agreement, including, in particular, the order of application of proceeds set forth in Section 5 hereof, the recovery by the Noteholders.

"**Security Enforcement Principles**" means the principles set forth in Schedule 1 hereto.

"**Security Interest**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

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"**Shared Security Interest**" means the Security Interest in favor of the Collateral Agent as agent for the Secured Parties created, or purported to be created, pursuant to the Collateral Document.

"**Trust Deeds**" means the 2024 Trust Deed and the 2025 Trust Deed.

1.2 A reference in this Agreement to any party or person shall be construed so as to include its successors in title, permitted assigns and permitted transferees, including in the case of the Issuer, any successor to the Issuer under the Trust Deeds.

1.3 Section, clause and schedule headings are for ease of reference only.

1.4 Capitalized terms used herein but not defined herein have the meanings assigned to them in the Trust Deeds, unless the context otherwise requires.

2 Pari Passu Security

2.1 Notwithstanding (a) the time, order or method of attachment or perfection of any Security Interests, the time or order of filing of financing statements (or similar filings in any applicable jurisdiction), or the giving of or failure to give notice of the acquisition or expected acquisition of purchase money or other Security Interest, (b) the manner in which the Shared Security Interest is acquired, whether by grant, statute or operation of law, subrogation or otherwise, (c) the fact that the Collateral or the Shared Security Interest (or any portion thereof) is otherwise subordinated, voided, avoided, invalidated or lapsed and (d) any applicable law or any provision to the contrary in any Note Document and the Collateral Document with respect to the Collateral and all proceeds of the Collateral, each Secured Party agrees that (i) the Security Interest of each Secured Party in the Collateral ranks and shall rank equally in priority with the Security Interest of the other Secured Parties in the Collateral and (ii) the Note Obligations rank and shall rank *pari passu* among themselves.

2.2 The agreements as to the priority of the Security Interest of each Secured Party in and to the Collateral provided for herein shall not be deemed to subordinate or otherwise affect in any respect the Security Interest securing any other indebtedness (which, for the avoidance of doubt, does not include any Note Obligations).

2.3 Each Secured Party agrees that it will not attack, contest or bring (or voluntarily join in) any action for the purpose of contesting the validity, perfection, priority or enforceability of the Security Interest of any other Secured Party or finance or urge any other Person to do so; provided that any Secured Party may enforce its rights and privileges hereunder without being deemed to have violated this provision. Any provision contained in this Agreement to the contrary notwithstanding, the terms and conditions of this Agreement shall not apply to any property or asset (including properties or assets (or proceeds thereof) that does not constitute Collateral) as to which one (and only one) Secured Party has a Security Interest and as to which the other Secured Parties do not have a Security Interest.

3 Appointment of the Collateral Agent

3.1 Each Secured Party hereby irrevocably appoints and authorizes the Collateral Agent to enter into the Collateral Document and act as its collateral agent under and in connection with the Collateral Document and this Agreement and authorizes the Collateral Agent to enter on its behalf and on behalf of the Noteholders (in the case of each of the 2024 Bonds Trustee and the 2025 Bonds Trustee), into the Collateral Document.

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3.2 The Collateral Agent accepts such appointment and agrees and acknowledges that it shall hold the Collateral and any Security Interest thereon for the equal and ratable benefit of all Secured Parties in accordance with the terms of the Collateral Document and subject to the terms and conditions of this Agreement, including, in particular, the order of application of proceeds set forth in Section 5 hereof. Each of the Secured Parties agrees and acknowledges that the Collateral Document shall be subject to the terms and conditions of this Agreement in all circumstances, and further agrees that it shall pay all proceeds received or realized by it in relation to the Collateral granted in favor of it under the Collateral Document and any Security Interest thereon to the Collateral Agent for application and distribution in accordance with Section 5 hereof.

3.3 In addition to its rights, powers, privileges, limitations and exculpation set forth herein, the Collateral Agent shall be entitled, in acting as Collateral Agent for the Secured Parties, to all of the rights, powers and privileges, and the benefit of the limitations and exculpations, as set out in the Collateral Document and the Note Documents or in accordance with applicable laws and regulations.

3.4 [The Chargor shall register the Security Interest with the UK Companies House and deliver the relevant notice(s) to the Collateral Agent on [ ] for the purpose of perfecting the Security Interest under the Collateral Document and the Collateral Agent shall hold such documents subject to the terms of this Agreement.]

3.5 Any Secured Party who is holding any perfection document shall deliver such perfection document to the Collateral Agent to hold such perfection documents for the benefit of all Secured Parties.

3.6 For the limited purpose of perfecting the Security Interests of the Secured Parties in those types or items of the Collateral, if any, in which a Security Interest may only be perfected by possession or control, any Secured Party that is in possession or control of such Collateral agrees that if it elects to relinquish possession or control of such Collateral, it shall deliver possession or control thereof to the Collateral Agent; provided that, no Secured Party shall be required to deliver any such Collateral or take any other action referred to in this Section to the extent that such action would contravene any law, order or other legal requirements, and in the event of a controversy or dispute, such Secured Party may interplead any item of Collateral in any court of competent jurisdiction.

4 Enforcement; Written Instructions

4.1 Only the Collateral Agent (or any delegate, receiver or other Person appointed by the Collateral Agent in accordance with the Collateral Document or this Agreement) shall be entitled to act, or otherwise refrain from acting, in connection with, or enforce (including, without obligation, to perfect or continue the perfection of), the Shared Security Interest on behalf of the Secured Parties pursuant to the terms of the Collateral Document and this Agreement.

4.2 Each Secured Party agrees that, in relation to any instruction given by it to the Collateral Agent to take action in relation to depositing or maintaining the Collateral subject to a Shared Security Interest or any other action in respect of such Collateral, such Secured Party shall provide to the Collateral Agent written instructions signed by an authorized person of such Secured Party; provided, that upon receipt of any such written instruction from any Secured Party, the Collateral Agent shall as soon as reasonably practicable provide the Issuer, the Chargor and the other Secured Parties with a copy of such instruction.

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4.3 Upon the occurrence and during the continuance of an Event of Default, any Secured Party may, to the extent permitted (or not restricted) under the applicable Note Document, notify in writing the Collateral Agent (with a copy to the other Secured Parties) of the occurrence of such Event of Default and may instruct in writing the Collateral Agent (with a copy to the other Secured Parties) to (i) enforce the Collateral and/or take any actions which the Collateral Agent is entitled to do under the terms of the Collateral Document and this Agreement and (ii) deliver an Enforcement Notice to the Issuer and the Chargor (such instructions, the "**Enforcement Instructions**"). Upon receipt of an Enforcement Instruction, the Collateral Agent shall act, in accordance with written instructions received by it from the applicable Secured Party, to enforce on or against the Shared Security Interest subject to Sections 4.4, 4.5, 4.7 and 7 hereof provided, that upon receipt of an Enforcement Instruction, the Collateral Agent shall as soon as reasonably practicable provide the Issuer, the Chargor and the other Secured Parties accordingly with a copy of such Enforcement Instruction and such Enforcement Notice. Any Enforcement Instruction delivered pursuant to this Agreement shall expressly include instructions as to the actions to be taken by the Collateral Agent and shall include a certification (upon which the Collateral Agent may conclusively rely) that the actions contemplated by such Enforcement Instruction comply with and are in accordance with the Security Enforcement Principles.

4.4 Notwithstanding any provision herein to the contrary but subject to Section 7 hereof, if the Collateral Agent identifies a conflict:

(a) between the Secured Parties' interests in connection with any Enforcement Instructions; or

(b) in the event that more than one of the Secured Parties issues Enforcement Instructions, between those Enforcement Instructions,

and the Collateral Agent believes in its sole and absolute discretion that the interests of the Secured Parties would be in conflict upon the exercise of those Enforcement Instructions, or that compliance with an Enforcement Instruction would cause the Collateral Agent to contravene another Enforcement Instruction, the Collateral Agent shall notify each Secured Party in writing not more than ten (10) Business Days after it becomes aware of such conflict that the Collateral Agent considers such a conflict exists and the Collateral Agent is not obligated to take any action if it identifies such conflict; provided that, the Collateral Agent shall act in accordance with such Enforcement Instructions to the extent that such Enforcement Instructions do not conflict with each other and provided further that the Collateral Agent shall act in accordance with Section 7 hereof.

4.5 Notwithstanding anything to the contrary contained in this Agreement, if the Collateral Agent shall receive any instruction from any Secured Party with respect to any act or action (including failure to act) in connection with this Agreement or the Collateral Document, the Collateral Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received written instruction from any Secured Party and to the extent requested, indemnification and/or security and/or pre-funding to its satisfaction in respect of actions to be taken, and the Collateral Agent shall not incur liability to any Secured Party or any Noteholder or any other Person by reason of so refraining. Without limiting the foregoing, no party hereto shall have any right of action whatsoever against the Collateral Agent and the Collateral Agent shall incur no liability to any party hereto as a result of the Collateral Agent acting or refraining from acting hereunder in accordance with the instructions of the Secured Parties or under the Collateral Document as provided for therein.

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4.6 The Collateral Agent shall be entitled to seek directions as to the exercise or non-exercise of any of its rights, powers or discretions from the instructing Secured Party and to seek clarification of any instruction previously given, and the Collateral Agent shall be entitled to refrain from acting in the absence of any, or any clear, written instructions.

4.7 The Collateral Agent may refrain from acting unless and until (a) clearly instructed in writing by a Secured Party as to whether or not any right, power or discretion is to be exercised and, if it is to be exercised, as to the manner in which it should be exercised and (b) it has received security and/or indemnity and/or pre-funding satisfactory to it.

4.8 The Collateral Agent shall be fully protected and not liable if it complies with any instructions of any Secured Party with respect to any Enforcement Instruction in accordance with the provisions of this Section or any other instruction of a Secured Party provided pursuant to the Collateral Document or this Agreement.

4.9 Each Secured Party agrees to certify to the Collateral Agent, (x) upon reasonable request of the Collateral Agent and (y) at any time when an instruction is provided by a Secured Party to the Collateral Agent hereunder, the aggregate principal amount of Notes held by the Noteholders represented by that Secured Party.

4.10 The Collateral Agent shall not be responsible for acting or refraining from acting unless instructed by any written instruction or Enforcement Instruction received by it pursuant to the terms of this Agreement or the Collateral Document and shall not have any responsibility or liability to any interests arising from circumstances particular to any holder (whatever their number) as regards the exercise and performance of all powers, authorities, duties, discretions and obligations of the Collateral Agent in respect of the Collateral or the rights or benefits which are comprised in the Collateral. Prior to receiving any Enforcement Instruction from any Secured Party, the Collateral Agent shall be under no obligation to take any steps to call in or to enforce the Collateral and shall not be liable for any liability, damages, cost, loss or expenses (including legal fees) and any value added tax thereon arising from any omissions on its part to take any such steps.

4.11 The Collateral Agent shall not be responsible and/or liable for the priority of the Collateral on enforcement.

4.12 The Issuer and the Chargor will promptly and diligently notify the Collateral Agent and each Secured Party of:

(a) any occurrence of which they become aware which might:

(i) adversely affect their ability to perform any of their obligations under, or otherwise to comply with any of the terms of, this Agreement; or

(ii) jeopardize any assets comprising the Collateral; and

(b) any steps or actions which they are taking, or are considering taking, to remedy or mitigate the effect of any such occurrence.

5 Distribution of Proceeds and Release

Each party hereto agrees that any proceeds from any sale, collection, liquidation or enforcement of the Collateral shall be distributed by the Collateral Agent in accordance with the terms hereof and subject to the conditions of the Collateral Document. Such proceeds shall be applied as follows:

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(a) *first*, to the 2024 Bonds Trustee and the 2025 Bonds Trustee, the Collateral Agent and the Agents, to the extent necessary to reimburse the 2024 Bonds Trustee and the 2025 Bonds Trustee, the Collateral Agent, the Agents and/or any such representative for any unpaid fees, costs and expenses (including any reasonable fees and expenses of legal counsel) incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses (including any reasonable fees and expenses of legal counsel) incurred in enforcing its remedies under the Collateral Document and preserving the Collateral and all amounts for which the 2024 Bonds Trustee and the 2025 Bonds Trustee, the Collateral Agent, the Agents and/or any such representative are entitled to indemnification under the Collateral Document and this Agreement;

(b) *second*, to the 2024 Bonds Trustee and the 2025 Bonds Trustee for the benefit of Noteholders on a *pro rata* and *pari passu* basis until all Note Obligations are paid; and

(c) *third*, any surplus remaining after such payments will be paid to the Issuer or whomever may be lawfully entitled thereto.

Each party hereto agrees that any proceeds of the Collateral received or recovered by it in violation of the priorities set forth above and the other provisions of this Agreement shall be segregated and held in trust and promptly paid over to the Collateral Agent, in the same form as received, with any necessary endorsements, for application in accordance with the priorities set forth above.

Each Secured Party expressly authorizes and instructs the Collateral Agent to, and the Collateral Agent hereby agrees to, execute any and all documents (including in order to effect any releases of any Security Interest) with respect to the Collateral as contemplated by and in accordance with the provisions of this Agreement and the Collateral Document, which such documents shall be prepared and delivered to the Collateral Agent by such Secured Party. Notwithstanding anything to the contrary, neither the consent of the Noteholders nor of the 2024 Bonds Trustee or the 2025 Bonds Trustee (as applicable) shall be required in order to effect any such release of Security Interest.

6 Resignation and Replacement of Collateral Agent

6.1 Resignation

The Collateral Agent may resign without giving any reason at any time by thirty (30) calendar days' prior written notice of resignation to each Secured Party, the Issuer and the Chargor.

6.2 Removal

(a) The Collateral Agent may be removed by sixty (60) days' prior written notice of removal to the Collateral Agent from the Majority Secured Parties, with a copy thereof to the Issuer and the Chargor.

(b) If the Collateral Agent has resigned or has been removed by or on behalf of the Secured Parties, the Majority Secured Parties (in consultation with the Issuer and the Chargor (so long as no Event of Default has occurred and is continuing)) shall appoint a successor Collateral Agent and give notice of such successor Collateral Agent to the retiring Collateral Agent, the Issuer and the Chargor within thirty (30) calendar days of giving the foregoing notice of removal to the Collateral Agent or of receiving the foregoing notice of resignation from the retiring Collateral Agent.

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(c) If a successor Collateral Agent has not been appointed, or has not accepted such appointment, within thirty (30) calendar days after the retiring Collateral Agent has given notice of resignation or has received notice of removal, the retiring Collateral Agent may, at the expense of the Issuer, and with notice to the Issuer and the Chargor, appoint a successor Collateral Agent or any one of the Secured Parties or the retiring Collateral Agent may apply to a court of competent jurisdiction for the appointment of a successor Collateral Agent or for other appropriate relief.

6.3 Effectiveness

A resignation or removal of the Collateral Agent and appointment of a successor Collateral Agent will become effective only upon:

(a) the successor Collateral Agent's acceptance of appointment as provided in this Section 6; and

(b) the execution of all documents that are necessary to substitute the successor Collateral Agent hereunder pursuant to Section 6.4 hereof and under the Collateral Document.

6.4 Transfer of rights and interests

Upon delivery by the successor Collateral Agent of a written acceptance of its appointment to the retiring Collateral Agent and each Secured Party, and upon the execution of all documents that are necessary to substitute the successor Collateral Agent hereunder and under the Collateral Document:

(a) the retiring Collateral Agent will at the expense of the Issuer and the Chargor transfer and assign all property and documents held by it as Collateral Agent to the successor Collateral Agent, subject to the Shared Security Interest;

(b) the resignation or removal of the retiring Collateral Agent will become effective; and

(c) the successor Collateral Agent will have all the rights, powers and duties of the retired Collateral Agent under this Agreement and the Collateral Document and the retiring Collateral Agent shall have no further duties, responsibilities or obligations hereunder.

6.5 Failure to appoint successor Collateral Agent

Without prejudice to the Collateral Agent's rights under Section 7 hereof in the event that:

(a) the Collateral Agent has given notice of its resignation pursuant to Section 6.1 hereof, or the Majority Secured Parties have given notice to the Collateral Agent of its removal pursuant to Section 6.2(a) hereof; and

(b) a successor Collateral Agent has not been appointed or has not accepted its appointment, or the requirements of Sections 6.3 and 6.4 hereof relating to the transfer of the rights and interests of the retiring Collateral Agent to the successor Collateral Agent have not been satisfied, in each case within thirty (30) calendar days of the date of delivery of such notice,

the Collateral Agent may, at its option, refuse to comply with any claims or demands, including without limitation, any Enforcement Instruction, and refuse to take any other action hereunder; provided, that the Collateral Agent shall inform each Secured Party, the Issuer and the Chargor in writing of its decision, and in any such event, the Collateral Agent shall

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not be liable in any way or to any person for its failure or refusal to act if the circumstances set out in this Section 6.5 occur, and the Collateral Agent shall be entitled to continue to so refuse to act and refrain from acting until the matters referred to in paragraph (b) above have been satisfied.

7 Dispute

7.1 In the event of any disagreement between any of the Secured Parties [or between a Secured Party and the Majority Secured Parties], or if the Collateral Agent believes at its sole and absolute discretion that any conflict has arisen:

(a) Between such Secured Party's interests in connection with any instructions given by any Secured Party; or

(b) in the event that each of the Secured Parties issues any instructions with respect to the same or a similar subject, between those instructions,

any Secured Party or the Collateral Agent may deliver a notice to the other Secured Party and the Collateral Agent, as applicable, in accordance with Section 4.4 hereof and the delivery of such notice shall commence a 30 calendar day consultation period during which time the Secured Parties shall consult with each other in good faith with a view to coordinating the proposed instructions and keep the Collateral Agent informed of such consultation and coordination efforts.

7.2 If consultation has taken place for at least 30 calendar days, there shall be no further obligation to consult and, the Collateral Agent may, subject to the other provisions of this Section 7, act in accordance with the instructions of the Majority Secured Parties, which shall be binding on all Secured Parties; provided that the Majority Secured Parties shall provide such instructions that comply with the Security Enforcement Principles. Subject to Section 7.3 below, if no such instructions from the Majority Secured Parties are available, the Collateral Agent may, at its option, refuse to comply with any claims or demands, and refuse to take any other action hereunder, so long as such disagreement or conflict continues.

7.3 If the Collateral Agent receives conflicting instructions from the Secured Parties as to whether or not to enforce the Shared Security Interest, the instructions that direct the Collateral Agent to enforce the Shared Security Interest shall prevail.

7.4 Notwithstanding Section 7.3 above, in the event that the Majority Secured Parties have not instructed the Collateral Agent to enforce the Shared Security Interest and there are conflicting instructions (as determined by the Collateral Agent) from the Secured Parties, the Collateral Agent shall not be liable in any way or to any person for its failure or refusal to act until (i) the rights of all parties having or claiming an interest in the Shared Security Interest shall have been fully and finally adjudicated by a court of competent jurisdiction or the disagreement or, as the case may be, the conflict shall have been resolved by agreement between the Secured Parties (and the Secured Parties shall consult with one another in good faith for at least a further 30 calendar days (in addition to the period specified in Section 7.2 above) with a view to resolving the disagreement or conflict), and (ii) the Collateral Agent shall, in the case of adjudication by a court of competent jurisdiction, have received a final order, judgment or decree by such court of competent jurisdiction, which order, judgment or decree is not subject to appeal, and in the case of resolution of differences by agreement, have received a notice in writing signed by an authorized person of each of the Secured Parties setting forth in detail the agreement.

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7.5 The Collateral Agent shall have the option, after 30 calendar days' notice to the other parties of its intention to do so, to file an action in interpleader requiring the Secured Parties to answer and litigate any claims and rights among themselves. The costs and expenses (including attorneys' fees and expenses) properly incurred by the Collateral Agent in connection with such proceeding shall be paid by, and be the obligation of, the Issuer, and the Collateral Agent shall have the right to pay or reimburse itself for the prior payment of such fees and expenses from the Shared Security Interest.

7.6 The Collateral Agent may consult with legal counsel and/or professional advisors of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or its duties hereunder, and shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of such counsel. The Issuer agrees to reimburse the Collateral Agent on demand for all legal fees, disbursements and expenses properly incurred by the Collateral Agent in so consulting with legal counsel and the Collateral Agent shall have the right to pay or reimburse itself for the prior payment of such fees, disbursements and expenses from the Shared Security Interest.

7.7 Each Secured Party agrees or is deemed to agree that it shall provide or cause to be provided an Enforcement Instruction that is in accordance with the Security Enforcement Principles and, upon delivery of any Enforcement Instruction, shall be deemed to certify that such Enforcement Instruction is in accordance with the Security Enforcement Principles.

7.8 The parties hereto agree that any instructions given by any Secured Party to the Collateral Agent hereunder or any document executed in connection therewith shall in all circumstances be subject to this Section 7.

7.9 The rights of the Collateral Agent under this Section 7 are cumulative of all other rights which it may have by law or otherwise.

8 Representations and Warranties

Each Secured Party, the Issuer and the Chargor, each individually, hereby represents and warrants that (i) this Agreement has been duly authorized, executed and delivered on its behalf by a person thereunto duly and validly authorized and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms and (ii) the execution and delivery of, and the performance of its obligations under, this Agreement do not violate any law or regulation applicable to it.

9 Successor Agent by Consolidation, Merger, Conversion or Transfer

If the Collateral Agent consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business or assets to, another corporation or national banking association, the resulting, surviving or transferee corporation or national banking association without any further act will be the successor Collateral Agent with the same effect as if the successor Collateral Agent had been named the Collateral Agent.

10 Change of the 2024 Bonds Trustee and/or the 2025 Bonds Trustee

The 2024 Bonds Trustee and/or the 2025 Bonds Trustee may assign and transfer all of its rights and obligations hereunder to a replacement Trustee, or may resign or be removed, in accordance with the Trust Deeds; provided that the 2024 Bonds Trustee and/or the 2025 Bonds Trustee shall give prompt notice to the other parties to this Agreement of such

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assignment, transfer, resignation or removal. Upon such assignment transfer, resignation or removal taking effect in accordance with the terms of the Trust Deeds the replacement Trustee shall be, and be deemed to be, acting as trustee for each of the Noteholders (as well as for itself) for the purposes of this Agreement in place of the old Trustee.

11 Indemnification

11.1 The Issuer agrees to be responsible for and will indemnify the Collateral Agent or any predecessor Collateral Agent and their agents, employees, officers and directors for, and hold it harmless against any loss or liability or properly incurred expense incurred by it without gross negligence or wilful misconduct on its part, as determined by a court of competent jurisdiction in a final, non-appealable order, arising out of or in connection with the acceptance or administration of this Agreement and its duties under this Agreement, including (i) the properly incurred costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties under this Agreement and (ii) the reasonable compensation and properly incurred expenses and disbursements of the Collateral Agent's agents and counsel and other persons not regularly within the Collateral Agent's employ. This Section 11 shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

11.2 References to the Collateral Agent in Sections 11, 12, 13 and 14 shall include any person selected by the Collateral Agent with due care to whom the Collateral Agent properly delegates any power, authority, duty or obligation under and in accordance with this Agreement.

12 Limitation on Liability

12.1 The Collateral Agent shall not be liable to any Person (including without limitation the Issuer, the Chargor and the Secured Parties) for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties hereunder in the absence of gross negligence or wilful misconduct on its part. The Collateral Agent is authorized to act, and shall not be liable for acting, in reliance upon any judgment, order, instruction, notice, certification, demand, consent, authorization, receipt, power of attorney or other writing delivered to it by any other party without being required to determine the authenticity or validity thereof, the correctness of any fact stated therein, the propriety or validity of the service thereof, or the jurisdiction of the court issuing any judgement or order. The Collateral Agent may act in reliance upon any signature believed by it to be genuine and may assume that such Person has been properly authorized to do so. The Collateral Agent shall not be liable (i) for any indirect, consequential, punitive or special damages (including loss of business, goodwill, opportunity or profit), regardless of the form of action and whether or not (a) any such damages arise directly or indirectly, (b) any such damages were foreseeable or contemplated or the possibility of which was advised or known to the Collateral Agent or (c) the claim for such damages is made in negligence, breach of contract or otherwise or (ii) for the acts or omissions of any nominees, correspondents, designees, agents, delegates, subagents or sub-custodians selected by the Collateral Agent with due care.

12.2 The Collateral Agent shall not be liable to account for interest on money paid to it by the Issuer.

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12.3 The Collateral Agent is not responsible for and will make no investigation as to the title, ownership, value, sufficiency or existence of any of the assets which are the subject of the Collateral or as to the value or sufficiency of the Collateral Document or this Agreement.

12.4 The Collateral Agent is not required to be the registered holder of title to any assets comprising the Collateral prior to enforcement.

12.5 The Collateral Agent is not responsible for and will make no investigation as to the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations given or required in connection with any of the Collateral.

12.6 The Collateral Agent shall be entitled to call for and rely on any certificate of any party hereto as to any matter on which the Collateral Agent requires to be satisfied. The Collateral Agent shall not be liable for acting or not acting (or relying) on such information in good faith.

12.7 In no event shall the Collateral Agent be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of its duties or in the exercise of any of its rights or powers under this Agreement. The Collateral Agent will be under no obligation to exercise any of its rights and powers under this Agreement unless it is offered security and/or indemnity and/or pre-funding satisfactory to it against any loss, liability or expense.

12.8 This Section 12 shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

13 Notices; Electronic Communication

13.1 Any communication to be made under or in connection with this Agreement shall be made in English, in writing and, unless otherwise stated, may be made by fax, electronic transmission or letter. The address, email address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Agreement is identified with its name below (or any substitute address, email address or fax number or department or officer as the party may notify to the other parties by not less than five Business Days' notice).

13.2 Any electronic communication made between the parties hereto will be effective only when actually received in readable form.

14 Miscellaneous

14.1 The Collateral Agent may use legal counsel, independent accountants and other professional advisers in connection with this Agreement, the Collateral Document or any other related documents and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or advisers. Before the Collateral Agent acts or refrains from acting, it may require an officer's certificate and/or an opinion of counsel from any other party hereto. The Collateral Agent shall not be liable for any action it takes or omits to take in good faith in reliance thereon.

14.2 The Collateral Agent shall only be obligated to perform duties expressly set out in this Agreement and the Collateral Document and no implied covenants or obligations shall be read into this Agreement, the Collateral Document or any other related documents. For the avoidance of doubt, except for the safe custody and preservation of the Collateral in its

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possession and the accounting for monies actually received by it, the Collateral Agent shall have no other duty with respect to the holding of the Collateral. The Collateral Agent shall be deemed to have provided safe custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent holds similar property as a third party agent.

14.3 The Collateral Agent may acquire an interest in the Notes or be involved in any other transaction with the Issuer and/or the Chargor.

14.4 The Issuer will, including to the extent not otherwise reimbursed under Section 14.5 hereof, within 30 calendar days of demand by the Collateral Agent, pay or discharge all out-of-pocket costs, charges, taxes, liabilities and expenses properly incurred by the Collateral Agent in the preparation and execution of this Agreement and the performance of its functions under, and in any manner in relation to, this Agreement and the Collateral Document, including but not limited to, out-of-pocket expenses properly incurred seeking appropriate legal or financial advice to discharge its duties, legal and travelling expenses and any stamp, documentary or other taxes or duties paid or payable by the Collateral Agent in connection with any action or legal proceedings brought or contemplated by the Collateral Agent against the Issuer to enforce any provision of this Agreement or the Collateral Document. This Section 14.4 shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

14.5 The Issuer shall pay the Collateral Agent such fees, costs and expenses as separately agreed upon in writing between the Issuer and the Collateral Agent. If the Collateral Agent receives any Enforcement Instructions and is required to perform duties that are not expressly contemplated under this Agreement, or if the Collateral Agent is requested to undertake duties which are of an exceptional nature or otherwise outside the scope of the Collateral Agent's normal duties under this Agreement, the Issuer will pay such additional remuneration as they may agree (and which may be calculated by reference to the Collateral Agent's normal hourly rate in place from time to time) or, failing such agreement as to any of the matters in this Section 14.5, as determined by an independent financial institution (acting as an expert and not as an arbitrator) selected by the Collateral Agent and, prior to the occurrence of an Event of Default that is continuing, also approved by the Issuer. The properly incurred expenses involved in such nomination and the financial institution's reasonable fees will be paid by the Issuer. The determination of such financial institution will be conclusive and binding on the Issuer, the Collateral Agent and the Secured Parties. This Section 14.5 shall survive the resignation or removal of the Collateral Agent and the termination of this Agreement.

14.6 In case any term or provision of this Agreement conflicts with the terms or provisions of the Collateral Document, the terms and provisions of this Agreement shall govern.

14.7 The Collateral Agent is not required to monitor the performance (financial or otherwise) of the Issuer or any other Person, or the Issuer's or any other Person's performance of, or failure to perform, the obligations, duties and covenants set forth in the Note Documents or the Collateral Document or any other document, and shall bear no responsibility for, or liability in connection with, the failure of any Person to perfect a security interest in the Collateral.

14.8 The Collateral Agent is not responsible for payment of any taxes or stamp duty as a result of (a) it holding any assets subject to a Security Interest or (b) it enforcing any Security

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Interest held by it. The Issuer and the Chargor shall be solely responsible for the payment of all such taxes and stamp duties.

14.9 The Collateral Agent is not responsible for making any deductions or withholdings in respect of taxes or other governmental charges in respect of any amounts paid by the Collateral Agent from the proceeds of any enforcement of the Shared Security Interest. If any applicable law requires the deduction or withholding of any tax from any such payment by the Collateral Agent, then the Collateral Agent shall be entitled to make such deduction or withholding and pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable law.

14.10 The Collateral Agent is not responsible for the creditworthiness, financial and business condition or solvency of the Issuer, the Chargor or any other party providing any Collateral.

14.11 The Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default unless the Collateral Agent has received written notice from a Secured Party which has specified the same.

14.12 Notwithstanding anything to the contrary in this Agreement, the Note Documents and the Collateral Document, the Collateral Agent shall not in any event be liable for any loss or damage, or any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any reason which is beyond the control of the Collateral Agent, including, but not limited to, by any existing or future law or regulation, any existing or future act of governmental authority, act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other energy or utility supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system or any event where, in the reasonable opinion of the Collateral Agent, performance of any duty or obligation under or pursuant to this Agreement would or may be illegal or would result in the Collateral Agent being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Collateral Agent is subject.

14.13 The Collateral Agent shall be regarded as acting through its agency division which shall be treated as a separate division from any other of its departments or divisions. If any information is received by another department or division of the Collateral Agent, unless the Collateral Agent has written notice of such information, it shall be treated as confidential to that other department or division and the Collateral Agent shall not be deemed to have notice of it.

14.14 The Collateral Agent will treat information provided hereunder as confidential, but (unless consent is prohibited by law) each of the Issuer and the Chargor hereby consents to the transfer and disclosure by the Collateral Agent of any information relating to it provided hereunder to and between branches, subsidiaries, representative offices, affiliates and agents of the Collateral Agent and third parties, in each case selected by the Collateral Agent with due care, wherever situated, for confidential use (including in connection with the provision of any service and for data processing, statistical and risk analysis purposes). The Collateral Agent and any branch, subsidiary, representative office, affiliate, agent or third party may transfer and disclose any such information as required by any applicable law, regulatory authority or legal process.

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14.15 The Collateral Agent is entitled to delegate instead of acting personally and is entitled to appoint attorneys and agents selected by it with due care and the Collateral Agent shall not be responsible for the acts or omissions of delegates, attorneys or agents appointed with due care by it hereunder or for monitoring or supervising such delegates', attorneys' or agents' actions. The Collateral Agent shall not be responsible for the negligence or misconduct of any attorneys and agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Collateral Agent acted with gross negligence or wilful misconduct in the selection of such attorney or agent.

14.16 The Collateral Agent is not obliged to do or omit to do anything which in its opinion would or may be illegal, or would constitute a breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organization to which the Collateral Agent is subject.

14.17 The Collateral Agent shall not be responsible for the registration, filing, protection or perfection of any Security Interest granted by or pursuant to this Agreement or the Collateral Document, and shall not be responsible for ensuring that necessary registration, filing, protection or perfection are carried out to ensure that Security Interests capable of being registered, filed against, protected or perfected are so registered, filed against, protected or perfected.

14.18 The Collateral Agent and its officers, directors, employees, attorneys and agents shall have no responsibility to make any investigation in relation to:

(a) the execution, genuineness, legality, validity, effectiveness, enforceability, adequacy, accuracy, sufficiency or completeness of the Collateral Document or any other document;

(b) the collectability of amounts payable under the Collateral Document or the observance by the Issuer or the Chargor or any other relevant party of its obligations under the Collateral Document or any other document;

(c) any determination or calculation made (or deemed made) by or on behalf of any person pursuant to the Collateral Document or any Note Document;

(d) any accounts, books, records or files maintained by the Issuer, the Chargor, any Secured Party or any other party or in relation to any of the Collateral;

(e) the scope or accuracy of any recitals, representations, warranties or statements made by or on behalf of the Issuer, the Chargor, any Secured Party or any relevant party (other than itself) in, or incorporated by reference into the Collateral Document, any Note Document or any other documents entered into in connection with or pursuant to this Agreement or the Collateral Document;

(f) the satisfaction of any conditions set forth in this Agreement or the Collateral Document or any related documents; and

(g) the existence of any other Security Interest affecting any asset secured under the Collateral Document.

14.19 In addition to the trusts, powers, authorities and discretions conferred on the Collateral Agent by applicable law, the Collateral Agent shall have the following powers, authorities and discretions:

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(a) the Collateral Agent, as between itself and the Secured Parties, shall have full power to determine all questions arising in relation to any of the provisions of the Collateral Document, this Agreement and the Collateral and every such determination shall, as between itself and the Secured Parties, be conclusive, in each case except as expressly provided otherwise in the Collateral Document or the other documents to which it is a party or unless otherwise instructed by a Secured Party in accordance with the Collateral Document and this Agreement;

(b) any consent given by the Collateral Agent for the purposes of the Collateral Document, or any of the other documents may be given on such terms and subject to such conditions (if any) as the Collateral Agent in its discretion considers appropriate and the Collateral Agent may subsequently ratify anything for which its prior consent was required but not obtained, in each case except as expressly provided otherwise in the Collateral Document or the other documents to which it is a party or unless otherwise instructed by a Secured Party. Without prejudice to the generality of the foregoing, if a document specifies that the Collateral Agent is required to give its consent to any event, matter or thing or take such action if certain specified conditions are met, the Collateral Agent shall give its consent to that event, matter or thing or take such action upon it being satisfied, in its discretion, that those specified conditions have been met, in each case except as expressly provided otherwise in the Collateral Document or the other documents to which it is a party or unless otherwise instructed by a Secured Party;

(c) where it is necessary or desirable for any purpose in connection with the Collateral Document or this Agreement for the Collateral Agent to convert any sum held by it (or whether stipulated in any document presented to it) or for any other reason from one currency to another, the sum shall (unless otherwise provided in the Collateral Document or the Note Documents or required by law) be converted at such spot rate or spot rates, in accordance with such method and as at such date for the determination of such spot rate of exchange, as may be specified by the Collateral Agent in its absolute discretion but acting in good faith and having regard to current spot rates of exchange, if available. Any spot rate, method and date so specified shall be binding on the Secured Parties, the Issuer and the Chargor; and

(d) the Collateral Agent may at the expense of the Issuer and the Chargor (without double charging), make arrangements which it considers appropriate with any affiliate of the Collateral Agent for the safe custody of the Note Documents.

14.20 Nothing will oblige the Collateral Agent to satisfy any know your customer requirement in relation to the identity of any Person on behalf of any Secured Party or any Agent (as defined under any Note Document).

14.21 The Collateral Agent is not obliged to review or check the accuracy or completeness of any document it forwards to another party and it may assume that such documents are correct and genuine.

14.22 The Collateral Agent is not liable for any delay (or any related consequences) in crediting an account with an amount required under the Note Documents to be paid by the Collateral Agent if the Collateral Agent has without gross negligence or wilful misconduct taken all reasonable steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Collateral Agent for that purpose.

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14.23 Subject to Sections 4.4 and 7 hereof, in performing its duties and obligations as Collateral Agent and in exercising any rights, powers or discretions granted to it under this Agreement, the Collateral Agent shall act solely on the written instructions of the Secured Parties, and the Collateral Agent shall incur no liability to any party (including but not limited to the Issuer, the Chargor and the Secured Parties) for any action it takes, or refrains from taking, on the instructions of the Secured Parties. The right of the Collateral Agent to perform any discretionary act enumerated in this Agreement, the Collateral Document or any related document shall not be construed as a duty.

14.24 Notwithstanding anything else herein contained, the Collateral Agent may refrain, without liability, from doing anything that would or might in its opinion be contrary to this Agreement, the Collateral Document or any other document related to transactions contemplated herein, any law of any state or jurisdiction (including but not limited to Hong Kong, the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with this Agreement, the Collateral Document, any other document related to transactions contemplated herein or any such law, directive or regulation.

14.25 The Collateral Agent shall not be under any obligation to insure any assets comprising the Collateral, and shall not be responsible for any loss that may be suffered by any person (including but not limited to the Issuer, the Chargor and the Secured Parties) as a result of, or the inadequacy of, any such insurance.

14.26 The Collateral Agent shall have no responsibility or obligation to ensure any Enforcement Instruction or any other instruction received by it complies with the Security Enforcement Principles.

14.27 The rights, privileges, protections, immunities and benefits given to the Collateral Agent, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by (i) the Collateral Agent in each document related hereto to which it is a party and (ii) the entity serving as the Collateral Agent in each of its capacities hereunder and in each of its capacities as under any related document whether or not specifically set forth therein and each agent, custodian and other Person employed to act hereunder and under any related document, as the case may be.

14.28 The Collateral Agent shall not be liable for failing to comply with its obligations in so far as the performance of such obligations is dependent upon the timely receipt of instructions and/or other information from any other Person which are not received or not received by the time required.

14.29 The Collateral Agent shall not be required to take any action if taking such action (A) would subject the Collateral Agent to a tax in any jurisdiction where it is not then subject to a tax, or (B) would require the Collateral Agent to qualify to do business in any jurisdiction where it is not then so qualified.

14.30 The Collateral Agent is not responsible for the creditworthiness or solvency of the Issuer or the Chargor.

15 Corporate Actions

The Collateral Agent does not, and shall not be deemed to, assume any responsibility to monitor any corporate actions affecting the Shared Security Interest. The Collateral Agent

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shall have no responsibility and shall not be liable for ascertaining or acting upon any calls, conversions, exchange offers, tenders, interest rate changes, or similar matters relating to the Shared Security Interest unless the Collateral Agent shall have received written and timely notice of the same. In the event the Collateral Agent receives notice of any discretionary corporate action in respect of the Shared Security Interest, the Collateral Agent shall promptly notify each Secured Party and request written instructions from the Secured Parties in respect of discretionary corporate actions and shall use commercially reasonable efforts to act upon such instructions. In the absence of such instructions, the Collateral Agent shall not be obligated to take any action in respect of the discretionary corporate action affecting the Shared Security Interest.

16 Termination

This Agreement shall terminate upon the earlier to occur of (i) the distribution of all assets subject to a Shared Security Interest, and (ii) the Collateral Agent's receipt of (A) a joint written instruction signed by each Secured Party advising the Collateral Agent that this Agreement has terminated and instructing the Collateral Agent either to discharge the Shared Security Interest or to distribute the Collateral to the 2024 Bonds Trustee and the 2025 Bonds Trustee and/or one or more other Secured Party as provided for therein, or (B) a written confirmation from each Secured Party confirming that no amounts remain outstanding under the relevant Note Document.

17 Amendment

[Any amendment of this Agreement shall be binding only if evidenced by a document in writing signed by each of the parties hereto.

Notwithstanding the foregoing, any amendment to this Agreement to remove any Secured Party, the Chargor or any other party hereto upon the satisfaction and discharge, defeasance or other satisfaction in full of all obligations of the Issuer and/or the Chargor secured by the Collateral under the Note Documents to which such Secured Party is a party shall be binding if evidenced by a document in writing signed by such Secured Party and acknowledged by the Collateral Agent.

Each of the 2024 Bonds Trustee and the 2025 Bonds Trustee hereby agrees to execute any amendment to this Agreement to the extent not prohibited under the Trust Deeds.]

18 Governing Law; Consent to Jurisdiction; Waiver of Immunities

18.1 This Agreement shall be governed by, and construed in accordance with, English law.

18.2 Each of the parties hereto hereby irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of England over any suit, action or proceeding arising out of or relating to this Agreement or any transactions contemplated hereby. Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. To the extent that any party hereto, has or hereafter may acquire any sovereign or other immunity from jurisdiction of any court or from any legal process with respect of itself or its property, such a party hereto irrevocably waives such immunity in respect of its obligations hereunder. The parties hereto agree that any judgment in any such suit, action or proceeding, brought in

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such a court shall be conclusive and binding upon the parties hereto, and, to the extent permitted by applicable law, may be enforced in any court to the jurisdiction of which any of the parties hereto, is subject by a suit upon such judgment or in any manner provided by law, provided that service of process is effected upon the parties hereto, in the manner specified in the following subclause or as otherwise permitted by applicable law.

18.3 During the term of this Agreement, each of the Issuer, the Chargor and the Secured Parties will at all times maintain an authorized agent in England, upon whom process may be served in any legal action or proceeding arising out of or relating to this Agreement (each, a "**Process Agent**"). Service of process upon such agent and written notice of such service mailed or delivered to the Issuer, the Chargor or the applicable Secured Party, as the case may be, shall to the fullest extent permitted by applicable law be deemed in every respect effective service of process upon the Issuer, the Chargor or the applicable Secured Party, as the case may be, in any such legal action or proceeding. Each of the Issuer, the Chargor and the Secured Parties hereby agree to take any and all action as may be necessary to maintain the designation and appointment of an agent in full force and effect until the termination of this Agreement. The name and address of the Process Agent of each of the Issuer and the Chargor are set forth with its name below (or the name and address of any substitute Process Agent of any such party may be notified by such party to the other parties by not less than five Business Days' notice).

18.4 The parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any requirement or other provision of law, rule, regulation or practice which requires or otherwise establishes as a condition to the institution, prosecution or completion of any suit, action or proceeding (including appeals) arising out of or relating to this Agreement.

19 Counterparts; Signatures

This Agreement may be executed in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement. Facsimile, or electronic transmission of, signatures on counterparts of this Agreement and electronic signatures shall be deemed original signatures with all rights accruing thereto. The parties agree that this Agreement, any addendum or amendment hereto or any related document necessary may be accepted, executed or agreed to through the use of an electronic signature. Electronic signature shall mean any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any third party electronic signature capture service providers as may be reasonably chosen by a signatory hereto.

20 Severability

The invalidity, illegality or unenforceability of any provision of this Agreement shall in no way affect the validity, legality or enforceability of any other provision. If any provision of this Agreement is held to be unenforceable as a matter of law, the other provisions shall not be affected thereby and shall remain in full force and effect.

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21 Conflict

Each of the parties hereto irrevocably waives in favor of [●] any conflict of interest which may arise by virtue of [●] or any of its affiliates acting in various capacities under this Agreement, the Note Documents and the Collateral Document or any other documents. Each of the parties hereto recognizes that the Collateral Agent (acting individually and not in the capacity as the Collateral Agent) and its affiliates may engage in transactions and/or business adverse to the parties hereto or in which parties adverse to the parties hereto may have interests. Nothing in this Agreement shall (i) preclude the Collateral Agent (acting individually and not in the capacity as the Collateral Agent) and any of its affiliates from engaging in such transactions or business, or (ii) obligate the Collateral Agent or any of its affiliates to (A) disclose such transactions and/or business to the parties hereto, or (B) account for any profit made or payment received in, or as a part of, such transactions and/or business. Nothing herein shall be deemed to (i) give rise to a partnership or joint venture, or (ii) establish a fiduciary or similar relationship, among the parties hereto and the Collateral Agent. [●] hereby confirms that in its capacity as the Collateral Agent it is acting under this Agreement as security agent for the 2024 Bonds Trustee and the 2025 Bonds Trustee for the benefit of the relevant Noteholders, in respect of the assets subject to the Shared Security Interest and solely in accordance with the terms and conditions set forth in this Agreement.

22 Exclusive Benefit

Except as specifically set forth in this Agreement, this Agreement is for the exclusive benefit of the parties hereto and their respective successors and permitted assigns hereunder, and shall not be deemed to give, either expressly or implicitly, any legal or equitable right, remedy, or claim to any other entity or person whatsoever.

23 Same Rights

In entering into or in taking (or forbearing from) any action under or pursuant to this Agreement, the 2024 Bonds Trustee and the 2025 Bonds Trustee shall have and be protected by all of the rights, powers, immunities, indemnities and other protections granted to the 2024 Bonds Trustee and the 2025 Bonds Trustee under the Trust Deeds. Notwithstanding anything herein to the contrary, for purposes of any Enforcement Instruction or any other instruction provided to the 2024 Bonds Trustee and the 2025 Bonds Trustee or any action taken by the 2024 Bonds Trustee and the 2025 Bonds Trustee, the parties acknowledge and agree that such instruction or action shall have been provided by or taken by the 2024 Bonds Trustee and the 2025 Bonds Trustee at the direction of the requisite Noteholders pursuant to the terms of the Trust Deeds and related documents and the 2024 Bonds Trustee and the 2025 Bonds Trustee, individually or in such capacity, will not be liable for any actions taken as a result of such instruction or action. Any deemed certification with respect to an Enforcement Instruction given by the 2024 Bonds Trustee or the 2025 Bonds Trustee shall be deemed to be a certification of the relevant Noteholders directing the 2024 Bonds Trustee or the 2025 Bonds Trustee to have given such Enforcement Instruction and shall not be deemed to be a certification of the 2024 Bonds Trustee or the 2025 Bonds Trustee.

24 Language

Any notice given under or in connection with this Agreement must be in English. All other documents provided under or in connection with this Agreement must be:

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(a) in English; or

(b) if not in English, and if so required by the Collateral Agent, accompanied by a certified English translation at the Chargor's cost and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

[*THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK*]

TRUE COPY

Citicorp International Limited
as the 2024 Bonds Trustee

By: _____
Name:
Title:

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Citicorp International Limited
as the 2025 Bonds Trustee

By: _____
Name:
Title:

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[●]
as Collateral Agent

By: _____
Name:
Title:

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Vedanta Resources Finance II plc
as Issuer

By: _____
Name:
Title:

Notice details:

[*Address]*

[*Email / Fax*]

Attention: [●]

Name and address of Process Agent: [●]

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Vedanta Resources Limited
as Chargor

By: _____
Name:
Title:

Notice details:

[*Address]*

[*Email / Fax*]

Attention: [●]

Name and address of Process Agent: [●]

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Schedule 1
[Security Enforcement Principles]

1 The primary and overriding aim of any enforcement of the Shared Security Interest shall be to achieve the Security Enforcement Objective.

2 Without prejudice to the Security Enforcement Objective, all or substantially all of the proceeds of any enforcement of the Shared Security Interest received by the Collateral Agent shall be in cash or cash equivalent investments.

3 Any enforcement of the Shared Security Interest must be prompt and expeditious, it being acknowledged that, subject to the other provisions of this Agreement, the time frame for the realization of value from any such enforcement will be determined by the Majority Secured Parties, provided that it is consistent with the Security Enforcement Objective.

4 On any proposed enforcement of the Shared Security Interest other than by way of public auction, the applicable Secured Parties shall have delivered to the Collateral Agent an opinion from a Financial Adviser (and the applicable Secured Parties shall provide Enforcement Instructions that are consistent with such opinion and the methods described therein):

(i) on the optimal method of enforcing the Shared Security Interest so as to achieve the Security Enforcement Principles and maximize the recovery of such enforcement;

(ii) that the proceeds received from such enforcement are fair from a financial point of view after taking into account all relevant circumstances; and

(iii) that such enforcement is otherwise in accordance with the Security Enforcement Objective.

For these purposes, "**Financial Adviser**" means an independent, reputable and internationally recognized investment bank, firm of accountants or other professional firm which is regularly engaged in providing valuations of companies similar or comparable to the Issuer.

5 Such opinion will, except in the case of manifest error, be conclusive evidence that the Security Enforcement Objective has been met.

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In witness whereof this Trust Deed has been executed and delivered as a deed on the date stated at the beginning.

EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES FINANCE II PLC

.....

Director

.....

Director/Secretary

TRUE COPY

EXECUTED and **DELIVERED** as a **DEED** by
VEDANTA RESOURCES LIMITED

.....

Director

.....

Director/Secretary

TRUE COPY

Executed and delivered as a deed for and on
behalf of **TWIN STAR HOLDINGS LTD.**

By:

Name: Name:

Title: Title:

TRUE COPY

Executed and delivered as a deed for and on
behalf of **WELTER TRADING LIMITED**

.....

Name:

Director

.....

Name:

Director/Secretary

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Signed as a deed by……..)
Attorney for **CITICORP INTERNATIONAL**……)
LIMITED (as Trustee) under a power of……)
attorney dated ……)

By:

Name:

Title:

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SIGNED as a **DEED** by)
AXIS TRUSTEE SERVICES LIMITED)
(as Onshore Collateral Agent))
)
)

By: _____
Name:
Title:

ANNEX B
FORM OF SUB-PROXY

[*to be included from Schedule 4 of the Consent Solicitation Memorandum*]



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SCHEDULE 4
FORM OF SUB-PROXY

Vedanta Resources Limited (formerly known as Vedanta Resources plc) (the "Company"), in its capacity as issuer
(*a private company with limited liability incorporated under the laws of England and Wales*)
Legal Entity Identifier: 2138007MYEKPEAZQTW83

for use in connection with a meeting of the holders of the Company's outstanding

U.S.$1,000,000,000 6.125% Bonds due 2024
(Regulation S Bonds – CUSIP: G9328DAP5, ISIN: USG9328DAP53, Common Code: 163545764)
(Rule 144A Bonds – CUSIP: 92241TAM4, ISIN: US92241TAM45, Common Code: 163545721)
(the "**2024 Bonds I**")

Vedanta Resources Finance II Plc ("VRF II"), in its capacity as issuer
(*a public company with limited liability incorporated under the laws of England and Wales*)
Legal Entity Identifier: 8945002DGA3BBXO3N634

Vedanta Resources Limited (the "Company"), in its capacity as guarantor
(*a private company with limited liability incorporated under the laws of England and Wales*)

Twin Star Holdings Ltd. ("Twin Star"), in its capacity as guarantor
(*a company with limited liability incorporated under the laws of Mauritius*)

Welter Trading Limited, in its capacity as guarantor
(*a company with limited liability incorporated under the laws of Cyprus*)

for use in connection with a meeting of the holders of VRF II's outstanding

U.S.$1,000,000,000 13.875% Bonds due 2024
(Regulation S Bonds – CUSIP: V9667MAA0, ISIN: USV9667MAA00, Common Code: 227224584)
(Rule 144A Bonds – CUSIP: 92243XAD3, ISIN: US92243XAD30, Common Code: 227224495)
(the "**2024 Bonds II**")

U.S.$1,200,000,000 8.95% Bonds due 2025
(Regulation S Bonds – CUSIP: G9T27HAD6, ISIN: USG9T27HAD62, Common Code: 230809038)
(Rule 144A Bonds – CUSIP: 92243XAE1, ISIN: US92243XAE13, Common Code: 230809046)
(the "**2025 Bonds**")

(To be completed by a DTC Direct Participant only)

This Form of Sub-Proxy should be completed and signed by a duly appointed attorney or a duly authorised officer of the direct participant of DTC (the "DTC Direct Participant") who was the holder of certain [2024 Bonds I/2024 Bonds II/2025 Bonds]** as of 26 December 2023 (the "Record Date") and who is named in the omnibus proxy (the "Omnibus Proxy") that was issued by DTC on the Record Date and lodged with Morrow Sodali Ltd (the "Information and Tabulation Agent") acting in its capacity as an information and tabulation agent in respect of the meeting by sending a pdf version of this Form of Sub-Proxy by email to Morrow Sodali Ltd (vedanta@investor.morrowsodali.com) marked for the attention of Debt Services Team not later than 5:00 p.m. (EST) at or prior to the Voting Deadline on 2 January 2024 in order to be eligible to

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receive the Late Consent Fee or the Late Ineligible Bondholder Payment (or at or prior to the Early Consent Deadline (5:00 p.m. (EST) on 27 December 2023) in order to be eligible to receive the Early Consent Fee or the Early Ineligible Bondholder Payment) and to appoint the Information and Tabulation Agent, the relevant Beneficial Owner, or another nominee as a sub-proxy, to attend and vote at the Meeting or adjourned Meeting. The Information and Tabulation Agent shall provide a copy of the Form of Sub-Proxy to the registrar appointed in respect of the [2024 Bonds I/2024 Bonds II/2025 Bonds]**.

If this Form of Sub-Proxy is delivered in advance of the Record Date, please indicate the expected principal amount of such [2024 Bonds I/2024 Bonds II/2025 Bonds]** as at the Record Date on the assumption that such Bonds will still be held by the DTC Direct Participant on behalf of the Bondholder as at the Record Date. Kindly note that the DTC Direct Participant will be responsible for either (a) ensuring that the indicate amount is kept on their account until the Record Date or (b) submitting an amended Form of Sub-Proxy for the correct amount if the position does change.

To be able to receive the relevant Consent Fee or Ineligible Bondholder Payment, DTC Direct Participants are required to submit, to the Information and Tabulation Agent a scanned copy, along with this Form of Sub-Proxy, of their duly completed W-8 Form or W-9 Form (as applicable) from the Internal Revenue Service ("IRS"), at or prior to the Voting Deadline. In the event that a DTC Direct Participant does not present the duly completed W-8 Form or W-9 Form (as applicable) with this Form of Sub-Proxy, while their vote in accordance with the Form of Sub-Proxy shall remain valid, they would not be able to receive the relevant Consent Fee or Ineligible Bondholder Payment until the Information and Tabulation Agent has receipt of their duly completed W-8 Form or W-9 Form.

(1) We hereby certify that the total principal amount of [2024 Bonds I/2024 Bonds II/2025 Bonds]** are held by us as of 26 December 2023, being the Record Date, in respect of which the votes attributable to them should be cast.

(2) We are:

Tick only ONE of the boxes below:

☐ an Eligible Bondholder; or

☐ an Ineligible Bondholder.

Separate Forms of Sub-Proxy are to be delivered for Eligible and Ineligible Bondholders.

(3) We appoint:

Tick only ONE of the boxes below:

☐ the Information and Tabulation Agent; (tick box if appropriate and please complete section (4) below); or

☐ an individual other than the Information and Tabulation Agent (tick box if appropriate and please complete section (5) below).

to act as our sub-proxy in respect of the [2024 Bonds I/2024 Bonds II/2025 Bonds]** described above and to attend the Meeting (and any adjourned Meeting thereof) on our behalf.

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(4) We wish for, the Information and Tabulation Agent, as our sub-proxy to:

Please tick any of the boxes below where appropriate:

Bonds	**Description of Bonds**	**Principal Amount of Bonds to be voted as indicated below:**		
		Vote in Favour of the Extraordinary Resolution	**Vote against the Extraordinary Resolution**	**Abstain from Voting**
2024 Bonds I	Regulation S Bonds CUSIP: G9328DAP5			
	Rule 144A Bonds CUSIP: 92241TAM4			
2024 Bonds II	Regulation S Bonds CUSIP: V9667MAA0			
	Rule 144A Bonds CUSIP: 92243XAD3			
2025 Bonds	Regulation S Bonds CUSIP: G9T27HAD6			
	Rule 144A Bonds CUSIP: 92243XAE1			

(5) We appoint the following individual:

(Name): _____

(Address): _____

(Passport number / ID card number): _____

(Issuing State): _____

or failing him: ("**Alternate 1**")

(Name): _____

(Address): _____

(Passport number / ID card number): _____

(Issuing State): _____

to act as our sub-proxy in respect of the [2024 Bonds I/2024 Bonds II/2025 Bonds]** described below and to attend the Meeting (and any adjourned Meeting thereof) on our behalf:

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Bonds	Description of Bonds	Principal Amount of Bonds
2024 Bonds I	Regulation S Bonds CUSIP: G9328DAP5	
	Rule 144A Bonds CUSIP: 92241TAM4	
2024 Bonds II	Regulation S Bonds CUSIP: V9667MAA0	
	Rule 144A Bonds CUSIP: 92243XAD3	
2025 Bonds	Regulation S Bonds CUSIP: G9T27HAD6	
	Rule 144A Bonds CUSIP: 92243XAE1	

(6) No other person has been appointed as a sub-proxy in respect of the above [2024 Bonds I/2024 Bonds II/2025 Bonds]** and no voting instruction has been given in relation to such [2024 Bonds I/2024 Bonds II/2025 Bonds]**.

(7) Having submitted the Form of Sub-Proxy before the Early Consent Deadline or the Voting Deadline, appointed the Information and Tabulation Agent as our sub-proxy and selected "IN FAVOUR OF" in the above paragraph, we hereby request the payment of the applicable Consent Fee or Ineligible Bondholder Payment for which we may be eligible, to be paid to us as follows:

Tick only ONE of the boxes below:

☐ we would like to receive payment via check, in our name and to the address stated below in this Form of Sub-Proxy;

☐ we would like to receive payment to the account details below:

Account Name: _____

Account Number: _____

Swift Code of Correspondent Bank: _____

Name of Correspondent Bank: _____

Address of Correspondent Bank: _____

ABA: _____

IBAN (for DTC Direct Participants located outside of the United States only): _____

Contact details of relevant DTC Direct Participant for Queries: _____

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☐ we would like to receive payment in the name of another person (please see details in the section entitled “Special Payment Instructions” of this Form of Sub-Proxy).

(8) In order to receive the relevant Consent Fee or Ineligible Bondholder Payment:

Tick only ONE of the boxes below:

☐ we are submitting a scanned version of the DTC Direct Participant’s duly completed W-8 Form along with this Form of Sub-Proxy; or

☐ we are submitting a scanned version of the DTC Direct Participant’s duly completed W-9 Form along with this Form of Sub-Proxy.

Capitalised terms used but not defined in this Form of Sub-Proxy shall have the meanings given to them in the Notice of Meeting in respect of the [2024 Bonds I/2024 Bonds II/2025 Bonds]** dated 13 December 2023.

_____

Signed by a duly authorised officer on behalf of the DTC Direct Participant

Name of DTC Direct Participant:_____

DTC Account Number: _____

Date:_____

Authorised Signature of Guarantor:_____

Name:_____
(please print)

Name of Firm:_____

Address:_____

Telephone Number with Area Code:_____

Place MEDALLION SIGNATURE GUARANTEE here

Note: ** Delete where applicable

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SPECIAL PAYMENT INSTRUCTIONS

To be completed ONLY if the wire transfer(s) or check(s) for the applicable Consent Fee or Ineligible Bondholder Payment is (are) to be issued in the name of someone OTHER than the person(s) whose signature(s) appear(s) within this Form of Sub-Proxy

Tick only ONE of the boxes below:

☐ we would like for payment to be made via check to the details below:

Issue check in the name of:

Name:_____
(please type or print)

Address:_____

(include zip code)

_____

(tax indemnification or social security number)

☐ we would like payment to be made to the account details below:

Account Name: _____

Account Number: _____

Swift Code of Correspondent Bank: _____

Name of Correspondent Bank: _____

Address of Correspondent Bank: _____

ABA: _____

IBAN (for international wires only): _____

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SPECIAL DELIVERY INSTRUCTIONS

To be completed ONLY if the check(s) for the applicable Consent Fee or Ineligible Bondholder Payment is (are) to be sent to addresses OTHER than that shown in this Form of Sub-Proxy

Name:_____
(please type or print)

Address:_____

_____
(include zip code)



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THE ISSUERS

Vedanta Resources Limited
(formerly known as Vedanta Resources plc)
13th Floor, 1 Angel Court
London EC2R 7HJ
United Kingdom

Vedanta Resources Finance II Plc
13th Floor, 1 Angel Court
London EC2R 7HJ
United Kingdom

SOLICITATION AGENTS

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25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

In London: +44 20 7742 5940
In Hong Kong: +852 2800 8220
In the U.S.: +1 (212) 834 4533

Attention: Asia Syndicate Desk
Email: liability_management_asia@jpmorgan.com

Standard Chartered Bank
One Basinghall Avenue
London EC2V 5DD
United Kingdom

In London: +44 20 7885 5739
In Hong Kong: +852 3983 8658
In Singapore: +65 6557 8286

Attention: Liability Management
Email: liability_management@sc.com

INFORMATION AND TABULATION AGENT

Morrow Sodali Ltd
Email: vedanta@investor.morrowsodali.com
Consent Website: http://projects.morrowsodali.com/Vedanta

In Hong Kong:

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+44 20 4513 6933

In Stamford:

333 Ludlow Street
South Tower, 5th Floor,
Stamford, CT 06902

Telephone:
+1 203 658 9457

TRUSTEE

Citicorp International Limited
20/F, Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

LEGAL ADVISERS

To the Company, VRF II and the Subsidiary Guarantors as to English Law

Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 049145

To the Company, VRF II and the Subsidiary Guarantors as to Cyprus Law

Pittas & Koullourous LLC
1, Menandrou Street,
Frosia House, Office 101-102
1066 Nicosia, Cyprus

To the Company, VRF II and the Subsidiary Guarantors as to Mauritian Law

Appleby
7th Floor, Happy World House
37, Sir William Newton Street
Port Louis
Mauritius

To the Solicitation Agents as to English Law

Clifford Chance
27th Floor, Jardine House
One Connaught Place
Central
Hong Kong

To the Trustee as to English Law

Clifford Chance
27th Floor, Jardine House
One Connaught Place
Central
Hong Kong



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ANNEXURE P-36

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
CIRCLE INT TAX 3(1)(1)DEL

To, VEDANTA HOLDINGS MAURITIUS II LIMITED 6th Floor Tower 1 Nexteracom building ,Mauritius Ebene ,FOREIGN Mauritius	

PAN:	AY:	DIN & Notice No:	Dated:	Hearing Date and Time:
AAHCV4933B	**2022-23**	**ITBA/AST/F/143(3)(SCN)/2024-25/1070387486(1)**	**14/11/2024**	**23/11/2024 12:00 PM**

SHOW CAUSE NOTICE

Notice under rule 10UB of Income-tax Rules, 1962

1. As per your response dated August 8, 2023 **(Annexure 1)**, your primary activity is investment holding in India and you do not have any other business operation in any other jurisdiction. By virtue of your investment holding during the year, you received dividend income of Rs.1543,74,85,072/- from Vedanta Limited (hereafter known as 'VEDL'), an Indian listed company. It is also noted that you were incorporated on June 29, 2020 in Mauritius.

1.1 The dividend income was received as per the following schedule:

S. No.	Dividend amount (in Rs.)	TDS on the dividend amount remitted (in Rs.)	Rate of TDS deduction (u/s 195)
1	389,32,38,809	58,39,85,821	15%
2	513,75,80,804	25,68,79,040	5%
3	640,66,65,460	32,03,33,273	5%

Enclosed: Refer to attachment AAHCV4933B_2022_ATTACHMENT_100087327136.rar

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Total	**1543,74,85,073**	**116,11,98,134**	

1.2 VHM filed return for AY 2022-23, offering total dividend income of Rs.1543,74,85,072/- for tax amounting to Rs.116,11,98,134/-. It is seen that in the financial year relevant to the assessment year 2022-23, you have offered dividend income for tax at varying rates. This is because you had the following shareholding pattern in Vedanta Limited, India (VEDL) in the financial year 2021-22:

Period of FY 2021-22	Shareholding in 'VEDL'
April-June 2021	5.66%
July-August 2021	5.66%
September-December 2021	13.26%
December-March 2022	13.26%

Thus, you increased your shareholding in VEDL from 5.66% to 13.26% in the period September-December 2021. Due to the increased shareholding, you became eligible to pay 5% tax on the dividend income (instead of the earlier 15%, since it crossed the 10% shareholding threshold) in terms of Article 10(2) of the India-Mauritius DTAA. It is noteworthy that Vedanta Group had a pre-existing company in Mauritius, namely Twin Star Holdings Limited (hereafter known as 'TSH').

2. Control of Directors of the Assessee company

2.1 In light of the increase in shareholding and the existence of another entity of Vedanta Group in Mauritius, namely Twin Star Holdings Limited (hereafter known as 'TSH'), subsequent notices were issued to the ascertain the purpose of your incorporation and the transactions conducted through the company (i.e. Vedanta

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Holdings Mauritius II Limited). You did not furnish any diligence report for the purpose of investment (sought vide 142(1) notice dated February 5, 2024) , any explanation with regard to the flow of decision making as to how the quantum of purchase/sale of shares is decided upon (sought vide 142(1) notice dated August 20, 2024 and 142(1) notice dated February 5, 2024), any instance where the Mauritius company (i.e. you) rejected any proposed investment and divestment in Indian companies (sought vide 142(1) notice dated August 20, 2024)

In the return filed for AY 2022-23, you stated the following individuals to be its directors:

a. Shakill Ahmed Toorabally

b. Rajiv Mangar

c. Nihad Mohammad Akram Agowun

With respect to the directors' details, notice under section 142(1) issued to you on January 5, 2024 seeking the following details:

a. Composition of the board of directors, along with details of resident status of each director

b. Copy of the minutes of meeting held

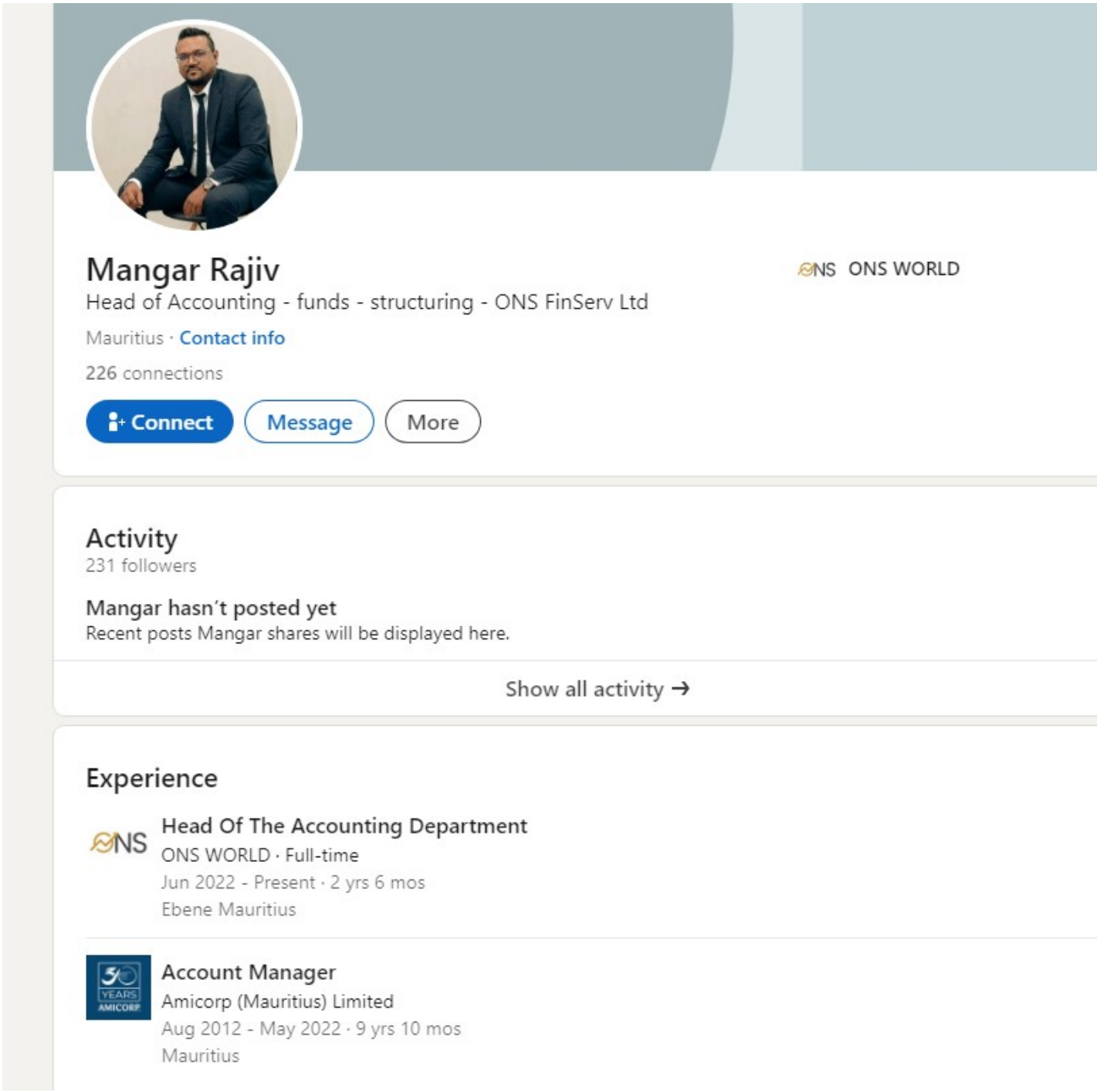
c. List of all signatories of the bank account of the Mauritius-based company. In case they are different from the BoD/directors, reasons thereof

To this, you responded vide letter dated January 12, 2024 stating that the composition of board of directors/signatories may be referred to in the financial statements furnished vide response dated August 8, 2023. You furnished the details again, stating the names Shakill Ahmed Toorabally and Bibi Naziah Auleear, both being residents of Mauritius.

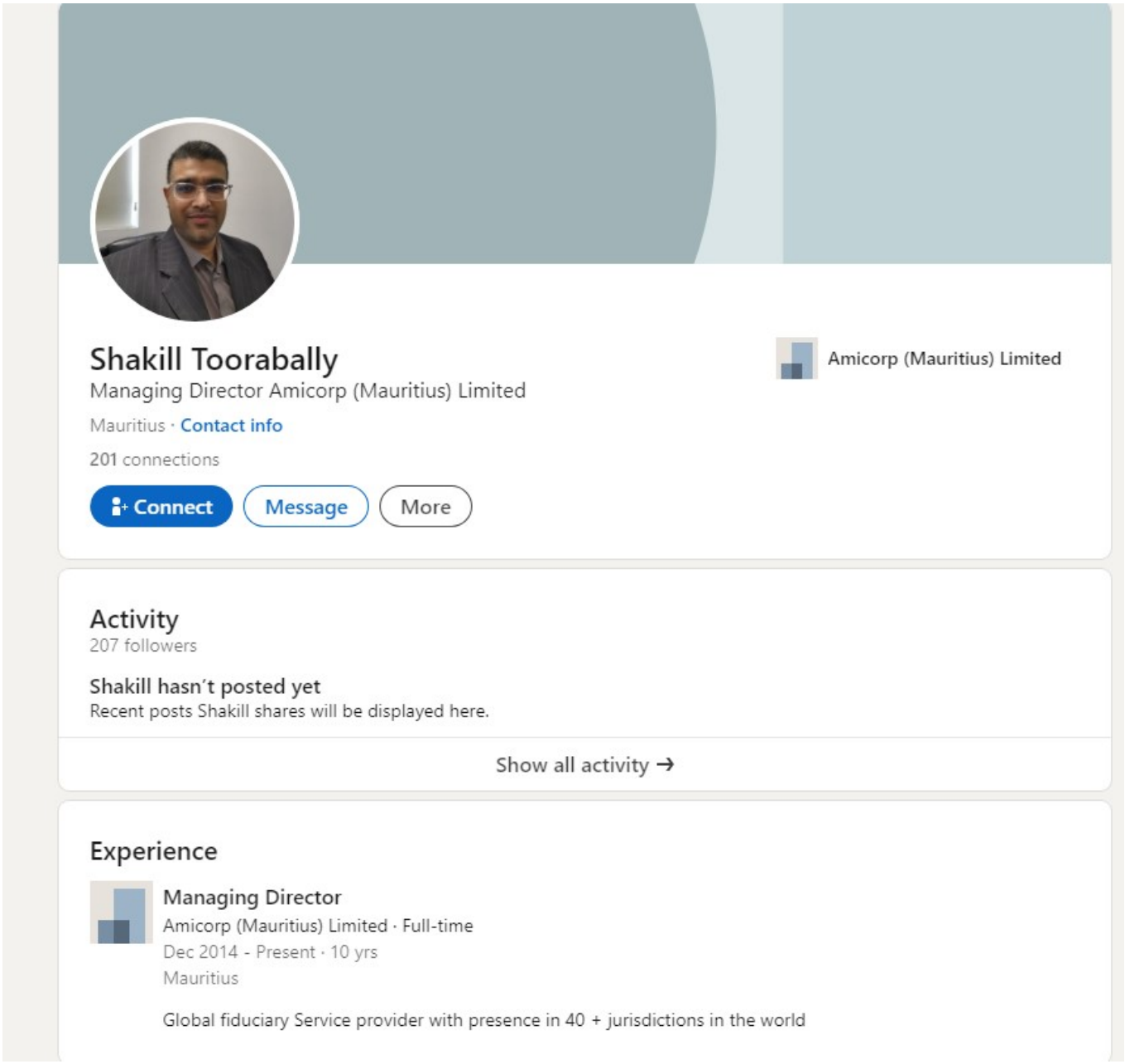
It is noteworthy that vide response dated February 12, 2024 you stated that Shakill Ahmed Toorabally and Rajiv Mangar take care of the 'entire functioning' of the assessee company (i.e. Vedanta Mauritius Holdings II Limited, also referred to as 'VHM')

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From open source, it was gathered that Shakill Ahmed Toorabally and Rajiv Managar were employees of Amicorp (Mauritius) Limited in the financial year 2021-22. A screenshot of the LinkedIn profiles of the individuals is placed as below.



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2.2 Vide response dated February 12, 2024, the assessee company had stated that Shakil Ahmed Toorabally and Rajiv Mangar are its employees. From the assessee company's financial statements and the information available from open source, it is evident that both the persons are employees of Amicorp (Mauritius). In the same response dated February 12, 2024, the assessee, vide paragraph 8 stated that:

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"The assessee wishes to inform that the Board of directors are the signatories of its Bank account. List of signatories/Board of directors are as below:

i. Shakill Ahmed Toorabally

ii. Rajiv Mangar"

The above statement was made in response to the query in notice under section 142(1) dated February 5, 2024 which specified *"Please list down all the signatories of bank account of Mauritius company. Are they different from BoD/directors of Mauritius company. If yes, reasons thereof."*

2.3 During the course of assessment proceedings, the assessee was repeatedly asked as to how the investment/divestment decisions of the assessee are undertaken. Vide pagraph 4 of the response dated February 12, 2024, the assessee stated that the investment made by the assessee company in Vedanta Limited, India is a part of group's strategic investment. By assessee's own admission, the investment decisions by VHM and the incorporation of VHM are a part of the Group's strategic decision. Vide point number 7 of the response dated September 5, 2024, the assessee company stated that *"we would like to submit that the group's significant holding in Vedanta Ltd. is always through Mauritius jurisdiction since year 2000. It is the group's strategic business decision to incorporate the Assessee Company. The Group strategically decided to increase its stake in Vedanta Ltd. and for the same created the Assessee company to better manage its operations/funds."*

2.4 By its own statement, as detailed in paragraph 2.2, the assessee stated its incorporation and investment decisions to be part of group's strategic decision and not independently determined. This is strengthened by the fact that the assessee did not furnish any diligence report for the purpose of investment (sought vide 142(1) notice dated February 5, 2024) , any explanation with regard to the flow of decision making as to how the quantum of purchase/sale of shares is decided upon (sought vide 142(1) notice dated August 20, 2024 and 142(1) notice dated February 5, 2024), any instance where the Mauritius company rejected any proposed investment and divestment in Indian companies (sought vide 142(1) notice dated August 20, 2024).

2.5 From the board-level deliberations that were furnished by the assessee vide response dated October 3, 2024, it is seen that the members of the Board, namely

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Shakill Ahmed Toorabally and Rajiv Mangar, simply detailed about the loans being received and the loans being put to use. The deliberations / minutes do not bring out the independent mind of the assessee company. More so since the assessee had no response to furnish to the points detailed above.

2.6 During the course of proceedings, a reference was made (vide letter dated March 27, 2024) as per exchange of information under Article 26 of the Double Taxation Avoidance Convention between India and Mauritius to obtain KYC documentation of the assessee's bank account number 010011277800 with Standard Chartered Bank, Mauritius for the purpose of ascertaining the signatories of the bank account. The response was received in this office in October 17, 2024. The information received clearly showed that there were signatories to the bank account who were different from the board of directors of the assessee company, which was in stark contrast to the responses received from the assessee, as highlighted above.It was observed that several employees of different entities of Vedanta group were authorized signatories to the bank account. Considering this mismatch between the findings and the statement of the assessee vide response dated February 12,2024 (and other similar responses), paragraph 1 of the notice under section 142(1) dated October 18, 2024 sought the following clarification:

"d. Upon perusal of the user maintenance accounts (pertaining to the Standard Chartered Bank account) received by way of exchange of information, it is seen that the directors of the company, namely Shakill Ahmed Toorabally, among other tax residents of Mauritius neither have "Access to ALL Account" nor to "Specific Account". Please explain as to why this differentiation exists with the Mauritian tax residents who are serving as directors in the assessee company, along with explaining as to what "Access to ALL Account" and Access to "Specific Account" entails.

..

f. Upon perusal of the account opening, KYC forms, it is observed that user, administrator rights have also been granted to persons who are neither employees of Vedanta Mauritius Holdings II Limited nor its directors (example: Sanjay Pandit, Pooja Somani, Divya Gulati, Shankar Gonthia, Shiv Ratan Maheshwari, Mayank Gaba, Hritik Gupta, Anand Banka, Jagdeep Singh, Somya Jain, Prashant Maheshwari, Karishma Bhatia, Aanchal Bhatia, Praveen Purohit, Nitin Gupta etc.). Please explain as to why and in what capacity user and/or administrator rights to the assessee's bank account have been granted to these

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persons when they are neither employees nor directors nor executives of the assessee company. Since the email ids of these persons has the domain @vedanta.co.in or a related entity, please detail as to which entity of Vedanta group these persons are employees"

The assessee did not furnish any response which could satisfactorily answer the above details sought. The KYC forms, the details regarding access to ALL accounts, access to specific account and the assigning of administrator rights (the same not being granted to the directors of the company) to persons who are neither employees nor directors nor shareholders in the assessee company shows that the directors themselves have very limited / miniscule control over the functioning, rather than having control over the 'entire functioning' of the company.

3. Commercial rationale for the incorporation of the assessee company

3.1 Vide query 11 of the notice under section 142(1) dated August 20, 2024, the assessee company was asked about the purpose of incorporation, specially when another entity of the Group (i.e. Twin Star holdings Mauritius) was existing at the time of incorporation.

3.2 In response to the said query, the assessee vide letter dated September 5, 2024 stated that:

"We would like to submit that the group's significant holding in Vedanta Limited is always through Mauritius jurisdiction since the year 2000. It is the group's strategic business decision to incorporate the Assessee company. The group strategically decided to increase the stake in Vedanta Limited and for the same created the Assessee company to better manage its operations/funds."

3.3 From the above, it seems that the assessee's purpose of incorporation is driven by the Group's strategic business decision and is allegedly oriented towards the increase of stake of the group in Vedanta Limited.

3.4 Taking cognizance of the above response, another notice under section 142(1)

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dated September 26, 2024 was issued to the assessee which stated that "*the assessee has not given any rationale which can establish any rationale for its incorporation. How the incorporation of the assessee has enabled the group to better manage operations/funds is not borne out by any response by the assessee company, specially because of the minutes of meetings, board deliberations not being made available by the assessee company in any of its responses.*"

3.5 To the above, vide response dated October 3, 2024, stated that:

> *"The acquisition of stake in Vedanta Ltd. in the Assessee company and not in namely Twin Star Holdings (a two decade old Mauritius holding company of the group) is primarily for the comfort of the external lenders at the promoter level- from security and pledging perspective and hence the same is driven by commercial consideration and not for any tax arbitrage-as there is none."*

At this juncture, it is relevant to state that the assessee was asked in subsequent notice under section 142(1) dated October 18, 2024 was again asked to furnish documentation with regard to negotiations for loan agreements to establish the bonafides of its statement in the response dated October 3, 2024. The assessee company provided no such communication trail.

3.6 Vide response dated November 8, 2024, the assessee company furnished another line of argument to justify the incorporation in Mauritius stating that *"with regard to the commercial rationale for incorporation of the Assessee company namely Twin Star Holdings Ltd. (TSHL) is already existing in Mauritius, we would like to mention to your goodself that on 9th December,2020, Vedanta Resources Ltd. (VRL- ultimate holding company of the group) announced Bond offering of US $1 billion 13.875% bonds due for maturity in January, 2024 issued through Vedanta Resources Finance II Plc, a wholly owned subsidiary of VRL."*

The assessee furnished the rationale that TSHL was one of the guarantors and had restrictions placed on it due to which acquisition of stake by TSHL was not possible.

3.7 Be that as it may, the assessee's contention (as specified in paragraph 3.6)

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still does not hold water since the Bond offering was made on December 9, 2020, well after the incorporation of the assessee company in June, 2020. It is common business sense that the commercial rationale of incorporation precedes the company incorporation. Interestingly, the assessee is painting a subsequent corporate event of another group entity (i.e. Twin Star being guarantor in the Bond offering on December 9, 2020) as its own commercial rationale for being set up in Mauritius.

4. Source, ownership and usage of funds

4.1 Upon perusal of the financial statements of the assessee company for the period spanning financial year 2021-22 relevant to assessment year 2022-23, it is seen that the assessee company mainly deployed loaned funds from its related entities. The financial statements for the period January-December 2021 show that the assessee's investments in the shares of Vedanta Limited (hereafter known as 'VEDL') came primarily from the loans received by the assessee company since it had no funds of its own which could buy the quantum of shares that the assessee company bought.

As highlighted in paragraph 1.2, the assessee company increased its shareholding from 5.66% to 13.26% between October-December, 2021. The following table shows the dates on which the shareholding was increased:

Date of share purchase of VEDL	VHM's shareholding in VEDL post-purchase (in %)	Vedanta entity selling shares	Change in shareholding% of seller
December 16, 2021	10.24%	Finsider International Company Limited, UK	6.22%
December 21,	12.04%	Finsider	4.40%

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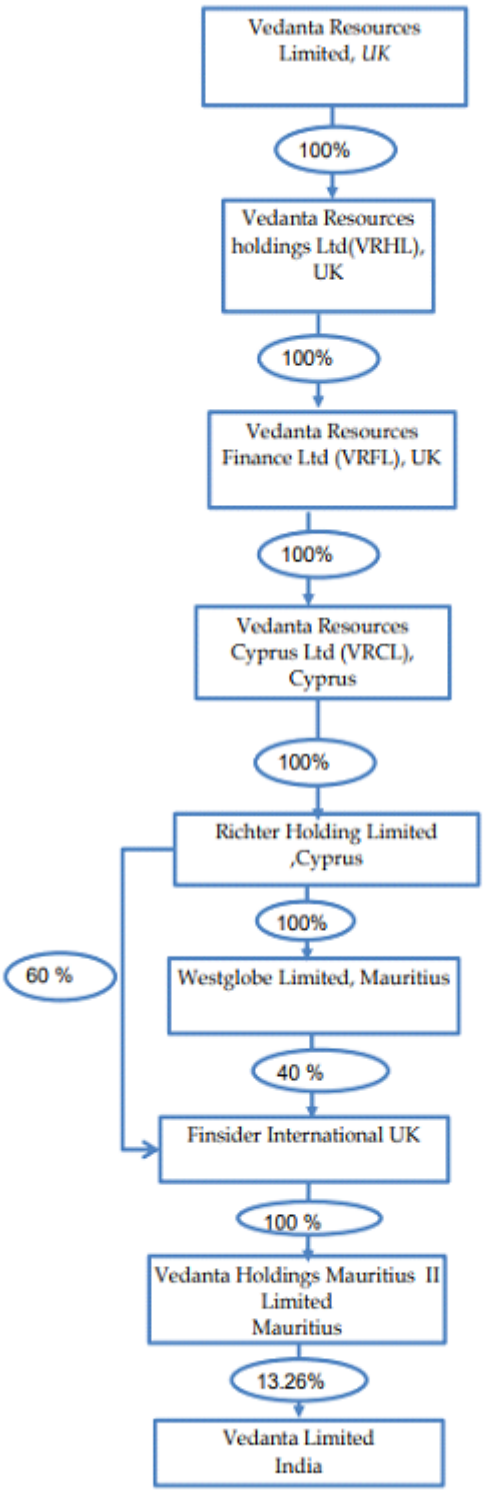
2021		International Company Limited, UK	
December 24, 2021	13.26%	Westglobe Limited, Mauritius	0% (sold entire shareholding of 1.19%)

4.2 With a view to investigate the purchase of shares of VEDL, notices under section 133(6) were issued to the Bombay Stock Exchange and the National Stock Exchange **(Placed in Annexure 2)**

4.3 The information received from the Bombay stock exchange showed that the company Finsider International Company Limited, UK sold a total of 23,80,31,940 shares on the stock market on the same dates (i.e. December 16, 2021 and December 21, 2021). Upon perusal of the assessee company's intimation to BSE Limited and National Stock Exchange (vide letters dated December 18, 2021, December 22, 2021 and December 27, 2021), it is seen that the assessee company acquired 4.58% shareholding of VEDL from FIL on December 16, 2021 and 1.83% shareholding of VEDL from FIL on December 21, 2021. In total, the assessee company acquired 6.41% shareholding from Finsider International, UK which enabled the assessee company to cross the 10% shareholding threshold in Mauritius jurisdiction, and thus make it eligible to pay a lower tax rate of 5% on the dividend income received from Vedanta Limited. No transactions were undertaken for VEDL shares by the assessee on the National Stock Exchange in December, 2021.

4.4 At this juncture, it is important to take note of the assesse company's group structure in context of the assessee (as received vide Annexure A of the response dated August 8,2023):

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4.5 The assessee company is fully owned by the company Finsider International, UK (hereafter known as 'Finsider' or 'FIL'). The board composition of the company Finsider is as following (as received vide response dated October 3, 2024):

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Name of the director	Residential Status
Deepak Kumar	United Kingdom
Mansoor Siddiqi	United Kingdom

4.6 It is also noteworthy that the assessee company received a loan of USD 1313 million from its parent company on December 15, 2021, immediately preceding the day the assessee bought the shares of Vedanta Limited on December 16, 2021.

5. The arrangement

The arrangement, resulting in the assessee company paying lower tax rate on dividend and enabling a lower tax liability at the Group level (tax liability on dividend income), is as following:

a. Change in the taxation regime of dividend income by Finance Act, 2020

b. Incorporation of assessee company post abolition of DDT regime (DDT abolished in Finance Act, 2020) on 29.06.2020 in Mauritius,

c. Granting of loans by associated enterprises (majorly by parent company Finsider granting a loan of USD 1313 million to the assessee company on December 15, 2021) to the assessee company to enable it to buy shares of VEDL on December 16, December 18 and December 24.

d. Transfer of shareholding from UK parent company Finsider to Vedanta Holdings Mauritius II Limited in the following manner:

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i. Promoter holding staying unchanged by way of transfer of shares, since the acquirer and the seller (for transactions on December 16, 2021, December 21, 2021) were companies which are a part of the Group structure.

ii. By transfer of shareholding from UK to Mauritius, the parent company Finsider lowered its tax liability in India under India-UK DTAA (since dividend is taxable at the rate of 10% as per India-UK DTAA) and by acquiring 6.41% shareholding of VEDL (4.58% acquired on December 16, 2021 when Finsider sold the same percentage of shareholding on the same day and 1.83% acquired on December 21, 2021 when Finsider sold the same percentage of shareholding in the same day) the assessee company offers dividend for taxation at lower rate of 5% (as per India-Mauritius DTAA), as against the 15% tax rate where the shareholding is less than 10%.

iii. The instructions regarding purchase of shares on behalf of the assessee company were given by Mr. Deepak Kumar, who is neither an employee nor a director nor a shareholder in the assessee company. Mr. Deepak Kumar is a Director of Finsider International Company Limited and he gave the instruction for the sale of shares of VEDL on the same dates as the purchase of shares by the assessee company.

e. Subsequent to sale of shares by Finsider, another Vedanta entity, namely Westglobe Limited (hereafter referred to as 'WL' or 'Westglobe') which held 1.19% shareholding in VEDL carried out sale of its entire shareholding on December 24, 2024 on the stock market, through the broker Standard Chartered Securities India. The instructions regarding sale of shares on behalf of WL were given by Mr. Deepak Kumar, who is neither an employee nor a director nor a shareholder in WL. The sale was made through the afternoon block deal window for 4,43,43,139 shares (1.19% shareholding of VEDL). At the same time, instructions for purchase of 4,43,43,139 shares of VEDL in the afternoon block deal window were issued to the broker by Mr. Deepak Kumar.

f. Had Westglobe not transferred its shareholding, it would have to pay tax at 15% on the dividend income, as per India-Mauritius DTAA. However, post transfer of shares, the Vedanta group's tax liability stands drastically reduced by 10% (from 15% to 5%) since the assessee company's acquisition of the 1.19% shares (held earlier by Westglobe) would also now stand taxable at 5% as per India-Mauritius DTAA.

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g. Herein, it is important to note that during the proceedings, vide response dated November 8, 2024, you had stated that the purpose of incorporation and consequent investment holding through SPV (i.e. Vedanta Holdings Mauritius II Limited) was on account of restrictions on the company Twin Star Holdings Limited. However, upon perusal of the assessee's letter to the Bombay Stock Exchange dated December 22, 2024, the assessee stated the purpose of transactions on December 21, 2024 to be transfer of shareholding among members of the promoter and promoter group of the target company, as part of an internal re-structuring exercise. Juxtaposed with the assessee's own submissions to this office and the reasoning provided for transactions to the Stock Exchange, it is seen that the reasoning is not in sync.

Parties to the arrangement, including but not limited to:

1. Finsider International Company Limited, UK
2. Vedanta Mauritius Holdings II Limited, Mauritius
3. Westglobe Limited, Mauritius
4. Deepak Kumar

6. Reasons why the main purpose of the arrangement is to obtain a tax benefit

a. The instructions issued to the broker (i.e. Standard Chartered Securities India Limited) by the acquirer of shares, i.e., the assessee company for purchase of shares on December 16, 2021 and on December 20, 2021 were issued by Mr. Deepak Kumar, Director, Finsider International. At the same time, Mr. Deepak Kumar issued instructions for the sale of shares by Finsider International to the seller's broker (i.e. Standard Chartered Securities India Limited, same as the broker for VHM) This is confirmed vide Annexure F of the response received from Standard Chartered Securities India vide letter dated October 16, 2024 **(placed as Annexure 4 of this Show Cause Notice)**. While the group level shareholding remains unchanged, the only benefit accruing to the Group on the whole, the buyer (i.e. the assessee company) and the seller (i.e. Finsider International, UK) in particular is of a tax benefit since there is shift in shareholding from the UK to Mauritius, thus enabling the enjoyment of 5% arbitrage vis-à-vis 10% taxation of dividend income as per India-UK DTAA. At the same time, the transfer of shareholding enabled the assessee company

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to offer dividend income for tax at the rate of 5% instead of 15%.

b. Within the Group structure, the transfer of shareholding was of 6.41% from the UK to Mauritius, which enabled VHM to cross the 10% threshold in shareholding in VEDL and thus pay tax at lower rate of 5%. It is interesting to note that the instructions for buying and selling came from the same person, .i.e., Deepak Kumar. This is confirmed vide Annexure F of the response received from Standard Chartered Securities India vide letter dated October 16, 2024 **(placed as Annexure 4 of this Show Cause Notice)**

c. Consequent to the response received from Standard Chartered Securities India, the relevant extracts were shared with the assessee company vide paragraph 2 of the notice under section 142(1) dated October 18, 2024 wherein it was specifically asked:

> *"a. Under what authority is Mr. Deepak Kumar a signatory to the KYC documentation of the assessee company, especially when he is not a part of the board/employee/an executive in the assessee company.*
>
> *b. Vide communication dated 16.12.2021 (attached herewith), Mr Deepak Kumar is communicating, issuing instructions regarding purchase of shares of Vedanta Limited (VEDL) on behalf of Vedanta Holdings Mauritius II Limited. Please explain, with supporting documentation, as to how Mr. Deepak Kumar is issuing instructions for the sale of shares of VEDL on behalf of the assessee company."*

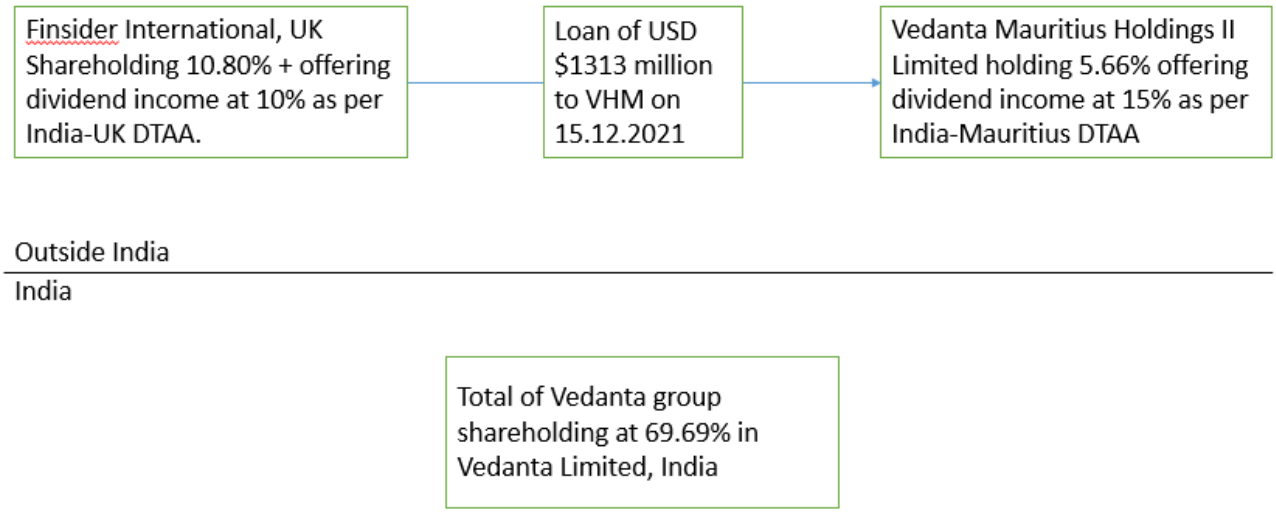
d. While in the earlier responses, the assessee company had stated that the entire functioning of the company is taken care of by Shakill Ahmed Toorabally and Rajiv Mangar, interestingly, the assessee drastically changed its stance vide response dated November 8, 2024 stating the *" in the administrative task of implementing the decisions of the Board approved payments investments, for making Board approved payments in banking channel, group's employees employed in different entities of the group, both downstream and upstream are involved"*. This brings out clear inconsistencies in the assessee's responses. Further, even if the supposition of upstream and downstream entities implementing decisions is believed, such intra-

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group administrative and managerial services (hereafter called 'IGS') have transfer pricing implications in each jurisdiction. From the financial statements, it is seen that no such expense or income related to such IGS has been booked in the books of the assessee company. Therefore, it is quite reasonable to understand that the assessee is not operated from Mauritius, but from countries other than Mauritius.

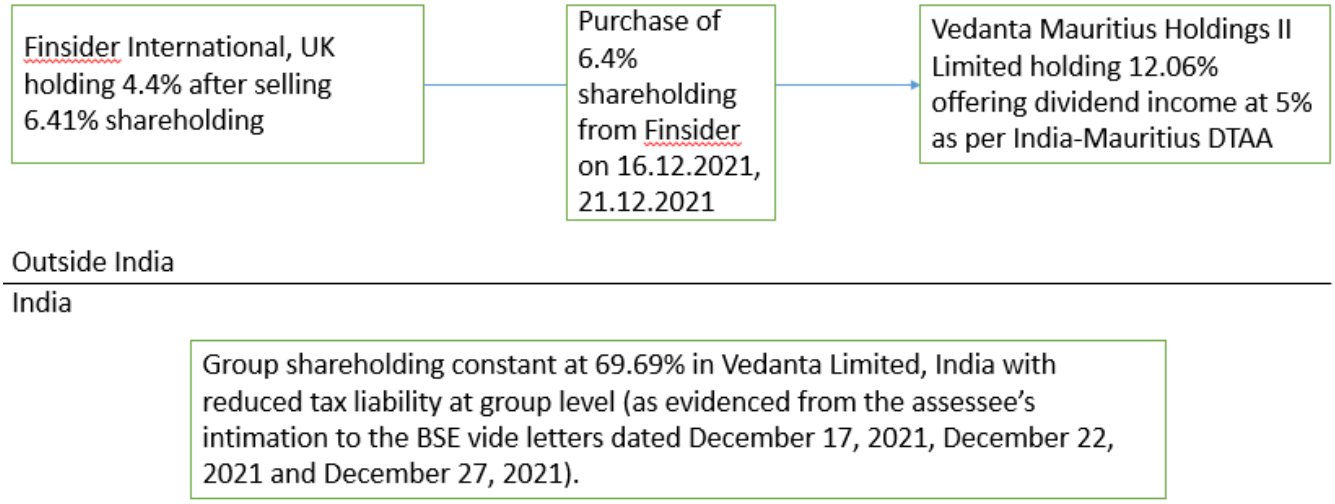
e. By this arrangement of transfer of shareholding and looking at the assessee's reasoning for incorporation of the assessee company in Mauritius (as highlighted in paragraph 3 of this Show Cause Notice), it is seen that the main purpose of this identified arrangement is to obtain benefit of the tax benefit. The same is summarized by way of diagrammatic representation below:

Shareholding prior to the transfer of shares (in December, 2021) between Finsider International and Vedanta Mauritius Holdings II Limited



Shareholding consequent to the transfer of shares (in December, 2021) between Finsider International and Vedanta Mauritius Holdings II Limited

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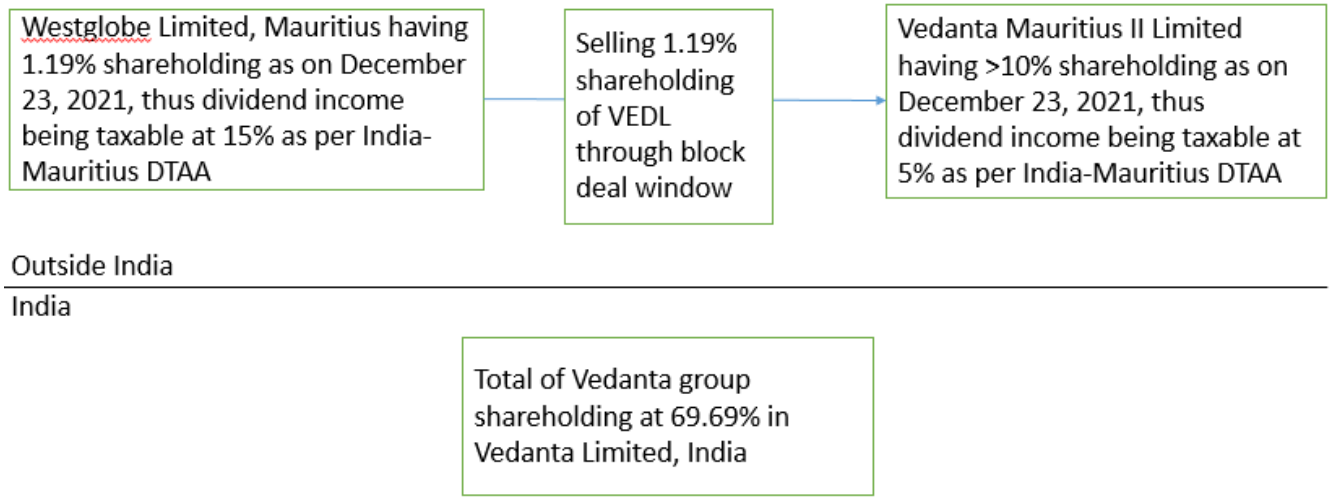
d. Also notable are the findings highlighted in paragraph 2.5 of this Show Cause Notice under rule 10UB which indicate that the ownership and control of funds did not rest with the assessee company. Despite repeated enquiries on the matter, the assessee company never revealed the complete details of the authorized signatories (who were different from the Board of Directors). The details could be obtained only after the information received as per Exchange of Information under Article 26 of the India Mauritius DTAA.

e. Subsequent to sale of shares by Finsider, another Vedanta entity, namely Westglobe Limited (hereafter referred to as 'WL' or 'Westglobe') which held 1.19% shareholding in VEDL carried out sale of its entire shareholding on December 24, 2024 on the stock market, through the broker Standard Chartered Securities India. The instructions regarding sale of shares on behalf of WL were given by Mr. Deepak Kumar, who is neither an employee nor a director nor a shareholder in WL. The sale was made through the afternoon block deal window for 4,43,43,139 shares (1.19% shareholding of VEDL). At the same time, instructions for purchase of 4,43,43,139 shares of VEDL in the afternoon block deal window were issued to the broker by Mr. Deepak Kumar. This is confirmed vide Annexure F of the response received from Standard Chartered Securities India vide letter dated October 16, 2024 **(placed as Annexure 4 of this Show Cause Notice)**

f. Had Westglobe not transferred its shareholding, it would have to pay tax at 15% on the dividend income, as per India-Mauritius DTAA. However, after transfer of shares,

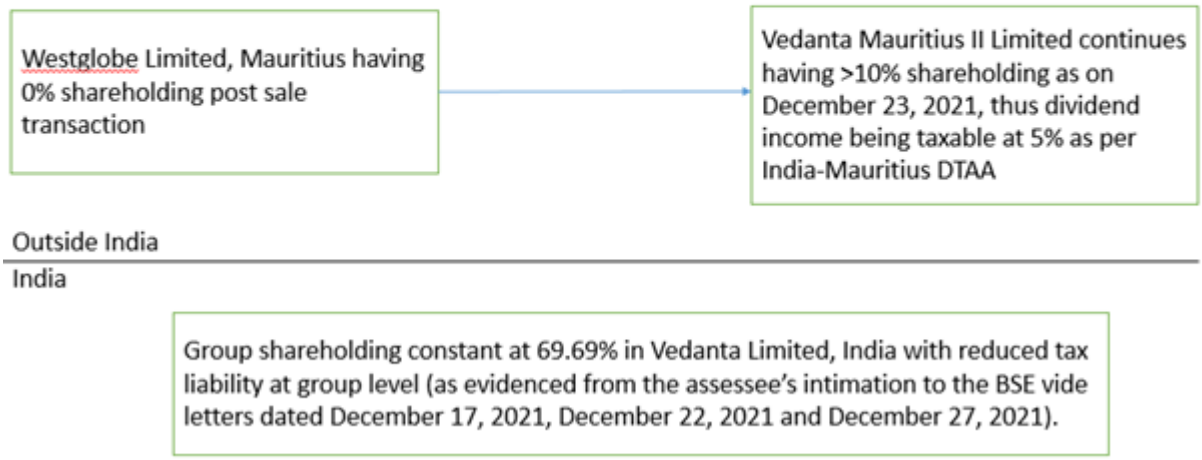
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the group's tax liability stands reduced by 10% in the 1.19% shareholding, since the assessee company's acquisition of the 1.19% shares (held earlier by Westglobe) would also now stand taxable at 5% as per India-Mauritius DTAA.



Consequent to the transaction through the block deal window (upon instructions of buying and selling from the same person on behalf of assessee company as well as Westglobe), the position stood as under:

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7. Basis and reasons why the arrangement satisfies conditions provided in section 96

7.1 The arrangement creates rights, or obligations which are not ordinarily created between persons dealing at arm's length

7.1.1 First, it is seen that the instruction for sale of shares (of VEDL) by Finsider (as well as Westglobe Limited) and for purchase of shares (of VEDL) by VHM is given to the broker by the same person, i.e., Deepak Kumar on the same day for the same quantity of shares. Deepak Kumar is neither an employee, nor a director, nor a shareholder in the assessee company (similar the case being for Westglobe Limited). Between persons dealing at arm's length, instruction for a transaction on behalf an entity would not ordinarily be given by a person who is not a part of the entity.

7.1.2 Second, it is interesting to note that the assessee vide response dated November 8, 2024, in complete contradiction to its earlier responses, stated that in the administrative tasks, group's employees employed in different entities of the group, both downstream and upstream of the Assessee company are involved. From

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the financial statements of the assessee company, it is observed that no such element of compensation/remuneration is involved for IGS. This aspect points to obligations, tasks being carried out by upstream, downstream entities which are not ordinarily created between persons dealing at arm's length.

7.1.3 Third, the granting of administrative rights to employees of downstream entity (i.e. Vedanta Limited) to the assessee's bank account maintained in Standard Chartered Bank, Mauritius also highlights applicability of provisions of section 96(1)(a) in the case of the assessee. Ordinarily, no entity would grand administrator, user rights to a person who is not a part of the entity's own setup.

7.1.4 Fourth, the assessee company has high interest cost, interest income from related entities which is without any interest-rate benchmarking as per transfer pricing norms. The financial statements furnished by the assessee do not point to any such arm's length benchmarking of interest expense, interest income.

7.2 The arrangement results, directly or indirectly, in the misuse, or abuse, of the provisions of the Act

7.2.1 At the outset, it is important to note that the assessee took recourse to Circular 789 dated April 13, 2000 by reiterating that the TRC being sacrosanct, thus denying the relevance of questions issued vide point number 4,10,12, 14 to 17 of the notice under section 142(1) dated 20.08.2024 **(Placed as a part of Annexure 5).** The assessee suo-moto decided that the response to the questions posed by the Assessing Officer in the said notice were not germane to the assessment proceedings. By taking recourse to Circular 789, the assessee avoided furnishing satisfactory response to the queries.

7.2.2 The entities of the Vedanta group undertook a pre-planned transfer of shareholding in VEDL on the stock market. Though the shareholding at the group level stayed constant at 69.69%, the transfer of shareholding from Finsider to VHM enabled lowering of tax liability in the UK jurisdiction while enabling the assessee to take benefit of a lower tax rate of 5% as per India-Mauritius DTAA. Had the transfer of shares not taken place between Finsider and VHM, the dividend income would still have been taxable at 15% since the 10% thresholding of shareholding in VEDL would

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not have been crossed in case of the assesses company. As stated before, the purchase of shares was instructed to the broker by Deepak Kumar, who is neither an employee nor a shareholder nor a director in the assessee company. Further, the commercial rationale for assessee's company itself is full of contradictions. Vide response dated September 5, the assessee had stated that "*The Group strategically decided to increase its stake in Vedanta Ltd. and for the same created the Assessee company…"* However, seeing the transactions undertaken in December, 2021, it is seen that the transactions undertaken on December 16 and December 21 did not have the effect of increasing the group's shareholding in Vedanta Limited, India.

7.2.3 By transfer of shareholding from UK to Mauritius, even while the incorporation of the assessee lacks commercial rationale, the assessee took benefit of India-Mauritius DTAA by way of tax arbitrage. This points to misuse, abuse of the benefits of DTAA as granted under section 90 of the Act. By taking recourse to more advantageous Treaty (in this case, India-Mauritius DTAA) even while lacking commercial substance, the assessee was indulging in treaty shopping.

7.2.4 Using the India-Mauritius DTAA, the group's tax liability on the same percentage of shareholding stood reduced by way of transfer of Westglobe's 1.19% shareholding in VEDL to the assessee company (which was already holding more than 10% shares of Vedanta Limited). Westglobe would have had to pay 15% tax on the dividend income had it held on to the shares it sold. By selling the shares to the assessee company, the group's tax liability benefitted by an arbitrage of 10% on the transfer of 1.19% shareholding within Mauritius entities. Other than providing tax benefit, the transaction between the Mauritian entities held no commercial purpose. This points to misuse, abuse of the benefits of DTAA as granted under section 90 of the Act.

7.3 The arrangement lacks commercial substance or is deemed to lack commercial substance under section 97, in whole or in part

7.3.1 "it involves or includes round trip financing"

7.3.1.1 For ease of reference, section 97(2) detailing round trip financing is reproduced hereunder:

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*"**round trip financing includes any arrangement** in which, through a series of transactions-*

(a) funds are transferred among the parties to the arrangement; and

(b) such transactions do not have any substantial commercial purpose other than obtaining the tax benefit (but for the provisions of this Chapter),

without having any regard to-

(A) whether or not the funds involved in the round trip financing can be traced to any funds transferred to, or received by, any party in connection with the arrangement;

(B) the time, or sequence, in which the funds involved in the round trip financing are transferred or received; or

(C) the means by, or manner in, or mode through, which funds involved in the round trip financing are transferred or received."

It is seen that immediately preceding the purchase of shares by the assessee, the assessee was granted a loan of USD 1313 million by its parent company Finsider International, which in turn was used to purchase the shares. This falls squarely in the category of funds being transferred among the parties to the arrangement. The source of purchase of shares has been the proceeds from borrowing, as evidenced from the assessee's financial statements and its submissions in the course of proceedings. A brief summary is as below:

Date of transaction	Nature of transaction	% shareholding of Finsider after the transaction	% shareholding of VHM after the transaction
December 15, 2024	Loan of USD 1313 million from FIL to VHM	10.80%	5.66%

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Date of transaction	Nature of transaction	% shareholding of Finsider after the transaction	% shareholding of VHM after the transaction
December 16, 2021	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	6.22% (decrease of 4.58%)	10.24% (increase of 4.58%)
December 21, 2021	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	4.40% (decrease of 1.82%)	12.06% (increase of 1.82%)

From the above details, it is clear that the transactions resulting from the loaned funds served no other purpose other than shifting the jurisdiction of 6.40% of the shareholding of Vedanta group from UK to Mauritius, thus enabling it to obtain tax benefit of lower tax rate of 5% on dividend income as per India-Mauritius DTAA.

7.3.2 "it involves or includes an accommodating party"

7.3.2.1 For ease of reference, section 97(3) detailing what constitutes an accommodating party is reproduced hereunder:

> *"a party to an arrangement shall be an accommodating party, if the main purpose of the direct or indirect participation of that party in the arrangement, in whole or in part, is to obtain, directly or indirectly, a tax benefit (but for the provisions of this Chapter) for the assessee whether or not the party is a connected person in relation to any party to the arrangement."*

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In the case of the assessee, as highlighted vide paragraph 5(c)(ii) and paragraph 5(c)(iii) of this show cause notice, the pre-planned sale and purchase of shares of VEDL over the Indian stock exchanges achieved no purpose other than providing heavy tax benefit in the Vedanta's group structure. The participation of Finsider International (as 'seller') and Mr. Deepak Kumar, Director, Finsider International (as the person issuing instructions to the broker on behalf of the seller company as well as the buyer company) while keeping shareholding unchanged (the group level shareholding stood unchanged at 69.69%) was a crucial factor in the assessee availing benefit of 5% taxation of dividend income as per India-Mauritius DTAA. Thus, through their participation in the transactions, Finsider International Company Limited and Deepak Kumar are accommodating parties to the transaction in terms of section 97(3)

7.3.3 "it involves or includes elements that have the effect of offsetting or cancelling each other"

7.3.3.1 Post-sanction of loan by Finsider and the transaction of purchase, sale of shares of VEDL on December 16, 2021 and December 21, 2021, and December 24, 2021 it is seen that while the group level shareholding stood unchanged, the only benefit that accrued to the group entities and the group on the whole was reduced tax liability on account of tax benefit on two accounts. The sale, purchase of VEDL shares was such that the individual increase and individual decrease in shareholding in VEDL of each group entity had the effect of offsetting each other, leaving the group level shareholding unchanged at 69.69%.

Date of share purchase of VEDL	**VHM's shareholding in VEDL post-purchase (in %)**	**Vedanta entity selling shares**	**Change in shareholding% of seller**	**Group shareholding after the transaction**
December 16, 2021	10.24% (increase of 4.58%)	Finsider International Company Limited, UK	6.22% (decrease of 4.58%)	69.69%

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December 21, 2021	12.04% (increase of 1.82%)	Finsider International Company Limited, UK	4.40% (decrease of 1.82%)	69.69%
December 24, 2021	13.26% (including increase of 1.19%)	Westglobe Limited, Mauritius	0% (sold entire shareholding of 1.19%)	69.69%
Source: Assessee company's letters to the Bombay Stock Exchange dated December 18, 2021, December 22, 2021 and December 27, 2021 ***(Placed as Annexure 6 of this Show Cause Notice under rule 10UB)***				

7.3.4 "it involves or includes a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction"

7.3.4.1 Vide notice under section 142(1) dated October 18, the assessee was asked as to which user executed the debit transactions from the Standard Chartered Bank account in Mauritius, to which the assessee gave no specific response. As highlighted earlier, there were several signatories to the Mauritius bank account of the assessee who were different from the Board of Directors of the assessee company and were not the assessee's own employees, organization. Add to that the fact that the directors of the assessee company, essentially employees of Amicorp (Mauritius), did not have administrator's rights nor had access to the accounts (As highlighted in paragraph 2 of this Show Cause Notice under rule 10UB), it is well beyond reasonable doubt that the assessee was disguising the control of funds.

7.3.4.2 Also noteworthy are the instructions (vide letters dated December 16, 2021 and December 21, 2021, as sourced from Annexure F of the response received from Standard Chartered Securities India Limited-**Annexure 4 of this Show Cause Notice**) to the broker Standard Chartered Securities India Limited wherein the instructions for operating the assessee's demat account with Axis Bank are being given by a person who is neither a director nor an employee nor a shareholder of the

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assessee company.

7.3.4.3 Further, the assessee did not furnish any diligence report for the purpose of investment (sought vide 142(1) notice dated February 5, 2024) , any explanation with regard to the flow of decision making as to how the quantum of purchase/sale of shares is decided upon (sought vide 142(1) notice dated August 20, 2024 and 142(1) notice dated February 5, 2024), any instance where the Mauritius company rejected any proposed investment and divestment in Indian companies (sought vide 142(1) notice dated August 20, 2024). Considered conjointly with the fact that the loan received from Finsider International Company Limited was immediately a day before the purchase of shares, it is not far-fetched to gather that the assessee had little control, ownership of the funds it put to use.

7.3.5 "it involves the location of an asset or of a transaction or of the place of residence of any party which is without any commercial purpose other than obtaining a tax benefit"

7.3.5.1 As discussed in paragraph 2 of this show cause notice, the incorporation of the assessee company was without a commercial rationale. The only tangible benefit that accrued by way of incorporation of the assessee and the transactions conducted on December 16, 2021, December 21, 2021 and December 24, 2021 was tax benefit of 5% taxation of dividend income as per India-Mauritius DTAA. This enabled the group to take benefit of tax arbitrage, thus benefitting by a difference of 5% tax on the 6.4% shares of VEDL transferred from Finsider to VHM. Similarly, by way of transfer of VEDL shares from Westglobe Limited to the assessee, the assessee to benefit of 10% arbitrage within the India-Mauritius DTAA (as highlighted in paragraph 6(h) of this show cause notice)

7.3.5.2 The transactions by themselves serve no purpose other than providing tax benefit, since there is no change in shareholding at the group level and there is no commercial purpose being served by this transfer of shares within the group.

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Date of share purchase of VEDL	VHM's shareholding in VEDL post-purchase (in %)	Vedanta entity selling shares	Change in shareholding% of seller	Group shareholding after the transaction
December 16, 2021	10.24% (increase of 4.58%)	Finsider International Company Limited, UK	6.22% (decrease of 4.58%)	69.69%
December 21, 2021	12.04% (increase of 1.82%)	Finsider International Company Limited, UK	4.40% (decrease of 1.82%)	69.69%
December 24, 2021	13.26% (including increase of 1.19%)	Westglobe Limited, Mauritius	0% (sold entire shareholding of 1.19%)	69.69%
Source: Assessee company's letters to the Bombay Stock Exchange dated December 18, 2021, December 22, 2021 and December 27, 2021 ***(Placed as Annexure 6 of this Show Cause Notice under rule 10UB)***				

The entities of the Vedanta group undertook a pre-planned transfer of shareholding in VEDL on the stock market. Though the shareholding at the group level stayed constant at 69.69%, the transfer of shareholding from Finsider to VHM enabled lowering of tax liability in the UK jurisdiction while enabling the assessee to take benefit of a lower tax rate of 5% as per India-Mauritius DTAA. Had the transfer of shares not taken place between Finsider and VHM, the dividend income would still have been taxable at 15% since the 10% thresholding of shareholding in VEDL would not have been crossed in case of the assesses company. As stated before, the purchase of shares was instructed to the broker by Deepak Kumar, who is neither an employee nor a shareholder nor a director in the assessee company. Further, the commercial rationale for assessee's company itself is full of contradictions. Vide response dated September 5, the assessee had stated that "*The Group strategically*

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decided to increase its stake in Vedanta Ltd. and for the same created the Assessee company…" However, seeing the transactions undertaken in December, 2021, it is seen that the transactions undertaken on December 16 and December 21 did not have the effect of increasing the group's shareholding in Vedanta Limited, India.

Using the India-Mauritius DTAA, the group's tax liability on the same percentage of shareholding stood reduced by way of transfer of Westglobe's 1.19% shareholding in VEDL to the assessee company (which was already holding more than 10% shares of Vedanta Limited). Westglobe would have had to pay 15% tax on the dividend income had it held on to the shares it sold. By selling the shares to the assessee company, the group's tax liability benefitted by an arbitrage of 10% on the transfer of 1.19% shareholding within Mauritius entities. Other than providing tax benefit, the transaction between the Mauritian entities held no commercial purpose.

7.3.6 "it does not have any significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the benefit that would be obtained"

7.3.6.1 At group level, it is seen that by way of incorporation of the assessee company in Mauritius and the transactions conducted on December 16, December 21, December 24 (collectively referred to as **"the arranged transactions"**), there is no change in group shareholding, thus no change in cash flow accruing out of dividend. The changes on account of interest cost and borrowings have the effect of offsetting each other since almost all the transactions are within the group entities. Further, without any benefit accruing, it is common business sense that no entity would increase its business risks.

7.3.7 By the above syllogism and the impact of transactions conducted, it is safe to conclude that the transactions were arranged to lower tax liability for the same shareholding (69.69%) at the group level, and had no other impact on business risks or net cash flows.

7.4 The arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes

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7.4.1 Since the incorporation of the assessee company and the arranged transactions had no business purpose which could lead to additional business income, growth of new asset, reduction of liability, increase in sales, new business opportunities, the transactions do not seem to serve any bona fide purpose. The grant of USD 1313 million by Finsider to enable the assessee to buy shares from Finsider the next day also points to a manner of transaction which would not ordinarily be employed by persons dealing at arms length since it first makes the lender part with its own cash and then with its own assets, thus multiplying the business risk manifold. Further, the only tangible benefit of internal restructuring appears by way of tax arbitrage. Paragraph 7.1 to 7.3 of this show cause notice clearly highlight that the arrangement was carried by the sole purpose of obtaining tax benefit.

7.5 Tax benefit accruing from the arrangement

7.5.1 Since your incorporation and the arranged transactions are well within the ambit of lacking commercial substance, among other provisions of section 96 deeming the arrangement to be an impermissible avoidance arrangement, there are strong reasons for denial of Treaty benefit in your case. Reference is also drawn to section 98(1) which states that *"If an arrangement is declared to be an impermissible avoidance arrangement, then, the consequences in relation tax, of the arrangement, including denial of tax benefit or a benefit under a tax treaty, shall be determined, in such manner as is deemed appropriate, in the circumstances of the case…"*

7.5.2 Upon denial of treaty benefit, the dividend income would be taxable at 21.84% (including cess, surcharge). The working of tax benefit is as under:

Particulars	Amount (in Rs.)
Total Dividend Income	1543,74,85,073

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Particulars	Amount (in Rs.)
Tax liability admitted by the assessee in the ITR	116,11,98,134
Tax Liability under the Act under GAAR (20% plus surcharge and cess), i.e. 21.84%	337,15,46,740
Tax Benefit (liability under GAAR *less* admitted tax liability)	**221,03,48,606**

Therefore, in the light of the facts and circumstances of the case you have earned tax benefit of Rs.221,03,48,606/- which should be recovered in your case.

7.5.3 It is to be noted that though in the earlier paras the whole discussion has been around the fact that the shareholding was increased from 5.66% to 13.66%, but the GAAR provisions shall apply on whole of the dividend income received during the year, as your intent was to take the shareholding beyond 10% threshold as prescribed under India-Mauritius DTAA to avail lower rate of 5%. This is to due the fact that your company was incorporated for the sole benefit of availing heavy tax benefit by doing treaty shopping. Further, by assessee's own financial statements, it is seen that the ultimate controlling party of the company is Volcan Investments Limited, which is incorporated in the Bahamas- a non-treaty jurisdiction.

7.5.4 In light of the facts and circumstances as discussed above, please show cause as to why the transactions and the incorporation of the assessee company may not be held as an 'impermissible avoidance arrangement' within the meaning of section 96 of the Income-tax Act, 1961 since the main purpose of incorporation, consequent transactions is to avail tax benefit.

8. List of documents and evidences relied upon for the present show cause

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notice under rule 10UB of Income-tax Rules, 1962

8.1 Assessee's response dated August 8, 2023 (File 'Annexure 1')

8.2 Notices under section 133(6) issued to the National Stock Exchange and the Bombay Stock Exchange (File 'Annexure 2')

8.3 Information received from the Bombay Stock Exchange regarding transaction of shares of VEDL (File 'Annexure 3')

8.4 Notice under section 133(6) issued to Standard Chartered Securities India Limited

8.5 Response received from Standard Chartered Securities India (with Annexure F of the response, File 'Annexure 4' attached with this notice)

8.6 Assessee's ITR for AY 2022-23

8.7 Financial Statements of the assessee for the year ending March 31, 2022

8.8 Notices under section 142(1) issued to the assessee (File 'Annexure 5' attached with this notice)

8.9 India- Mauritius DTAA

8.10 India- UK DTAA

8.11 Assessee company's letters to the Bombay Stock Exchange dated December 18, 2021, December 22, 2021 and December 27, 2021 (File 'Annexure 6' attached with this notice)

This show cause notice may be treated as notice under Rule 10UB of Income-tax Rules, 1962

PRIYAMVAD .
CIRCLE INT TAX 3(1)(1)DEL

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

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This document is digitally signed
Signer: PRIYAMVAD
Date: Thursday, November 14, 2024 10:22 PM
Location: DIRECTORATE, India

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
CIRCLE INT TAX 3(1)(1)DEL

To, VEDANTA HOLDINGS MAURITIUS II LIMITED 6th Floor Tower 1 Nexteracom building, Mauritius Ebene,FOREIGN Mauritius	

PAN: **AAHCV4933B**	Assessment Year: **2022-23**	Dated: **14/11/2024**	DIN & Letter No : **ITBA/AST/F/17/2024-25/1070387497(1)**

Sir/ Madam/ M/s,

Subject: Attachment of Annexure 3 relevant to notice under rule 10UB issued in assessee's case for AY 2022-23

Respected Sir/Madam

Attaching herewith Annexure 3 relecant to notice under rule 10UB of Income-tax Rules,1962 issued in your case for AY 2022-23 for your reference. The sam e could not be attached owing to the file size constraints.

PRIYAMVAD .
CIRCLE INT TAX 3(1)(1)DEL

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

Enclosed: Refer to attachment AAHCV4933B_2022_ATTACHMENT_100087327254.xlsx

This document is digitally signed
Signer: PRIYAMVAD
Date: Thursday, November 14, 2024 10:21 PM
Location: DIRECTORATE, India

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VAISH ASSOCIATES ADVOCATES ESTD. 1971
Corporate, Tax and Business Advisory Law Firm

ANNEXURE P-37

1st, 9th & 11th Floor, Mohan Dev Building,
13, Tolstoy Marg, New Delhi - 110001, India
Tel: +91 11 4249 2525
Fax: +91 11 2332 0484
Email: delhi@vaishlaw.com

December 04, 2024

The Income Tax Department,
Circle Int Tax 3(1)(1),
New Delhi - 110002

Dear Sir,

Sub: Assessment proceedings initiated under section 143(2) of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23, PAN: AAHCV4933B [Ref: DIN & Notice No. – ITBA/AST/F/142(1)/2024-25/1070621736(1) dated 25.12.2024]

This is with reference to the ongoing proceedings in the case of the assessee and notices dated 25.11.2024 along with the notice dated 14.11.2024 issued by your goodself requiring the assessee to showcause as to why incorporation of the assessee and the subsequent transactions should not be held to lack commercial substance thereby deeming the arrangement to be impermissible avoidance arrangement under section 96 of the Act.

In this regard, it is respectfully submitted a under:

Facts of the case

Vedanta Group, a global conglomerate headquartered in United Kingdom is primarily engaged in the business of exploration, mining, processing, and exporting of natural resources, power, and oil and gas.

In UK, the group established Vedanta Resources Limited (VRL), a company incorporated under the laws of UK and listed on the London stock exchange since 2003. Subsequently, in the year 2018, VRL was delisted from the London stock exchange pursuant to corporate simplification process.

In India, the group established Vedanta Limited (VEDL), (in the year 1965) a company incorporated under the erstwhile Companies Act, 1956 and listed on the Indian stock exchange. VEDL is working with primary interests in aluminium, zinc-lead-silver, oil and gas, iron ore, steel, copper, power, ferro alloys, nickel, semiconductor and glass.

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For the past 2 decades, the majority shareholding of the group in VEDL has been held through Twin Star Holding Ltd, (TSH) a company incorporated under the laws of Mauritius and having its registered office at IQEQ 33, Edith Cavell Street Port Louis, 11324, Mauritius. At the time of establishing TSH, a detailed feasibility analysis/ study was undertaken and the commercial reason for establishing the company in Mauritius is hereunder:

- Mauritius is a business friendly jurisdiction and has a stable regulatory and financial environment that makes investing and conducting business relatively simple and easy
- Mauritius has a large pool of highly literate, comparatively low-cost and multi-lingual workforce as compared to some other jurisdictions;
- Mauritius provides ease of doing business and state-of-the-art infrastructure;
- Mauritius has good and stable banking system and availability of finance at lower rates

TSH is being controlled and managed in Mauritius and is the legal and beneficial owner of 43.60% of the shareholding in VEDL (post acquisition of 6.49% stake in Voluntary Open Offer explained infra). Further, TSH holds valid tax residency certificate ('TRC') issued by the tax authorities in Mauritius and Category 1 Global Business Company (GBC) licence issued by the Financial Services Commission in Mauritius.

The Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018. The group aimed to attain leadership in diversified natural resources, underpinned by growth, while maintaining a flexible capital structure. Accordingly, the group wished to delist VEDL in order to gain enhanced operational and financial flexibility in a capital intensive business.

At the onset of COVID-19 Pandemic in March 2020, the share price of VEDL fell to Rs. 60 per share which was far below the fair value/ intrinsic value of the shares of the company. Accordingly, in April 2020, VRL decided to float/issue a letter for voluntary delisting of the

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equity shares of VEDL from the Indian stock exchange in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations).

Accordingly, on 12.05.2020, VRL issued a delisting letter to VEDL wherein it inter-alia informed its willingness to purchase the shares of VEDL @ 87.5 per share in accordance with the Delisting Regulations. The said delisting offer was approved by the board of directors of VEDL during its board meeting held on 18.05.2020.

Thereafter, on 24.06.2020, the shareholders of VEDL approved the Delisting Offer by way of a special resolution in accordance with the Delisting Regulations.

Once the delisting officer of VEDL was also approved by its shareholders, for undertaking the aforesaid delisting/ purchase of shares from the public in accordance with the Delisting Regulations, Vedanta group was required to raise funds by way of loans/ issuing of bonds. The Vedanta group had already taken loans/ created a pledge/ charge in TSH.

Accordingly, to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a Special Purpose Vehicle (SPV). The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan.

Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish two companies in Mauritius viz, Vedanta Holdings Mauritius Ltd (Vedanta Mauritius 1) and Vedanta Holdings Mauritius II Ltd (Vedanta Mauritius 2) on 29.06.2020.

It may be noted that the assessee holds valid TRC for the relevant assessment year issued by the tax authorities in Mauritius and Category 1 GBC licence issued by the Financial Services Commission in Mauritius. **Copy of the TRC was attached as Annexure B vide response dated 08.08.2023 and copy of the GBC licnese was attached as Annexure C vide response dated 03.10.2024**

It is respectfully pointed out that even though there existed other tax efficient jurisdictions, the

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commercial rationale for establishing two new companies in Mauritius was the long-standing presence of Vedanta group (TSH) in Mauritius for the past 2 decades which offers better business synergies in case the group decides to simplify its holding structure and consolidate its holdings in one country i.e. Mauritius in future. **Copy of the holding structure as on 31.03.2022 was attached as Annexure A vide response dated 08.08.2023.**

Thereafter, for the specific purpose of delisting of VEDL shares, Assessee was required to raise funds by way of issuance of bonds. Accordingly, on 17.08.2020, Assessee issued bonds amounting to USD 1.4 billion. The said amount received pursuant to issue of the bonds was deposited in an Escrow account (as per SEBI regulations) opened for the purposes of the delisting of VEDL shares (explained infra).

Subsequently, on 25.09.2020, Vedanta Resources Limited, UK, Vedanta Mauritius 1 and Assessee invited the public to tender their equity shares (at Rs. 87.5 per share) pursuant to reverse book building process in accordance with the Delisting Regulations. Relevant extracts of the invitation by Vedanta group to tender equity shares in voluntary delisting of shares of VEDL are reproduced below: Copy of the same is attached herewith as **Annexure A.**

> *"1.4 VRL, pursuant to the Delisting Letter, expressed its intention to the Board to acquire the Offer Shares and consequently voluntarily delist the Equity Shares from the Stock Exchanges by making a Delisting Offer in accordance with the Delisting Regulations and if such delisting is successful, then to also delist the ADS from NYSE and deregister the Company from the SEC, subject to the requirements of the NYSE and the SEC. Further, VRL, inter alia, requested the Board to: (a) take all such other actions as may be required to be undertaken by the Company under the Delisting Regulations in order to give effect to the Delisting Offer, including appointment of a merchant banker to undertake due diligence, provide all relevant information necessary for the due diligence, make relevant applications to Stock Exchanges and/ or to any other regulatory authorities, as may be required in connection to the Delisting Proposal; (b) consider and approve the Delisting Offer under Regulation 8 of the Delisting Regulations; and (c) take necessary steps to: (i) seek approval of the shareholders of the Company through postal ballot; (ii) seek approval of the Stock Exchanges for the proposed delisting of the Equity Shares in accordance with the Delisting Regulations; and (iii) obtain consent/ waivers from the lenders in connection with the proposed delisting of the Equity shares, as may be required. The receipt of the Delisting Letter was intimated by the Company to the Stock Exchanges on May 12, 2020 ("**Stock Exchanges Notification Date**").*

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1.6 *On May 12, 2020, the Company intimated the Stock Exchanges that a meeting of the Board is scheduled to be held on May 18, 2020 in order to: (i) take on record and review the Due Diligence Report in terms of Regulations 8(1A)(ii) and 8(1E) of the Delisting Regulations; (ii) approve/ reject the proposal of voluntary delisting of the Equity Shares; and (iii) any other matters incidental thereto or required in terms of the Delisting Regulations.*

1.7 *Further, in the Delisting Letter, after considering the prevailing market conditions and with a view to provide the Public Shareholders with a fair exit price, VRL informed the Company of its willingness to accept Equity Shares tendered by the Public Shareholders in the Delisting Offer at a price of INR 87.50 (Indian Rupees Eighty Seven and Fifty Paise only) per Equity Share ("**Indicative Offer Price**"). VRL further informed the Company that the Indicative Offer Price should in no way be construed either as an obligation/ restriction on VRL and/ or its subsidiaries to accept the Equity Shares tendered in the Delisting Offer at a price lower than, equal to or higher than the Indicative Offer Price or as a restriction on the Public Shareholders to tender the Equity Shares at price higher than the Indicative Offer Price. The Indicative Offer Price was intimated to Stock Exchanges on May 12, 2020.*

1.8 *On May 18, 2020, the Company received a letter from VRL, providing the details of the floor price for the Delisting Offer, along with a certificate issued by Price Waterhouse & Co LLP, certifying the Floor Price for the Delisting Offer to be INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) determined in accordance with the Delisting Regulations ("**Floor Price Letter**").*

1.9 *The Board, in its meeting held on May 18, 2020, inter-alia, took the following decisions:*

a) The Due Diligence Report, as tabled before them, issued and submitted by the Merchant Banker, was taken on record.

b) Based on the Due Diligence Report and information available with the Company, the Board, in accordance with Regulation 8(1B) of the Delisting Regulations, certified that:

i. The Company is in compliance with the applicable provisions of securities laws;

ii. The members of the Promoter Group or their related entities are in compliance with Regulation 4(5) of the Delisting Regulations; and

iii. The Delisting Offer is in the interest of the shareholders of the Company.

c) In accordance with Regulation 8(1)(a) of the Delisting Regulations, the Board has approved the Delisting Offer, after having discussed and considered various factors including the Due Diligence Report.

d) The Board granted its approval to the Company to seek shareholders' approval by way of special resolution through postal ballot and e-voting, and thereby approved the draft of the postal ballot notice and the explanatory statement thereto. The Company was authorized to: (i) dispatch the said postal

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ballot notice and the explanatory statement to the shareholders in accordance with applicable laws; and (ii) obtain approval of the Stock Exchanges in accordance with the provisions under the Delisting Regulations and/ or any other regulatory/ government authority in India and/ or abroad (including the SEC and NYSE), as may be required, in relation to the Delisting Offer.

1.10 The dispatch of the notice of postal ballot dated May 18, 2020 for seeking the approval of the shareholders, through postal ballot and remote e-voting for the Delisting Offer, as required under the Delisting Regulations and the Companies Act, 2013 and the rules made thereunder read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, was completed on May 25, 2020.

……

1.11 The shareholders of the Company approved the Delisting Offer by way of a special resolution in accordance with the Delisting Regulations on June 24, 2020 i.e., the last date specified for remote e-voting……

2 NECESSITY AND OBJECTIVE OF THE DELISTING OFFER

2.1 In the Delisting Letter, VRL specified the following as the rationale for the Delisting Offer:

*a) The Vedanta Group (the "**Group**") has been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with the Company in 2016, and the delisting of Vedanta Resources Plc (subsequently renamed Vedanta Resources Ltd) in 2018.*

b) The Group believes that a delisting of the Company is the next logical step in this simplification process and will provide the Group with enhanced operational and financial flexibility in a capital intensive business. Vedanta Group maintains its strategic priority of attaining leadership in diversified natural resources, underpinned by growth, while maintaining a flexible capital structure.

c) The proposed delisting offer will provide public shareholders of the Company an opportunity to realize immediate and certain value for their shares at a time of elevated market volatility. The price will be determined in accordance with the reverse book building mechanism set out in the Delisting Regulations.

d) The proposed delisting will align the Group's capital and operational structures, streamline the process of servicing the Group's financing obligations and significantly improve a range of important credit metrics. As a result, the transaction is expected to support an accelerated debt reduction program in the medium term and, in turn, support the Group's highly attractive longer-term growth pipeline.

3 BACKGROUND OF THE ACQUIRERS

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3.3 ***Vedanta Holdings Mauritius II Limited***

3.3.1 VHML II was incorporated on June 29, 2020 as a private limited company under the laws of Mauritius (company registration number 172884 GBC). The registered address of VHML II is situated at C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.

3.3.2 The principal activity of VHML II is to carry on the business of holding investments*.*

3.3.3 Mr. Rajiv Mangar and Mr. Shakill Ahmad Toorabally are the directors of VHML. As on the date of this Letter of Offer, the issued and paid-up share capital of VHML II is USD 1,000 (U.S. Dollars One Thousand only) comprising of 1,000 ordinary shares of USD 1 (U.S. Dollar One only) each. VHML II is a wholly owned subsidiary of Vedanta Holdings Jersey Limited, which in turn is a wholly owned subsidiary of VRL.

……

3.7 The Acquirers have, as detailed in paragraph 22 of this Letter of Offer, made available all the requisite funds necessary to fulfil the obligations of the Acquirers under the Delisting Offer.

……

22 DETAILS OF THE ESCROW ACCOUNTS

*22.1 The estimated consideration payable under the Delisting Regulations, being the Floor Price of INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) per Equity Share multiplied by the number of the Equity Shares held by the Public Shareholders as on the Specified Date, i.e., September 25, 2020, is INR 14,809.73 Crore ("**Escrow Amount**"). The Escrow Amount has been deposited by VHML and VHML II in the manner set out below..*

*22.2 In accordance with Regulation 11 of the Delisting Regulations VRL, VHML, VHML II, Axis Bank Limited, a scheduled commercial bank and a banker to an issue registered with SEBI ("**Escrow Bank**"), and the Manager to the Offer have entered into an escrow agreement dated September 19, 2020 pursuant to which (a) VHML has opened an escrow account in the name of "Vedanta Holdings Mauritius Limited-Escrow Account" with the Escrow Bank at their branch at Gurgaon ("**Escrow Account 1**"); and (b) VHML II has opened an escrow account in the name of "Vedanta Holdings Mauritius II Limited-Escrow Account" with the Escrow Bank at their branch at Gurgaon ("**Escrow Account 2**") (collectively "**Escrow Accounts**").*

*22.3 VHML has provided a bank guarantee of INR 4,550 Crore issued by Standard Chartered Bank pursuant to the bank guarantee letter dated September 28, 2020 ("**Bank Guarantee**"), in favour of the Manager to the Offer and* ***VHML II has deposited an amount of INR 10,299.80 Crore in Escrow Account 2 in cash****, which together with the Bank Guarantee is for an aggregate amount of INR 14,849.80 Crore which covers 100% of the Escrow Amount."*

The delisting offer (of VEDL shares) was unsuccessful. Accordingly, the bonds issued by Assessee, were redeemed along with interest in October 2020.

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On 09.12.2020, VRL announced Bond offering of US$ 1 billion 13.875% Bonds due for maturity in January 2024 and TSHL being one of the guarantors, of the Bond issue c*lause 3 – Covenants* of the Bond issue, covenants were attached restricted the guarantor (TSHL) from availing any additional borrowings, creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness. In other words, TSHL was restricted from taking any additional borrowings, creating any mortgage, charge, pledge lien or any other form of encumbrance. Relevant extracts of *Clause 3 – Covenants* of the Bond issue are reproduced below:

"***3. Covenants***

(a) Negative pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon any assets directly held by the Issuer or any Guarantor, present or future, to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (x) are secured equally and rateably therewith in substantially identical terms thereto, in each case to the satisfaction of the Trustee*; or (y) have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the Bondholders; provided that this clause (a) shall not apply to Security (x) arising by operation of law or (y) created in respect of Indebtedness (which for this purpose shall exclude Relevant Debt) in an aggregate principal amount not exceeding 10% of Total Assets. For the avoidance of doubt, the foregoing restriction shall not apply to Security upon assets held by any Subsidiary (other than the Issuer or any Subsidiary Guarantor) (other than assets that are jointly held with the Issuer or any Guarantor).*

Covenants . . . . . .
Each of the Parent Guarantor, each Subsidiary Guarantor and the Issuer has agreed to comply with certain covenants limiting its ability and the ability of certain of the Parent Guarantor's subsidiaries to, among other things, create any security interests over assets, create any restrictions on the ability of certain subsidiaries to pay dividends, incur additional borrowings, distribute proceeds from certain asset sales or sell its ownership interest in certain subsidiaries and has agreed to certain other covenants. These covenants are subject to important exceptions and qualifications. See the section entitled "Terms and Conditions of the Bonds — Covenants"."

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It is important to point out that since TSH had already borrowed funds and was also a guarantor (explained supra) of different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from OCM VERDE XI INVESTMENTS PTE. LTD. ('Oak Tree') for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender. **Copy of the loan agreement was attached as Annexure K vide response dated 03.10.2024.**

In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum. Assessee has drawn/ taken a loan of USD 750 million out of the aforesaid facility amount. Salient features of the said agreement are as under:

- The loan facility has been guaranteed by (i) Finsider International Company Limited (FICL), a company incorporated in UK holding the entire share capital of Assessee; (ii) VRL; and (iii) Westglobe Limited, a company incorporated under the laws of Mauritius since the year 2007. (Page 134 of the agreement)
- The loan amount is to be used by Assessee solely for acquiring the shares of VEDL. (Clause 3, Page 24 of the agreement)
- On receipt of the first instalment of the loan facility, Assessee to acquire at least 4.65 per cent but not more than 5 per cent of the shares of VEDL. (Clause 5.3, Page 27 of the agreement).
- On receipt of subsequent loan instalment, Assessee to ensure that at least 11.5 percent (or such other percentage as agreed between Oak Tree and Assessee) of the shares of VEDL are acquired by the assessee and/or FICL. (Clause 5.3, Page 27 of the Agreement)
- Assessee will be the sole legal and beneficial owner of its assets including the shares of VEDL acquired by it (Clause 17.20, Page 54 of the Agreement)

Relevant extracts of the loan facility agreement with Oak Tree is as under:

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(3) THE ENTITIES listed in Part II Schedule 1 (The Original Parties) as original holders (each an "Original Holder");

(4) OCM Verde XI Investments Pte. Ltd. as agent for the Finance Parties (in such capacity, the "Agent") and as calculation agent (in such capacity, the "Calculation Agent"); and

(5) OCM Verde XI Investments Pte. Ltd. as security agent and trustee for the Secured Parties (in such capacity, the "Security Agent").

5.3 Conditions precedent to issuance of Notes

(a) A Holder will only be obliged to subscribe for Notes if:

i. on or prior to the first Issue Date:

(A) the Agent has received (or, acting on the instructions of the Holders, waived the receipt of) all of the documents and other evidence listed in Schedule 2 (Conditions Precedent) in form and substance satisfactory to it; and

(B) such Holder has received all necessary information to enable it to make payment in accordance with Clause 5.1 (Selection of Issue Date);

ii. on the relevant Issue Date:

(A) no Default is continuing or would result from the issuance of the Notes; and

(B) the Repeating Representations are true, accurate and not misleading in all material respects;

iii. on the first Issue Date, the Financed Shares is at least 4.65 per cent. (but not more than 5 per cent.) of the issued shares of VEDL;

iv. on each Issue Date following the first Issue Date (other than an Issue Date that is an Issue Date Exception), the Financed Shares is at least the pro rata percentage of the issued shares of VEDL that ensures that at least 11.5 per cent. (or such other percentage as agreed between the Holders and the Issuer) of the issued shares of VEDL are acquired by the Issuer and/or FICL using the proceeds of all the Notes issued on or before that Issue Date to the extent that the aggregate principal amount of all the Notes is equal to US$1,000,000,000; and……..

……..

9 Interest

9.1 Calculation of Interest

The rate of interest applicable to the Notes for each interest period is 13.20 per cent per annum.

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……

17.20 Legal and beneficial ownership

It is the sole legal and beneficial owner of its assets free from all Security, except for the Security created under the Security Documents or expressly permitted by this Agreement."

Thereafter, on 24.12.2020, a portion of the aforesaid loan proceeds were utilised by the assessee for purchasing 18.5 crore shares of VEDL @ Rs. 160 per share through a bulk deal from the open market.

The aforesaid purchase of shares was also approved by the board of directors of the assessee vide Board Meeting dated 24.12.2020

Subsequently, the assessee had also entered into an unsecured loan facility agreement with effect from 24.12.2020 with VRL in terms of which VRL granted a loan of USD 120 million to the assessee with interest rate @ 13.2 percent per annum. The tenure of the loan was till 21.01.2024. **Copy of the loan agreement was attached as Annexure K vide response dated 03.10.2024.**

Thereafter, on 23.03.2021 the Vedanta group through TSH, Vedanta Mauritius 1 and the assessee launched an open offer to purchase upto 65.1 crore shares of VEDL @ Rs. 235 per share. The said open offer was completed on 16.04.2021 in which 37.42 crore shares were tendered by the public which were purchased by the aforesaid companies in following manner:

Acquirer/ purchaser in open offer	**Shareholding prior to the open offer**	**Number of shares acquired**	**Shareholding post the open offer**
Twin Star Holdings Limited	**1,379,377,457 (37.11%)**	**24,14,43,115 (6.49%)**	**1,620,820,572 (43.60%)**
Vedanta Holdings Mauritius Limited	**Nil (0%)**	**10,73,42,705 (2.89%)**	**107,342,705 (2.89%)**
Vedanta Holdings Mauritius II Limited (Assessee)	**185,000,000 (4.98%)**	**2,54,45,341 (0.68%)**	**210,445,341 (5.66%)**

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Total	**1,564,377,457 (42.09%)**	**374,231,161 (10.07%)**	**1,938,608,618 (52.15%)**

Screenshot of the open offer floated by the Vedanta group is as under (Copy of the same is attached herewith as **Annexure B):**

1	**Name of the Target Company:**	Vedanta Limited
2	**Name of the Acquirer and the PAC:**	Vedanta Resources Limited (**Acquirer**); Twin Star Holdings Limited (**PAC 1**); Vedanta Holdings Mauritius Limited (**PAC 2**); and Vedanta Holdings Mauritius II Limited (**PAC 3**)
3	**Name of the Manager to the Offer:**	J.P. Morgan India Private Limited
4	**Name of the Registrar to the Offer:**	KFin Technologies Private Limited
5	**Offer Details:**	
	a. Date of Opening of the Offer:	Tuesday, March 23, 2021
	b. Date of Closure of the Offer:	Wednesday, April 07, 2021
6	**Date of Payment of Consideration:**	Friday, April 16, 2021
7	**Details of Acquisition:**	

Sl. No	Particulars	Proposed in offer Document	Actuals
7.1	Offer Price (per Equity Share)	INR 235	INR 235
7.2	Aggregate number of Equity Shares tendered in the Offer	651,000,000[1]	374,231,161
7.3	Aggregate number of Equity Shares accepted in the Offer	651,000,000[1]	374,231,161
7.4	Size of the Offer (Number of Equity Shares multiplied by Offer Price)	INR 152,985,000,000[1]	INR 87,944,322,835
7.5	Shareholding of the Acquirer and the PACs before agreements/ public announcement • Number • % of fully diluted voting share capital	**Acquirer:** Nil (0%)[2] **PAC 1:** 1,379,377,457 (37.11%) **PAC 2:** Nil (0%) **PAC 3:** 185,000,000 (4.98%) **Total:** 1,564,377,457 (42.09%)[3]	**Acquirer:** Nil (0%)[2] **PAC 1:** 1,379,377,457 (37.11%) **PAC 2:** Nil (0%) **PAC 3:** 185,000,000 (4.98%) **Total:** 1,564,377,457 (42.09%)[3]
7.6	Equity Shares acquired by way of agreements • Number • % of fully diluted voting share capital	Not Applicable Not Applicable	Not Applicable Not Applicable
7.7	Equity Shares acquired by way of Open Offer • Number • % of fully diluted voting share capital	651,000,000[1] (17.51%)[1]	374,231,161 (10.07%)
7.8	Equity Shares acquired after Detailed Public Statement • Number of Equity Shares acquired • Price of the Equity Shares acquired • % of fully diluted voting share capital	Nil Not Applicable (0.00%)	Nil Not Applicable (0.00%)
7.9	Post Offer shareholding of the Acquirer and the PACs • Number • % of fully diluted voting share capital	2,215,377,457 (59.60%)[1][3][4]	**Acquirer:** Nil (0%) **PAC 1:** 1,620,820,572 (43.60%) **PAC 2:** 107,342,705 (2.89%) **PAC 3:** 210,445,341 (5.66%) **Total:** 1,938,608,618 (52.15%)[5]

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The aforesaid purchase of shares of VEDL through open offer was also approved by the board of directors of the assessee vide Board Meeting dated 16.04.2021.

Further, the assessee had also entered into an unsecured loan facility agreement dated 09.09.2020 with TSH in terms of which TSH granted a loan of USD 100 million to the assessee with interest rate @ 8.03 percent per annum. TSH vide Assignment Agreement dated 15.07.2021, assigned the receivables and obligations under the said agreement to VRL being the parent company of the assessee and TSH. **Copy of the loan agreement was attached as Annexure K vide response dated 03.10.2024.**

The aforesaid loan agreement was also approved by the board of directors of the assessee vide Board Meeting dated 15.12.2021

Subsequently, the assessee also entered into a loan agreement dated 15.12.2021 with FICL in terms of which FICL granted a loan of USD 1.313 billion to the assessee with interest rate @ LIBOR plus 3.75 percent per annum. As per the terms of the Agreement, the loan granted by FICL shall be used by the assessee *"only for inter se share transfer of Vedanta Limited and to settle expenses incidental thereto"*. Copy of the loan agreement was attached as Annexure K vide response dated 03.10.2024.

The aforesaid loan agreement was also approved by the board of directors of the assessee vide Board Meeting dated 15.12.2021.

The loans received by the assessee were utilised for purchasing the shares of VEDL from FICL and Westglobe through bulk deal on the Indian stock exchange the detail of which as under:

Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Remarks
16.12.2021	17,01,16,200	4.58	352.7	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Acquired from FICL
23.12.2021	4,43,43,139	1.19	340.4	Acquired from Westglobe

Consequently, the total shareholding of the assessee in VEDL as on date is as under:

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Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Source of investment	Remarks
24.12.2020	18,50,00,000	4.98	160	Loan form Oaktree	Acquired from market under bulk deal
15.04.2021	2,54,45,341	0.68	235	Loan form Oaktree	Acquired through open offer
16.12.2021	17,01,16,200	4.58	352.7	Loan form FCIL	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Loan form FCIL	Acquired from FICL
23.12.2021	4,43,43,139	1.19	340.4	Loan form FCIL	Acquired from Westglobe
Total	**49,28,20,420**	**13.26**			

It is respectfully submitted that the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. In support of the same, the following may be noted:

- The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber.
- All the board meetings of the assessee are held in Mauritius only. Copy of the board meeting / resolutions relevant to FY 2021-22 was attached as Annexure L vide response dated 03.10.2024.
- The assessee maintains office premises and the same is also mentioned in its official website.
- Control and management of the assessee is situated and shall continue to be situated in Mauritius
- The assessee is the legal and beneficial owner of shares of VEDL

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- The assessee has been subject to enquiry/ scrutiny from the tax authorities in Mauritius and has been regularly depositing taxes (including applicable withholding taxes).
- The assessee maintains a bank account in Mauritius and all income (including dividend income from VEDL) has been received in its bank account in Mauritius. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies. Copy of relevant extract of bank account statement was attached as Annexure B vide response dated 12.01.2024.
- The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius.
- The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius. Copy of audited financial statements for FY 2021-22 were attached as Annexure D vide response dated 08.08.2023.
- The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis.
- The assessee continues to hold the shares in VEDL till date.

Dividends received by the assessee

During the assessment year 2022-23, the assessee received the following dividends from VEDL:

Date of dividend	Amount of dividend per share	Total dividend	Tax paid on the dividend	Rate of deduction of TDS
08.09.2021	18.5	389,32,38,809	58,39,85,821	15%
20.12.2021	13.5	513,75,80,804	25,68,79,040	5%
10.03.2022	13	640,66,65,460	32,03,33,273	5%

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Submission

Section 4 of the Act provides for levy of tax in respect of the total income of the previous year of every person. The scope of total income is defined in section 5 of the Act. Sub-section (2) of the said section dealing with scope of total income of a person who is a non-resident reads as under:

> *"(2) Subject to the provisions of this Act, the total income of any previous year of a person who is a non-resident includes all income from whatever source derived which—*
> *(a) is received or is deemed to be received in India in such year by or on behalf of such person ; or*
> *(b) accrues or arises or is deemed to accrue or arise to him in India during such year."*

In terms of the charging provisions of section 4 read with section 5, which defines the scope of total income in case of a person resident outside India, only income received or deemed to be received in India or income accruing or arising or deemed to accrue or arise in India is taxable in India in the hands of the non-resident under the provisions of the Act.

Taxability of dividend income (relevant in the present case) is determined in terms of section 115A of the Act. The said section provides that income by way of dividend is taxable in the hands of the non-resident @ 20 percent.

Pertinently, provisions of section 90(2) of the Act provides that where India has entered into Double Tax Avoidance Agreement ('DTAA') with the country of residence of the non-resident recipient country, then, in relation to the (non-resident) assessee to whom such agreement applies, the provisions of the Act shall apply to the extent the same are more beneficial to that assessee.

The benefit of the Indo-Mauritius DTAA is available to "persons who are resident of one or both of the contracting States". [Refer: Article 1 of the Tax Treaty]

Paragraph 1(e) of Article 3 of the Tax Treaty defines the term 'person' to include, inter alia, "a company and any other entity, corporate or non-corporate, which is treated as a taxable unit under the taxation laws in force in the respective Contracting States".

Article 4(1) of the Tax Treaty provides that the term "resident of a Contracting State" means

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any person who, under the laws of that State, "is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of similar nature".

The assessee is a GBC domiciled in Mauritius, holding valid tax residency certificate. The control and management of the assessee is in Mauritius and the assessee is liable to tax in

Mauritius on its worldwide income. Having regard to the aforesaid, the assessee, is, in our respectful submission, tax resident of Mauritius and, therefore, entitled to the benefits under the Tax Treaty.

The taxability of dividend income arising to a resident of Mauritius is governed by Article 10 of the Tax Treaty, which reads as under:

"ARTICLE 10
DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed—

(a) ***five per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends*** *;*

(b) *fifteen per cent of the gross amount of the dividends in all other cases.*

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. Notwithstanding the provisions of paragraph (2), dividends paid by a company which is a resident of Mauritius to a resident of India may be taxed in Mauritius and according to the laws of Mauritius, as long as dividends paid by companies which are residents of Mauritius are allowed as deductible expenses for determining their taxable profits. However, the tax charged shall not exceed the rate of the Mauritius tax on profit of the company paying the dividends.

4. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting State of which the company making the distribution is a resident.

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> *5. The provisions of paragraphs (1), (2) and (3) shall not apply if the beneficial owner of the dividends, being a resident of the Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein or performs in that other State independent personal services from a fixed base situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of article 7 or article 14, as the case may be, shall apply.*

In terms of Article 10 of the India-Mauritius DTAA, tax in India on dividends in the hands of the recipient Mauritian shareholders would not exceed 5% of the gross amount of the dividend if the beneficial owner is a company which holds directly at least 10 per cent of the share capital of the Indian company paying the dividends. In all other cases, the dividend income is taxable @ 15% of such dividend income.

In the present case, the assessee is a tax resident of Mauritius. Till November 2021, the assessee held 5.66% shares in VEDL and with effect from 16.12.2021, the assessee held more than 10% shareholding in VEDL which it continues to hold till date. Accordingly, the dividends received by the assessee after 16.12 2021 have been offered to tax in India @5 percent in terms of Article 10 of the DTAA.

In order that benefit of the concessional rate of tax (5%) under the DTAA is available to the recipient, it needs to be established that – (i) the recipient is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA and (ii) the recipient is the beneficial owner of the dividend income.

Re: The assessee is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA

Re: TRC being sufficient evidence to claim benefit under the DTAA

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Section 90 and section 90A of the Act have been amended vide Finance Act, 2012 to make submission of TRC containing prescribed particulars, as a necessary condition for availing benefits under the DTAA. Accordingly, in view of provision of section 90(4) and section 90A(4) read with Rule 21AB of the Income Tax Rules, 1962 (" **Rules**") wherever the benefit of the Tax Treaty is sought to be obtained, it will be imperative for the deductor payer to obtain TRC and declaration in Form 10F from the non-resident before making payment.

It is respectfully submitted that, in case of a non-resident, TRC is a sufficient evidence to claim tax residency and benefits (if any) under the applicable DTAA.

The Central Board of Direct Taxes ("CBDT") issued **Circular No. 789 dated 13 April 2000**, wherein it was clarified that TRC issued by the Government of Mauritius is sufficient evidence of the residential status of a person and, consequently, the Revenue cannot require a Mauritian resident to adduce further evidence to justify control and management of the Mauritian company. The said Circular reads as under:

> ***"734. Clarification regarding taxation of income from dividends and capital gains under the Indo-Mauritius Double Tax Avoidance Convention (DTAC)***
> ***1.*** *The provisions of the Indo-Mauritius DTAC of 1983 apply to 'residents' of both India and Mauritius. Article 4 of the DTAC defines a resident of one State to mean "any person who, under the laws of that State is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of a similar nature." Foreign Institutional Investors and other investment funds, etc., which are operating from Mauritius are invariably incorporated in that country. These entities are 'liable to tax' under the Mauritius Tax law and are, therefore, to be considered as residents of Mauritius in accordance with the DTAC.*
>
> ***2.*** *Prior to 1-6-1997, dividends distributed by domestic companies were taxable in the hands of the shareholder and tax was deductible at source under the Income-tax Act, 1961. Under the DTAC, tax was deductible at source on the gross dividend paid out at the rate of 5% or 15% depending upon the extent of shareholding of the Mauritius resident. Under the Income-tax Act, 1961, tax was deductible at source at the rates specified under section 115A, etc. Doubts have been raised regarding the taxation of dividends in the hands of investors from Mauritius.* ***It is hereby clarified that wherever a Certificate of Residence is issued by the Mauritian Authorities, such Certificate will constitute sufficient evidence for accepting the status of residence as well as beneficial ownership for applying the DTAC accordingly.***

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> ***3. The test of residence mentioned above would also apply in respect of income from capital gains on sale of shares. Accordingly, FIIs, etc., which are resident in Mauritius would not be taxable in India on income from capital gains arising in India on sale of shares as per paragraph 4 of article 13."***

The Delhi High Court on a writ petition challenging Circular No. 789 dated 13th April, 2000 by way of public interest litigation, quashed the Circular as ultra vires on numerous grounds.

On further appeal, the Supreme Court in the case reported as **Union of India and Another vs. Azadi Bachao Andolan and Another : 263 ITR 706** reversing the order of the Delhi High Court upheld the validity of Circular No. 789 observing as under:

> "… …. … *As early as on March 30, 1994, the CBDT had issued circular no.682 in which it had been emphasised that any resident of Mauritius deriving income from alienation of shares of an Indian company would be liable to capital gains tax only in Mauritius as per Mauritius tax law and would not have any capital gains tax liability in India. This circular was a clear enunciation of the provisions contained in the DTAC, which would have overriding effect over the provisions of sections 4 and 5 of the Income-tax Act, 1961 by virtue of section 90(1) of the Act.* ***If, in the teeth of this clarification, the assessing officers chose to ignore the guidelines and spent their time, talent and energy on inconsequtial matters, we think that the CBDT was justified in issuing 'appropriate' directions vide circular no.789, under its powers under section 119, to set things on course by eliminating avoidable wastage of time, talent and energy of the assessing officers discharging the onerous public duty of collection of revenue***.

The Supreme Court further observed that:

> *"Many developed countries tolerate or encourage treaty shopping, even if it is unintended, improper or unjustified, for other non-tax reasons, unless it leads to a significant loss of tax revenues. Moreover, several of them allow the use of their treaty network to attract foreign enterprises and offshore activities. Some of them favour treaty shopping for outbound investment to reduce the foreign taxes of their tax residents but dislike their own loss of tax revenues on inbound investment or trade of non-residents. In developing countries, treaty shopping is often regarded as a tax incentive to attract scarce foreign capital or technology. They are able to grant tax concessions exclusively to foreign investors over and above the domestic tax law provisions. In this respect, it does not differ much from other similar tax incentives given by them, such as tax holidays, grants, etc.*
>
> *Developing countries need foreign investments, and the treaty shopping opportunities can be an additional factor to attract them. The use of Cyprus as a treaty haven has helped capital inflows into eastern Europe. Madeira (Portugal) is attractive for investments into the European Union. Singapore is*

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> *developing itself as a base for investments in South East Asia and China. Mauritius today provides a suitable treaty conduit for South Asia and South Africa. In recent years, India has been the beneficiary of significant foreign funds through the "Mauritius conduit". Although the Indian economic reforms since 1991 permitted such capital transfers, the amount would have been much lower without the India-Mauritius tax treaty. 124. Overall, countries need to take, and do take, a holistic view. The developing countries allow treaty shopping to encourage capital and technology inflows, which developed countries are keen to provide to them. The loss of tax revenues could be insignificant compared to the other non-tax benefits to their economy. Many of them do not appear to be too concerned unless the revenue losses are significant compared to the other tax and non-tax benefits from the treaty, or the treaty shopping leads to other tax abuses.*
>
> .....
>
> *If the Court finds that notwithstanding a series of legal steps taken by an assessee, the intended legal result has not been achieved, the Court might be justified in overlooking the intermediate steps, but it would not be permissible for the Court to treat the intervening legal steps as non-est based upon some hypothetical assessment of the 'real motive' of the assessee. In our view, the court must deal with what is tangible in an objective manner and cannot afford to chase a will-o'-the-wisp."*

Repelling the contention that the decision in the case of Azadi Bachao Andolan (supra) required reconsideration, the apex Court in the case of **Vodafone Holdings BV vs. UOI: 341 ITR 1 (SC)** held that the dictum laid down in the said judgement was still good law. The Court further observed that it is a common practice for foreign investors to invest in Indian companies through foreign subsidiaries set up in Cayman Islands or Mauritius for both tax and business purposes; in doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. Relevant extracts of the decision are as under:

> *"68. The common law jurisdictions do invariably impose taxation against a corporation based on the legal principle that the corporation is "a person" that is separate from its members. It is the decision of the House of Lords in Salomon v. Salomon (1897) A.C. 22 that opened the door to the formation of a corporate group. If a "one man" corporation could be incorporated, then it would follow that one corporation could be a subsidiary of another. This legal principle is the basis of Holding Structures. It is a common practice in international law, which is the basis of international taxation, for foreign investors to invest in Indian companies through an interposed foreign holding or operating company,*

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such as Cayman Islands or Mauritius based company for both tax and business purposes. In doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. However, taxation of such Holding Structures very often gives rise to issues such as double taxation, tax deferrals and tax avoidance. In this case, we are concerned with the concept of GAAR. In this case, we are not concerned with treatyshopping but with the anti-avoidance rules. The concept of GAAR is not new to India since India already has a judicial anti-avoidance rule, like some other jurisdictions. Lack of clarity and absence of appropriate provisions in the statute and/or in the treaty regarding the circumstances in which judicial anti-avoidance rules would apply has generated litigation in India. Holding Structures are recognized in corporate as well as tax laws. Special Purpose Vehicles (SPVs) and Holding Companies have a place in legal structures in India, be it in company law, takeover code under SEBI or even under the income tax law.

…….

79. When it comes to taxation of a holding structure, at the threshold, the burden is on the Revenue to allege and establish abuse, in the sense of tax avoidance in the creation and/or use of such structure(s). In the application of a judicial anti avoidance rule, the Revenue may invoke the "substance over form" principle or "piercing the corporate veil" test only after it is able to establish on the basis of the facts and circumstances surrounding the transaction that the impugned transaction is a sham or tax avoidant. To give an example, if a structure is used for circular trading or round tripping or to pay bribes then such transactions, though having a legal form, should be discarded by applying the test of fiscal nullity. Similarly, in a case where the Revenue finds that in a holding structure an entity which has no commercial/business substance has been interposed only to avoid tax then in such cases applying the test of fiscal nullity it would be open to the Revenue to discard such interpositioning of that entity. However, this has to be done at the threshold.

80. In this connection, we may reiterate the "look at" principle enunciated in Ramsay [1982 AC 300 : (1981) 2 WLR 449 : (1981) 1 All ER 865 (HL)] in which it was held that the Revenue or the Court must look at a document or a transaction in a context to which it properly belongs to. It is the task of the Revenue/Court to ascertain the legal nature of the transaction and while doing so it has to look at the entire transaction as a whole and not to adopt a dissecting approach. The Revenue cannot start with the question as to whether the impugned transaction is a tax deferment/saving device but that it should apply the "look at" test to ascertain its true legal nature [see Craven v. White (Stephen) [1989 AC 398 : (1988) 3 WLR 423 : (1988) 3 All ER 495 (HL)] which further observed that genuine strategic tax planning has not been abandoned by any decision of the English Courts till date].

81. Applying the above tests, we are of the view that every strategic foreign direct investment coming to India, as an investment destination, should be seen in a holistic manner. While doing so, the Revenue/courts should keep in mind

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> *the following factors: the concept of participation in investment, the duration of time during which the holding structure exists; the period of business operations in India; the generation of taxable revenues in India; the timing of the exit; the continuity of business on such exit.*
> *82. In short, the onus will be on the Revenue to identify the scheme and its dominant purpose. The corporate business purpose of a transaction is evidence of the fact that the impugned transaction is not undertaken as a colourable or artificial device. The stronger the evidence of a device, the stronger the corporate business purpose must exist to overcome the evidence of a device."*
> ***97. We are, therefore, of the view that in the absence of LOB Clause and the presence of Circular No. 789 of 2000 and TRC certificate, on the residence and beneficial interest/ownership, tax department cannot at the time of sale/disinvestment/exit from such FDI, deny benefits to such Mauritius companies of the Treaty*** *by stating that FDI was only routed through a Mauritius company, by a company/principal resident in a third country; or the Mauritius company had received all its funds from a foreign principal/company; or the Mauritius subsidiary is controlled/managed by the Foreign Principal; or the Mauritius company had no assets or business other than holding the investment/shares in the Indian company; or the Foreign Principal/100% shareholder of Mauritius company had played a dominant role in deciding the time and price of the disinvestment/sale/transfer; or the sale proceeds received by the Mauritius company had ultimately been paid over by it to the Foreign Principal/ its 100% shareholder either by way of Special Dividend or by way of repayment of loans received; or the real owner/beneficial owner of the shares was the foreign Principal Company. Setting up of a WOS Mauritius subsidiary/SPV by Principals/genuine substantial long term FDI in India from/through Mauritius, pursuant to the DTAA and Circular No. 789 can never be considered to be set up for tax evasion."*

Reference is further made to the decision of the Delhi High Court in the case of **Blackstone Capital Partners (Singapore) Vi Fdi Three Pte Ltd. v. ACIT (International Taxation) : 452 ITR 111 (Delhi)**. In that case, the assessee, a company incorporated in Singapore, had sold certain shares for consideration and claimed the gains earned therefrom to be exempt in India by virtue of Article 13(4) of India-Singapore DTAA based on TRC.

Quashing the notice issued under section 148 of the Act to bring to tax capital gains arising from sale of shares, the High Court held that the attempt of the Revenue in seeking to question the TRC was wholly contrary to the Government of India's repeated assurances to foreign investors by way of CBDT Circulars as well as press releases and legislative amendments and decisions of the Courts in **Union of India v. Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V. vs. Union of India: (Supra), CIT(International Taxation v. JSH (Mauritius) Ltd.** [2017] 84 taxmann.com 37/297 CTR 275 (Bom.) and **Sanofi Pasteur**

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Holding SA v. Department of Revenue, Ministry of Finance [2013] 30 taxmann.com 222/213 Taxman 504/354 ITR 316 (AP.).

While reaching the above conclusion, the High Court carried out detailed analysis of the relevant articles of the Mauritius/Singapore Tax Treaty, judicial precedents of the Supreme Court / High Court and the Circulars issued by the CBDT in this regard. The High Court concluded that statutorily, TRC is the only evidence required to be eligible for benefit under the tax treaty and the Revenue's attempt to question and go behind the same is wholly contrary to the Government's consistent policy and repeated assurances to foreign investors, taking note of the following:

(i) The Punjab & Haryana High Court in the case of **Serco BPO (P) Ltd v. Authority of Advance Rulings, New Delhi: 379 ITR 256,** after tracing the entire history of CBDT Circulars, legislative amendments and judicial pronouncement, held that TRC is sufficient to claim relief under the tax treaty. The High Court further pointed out that vide Finance Bill, 2013 section 90(5) was proposed to be introduced to provide that *"the certificate of being a resident in a country outside India or specified territory outside India, as the case may be, referred to in sub-section (4), shall be necessary but not a sufficient condition for claiming any relief under the agreement referred to therein*."; the proposed sub section (5) to section 90 of the Act was not implemented since the Parliament was conscious of Circular No. 789 of 2000 and vide Circular dated 02.03.2013 clarified that the said Circular no. 789 dated 13.4.2000 shall continue to be in force. The aforesaid decision of Serco BPO (supra) has been accepted by Revenue and the same was not challenged before the Supreme Court.

(ii) As early as March 30, 1994**, CBDT issued Circular No. 682** in which it was emphasized that any resident of Mauritius deriving income from alienation of shares of an Indian company would be liable to capital gains tax only in Mauritius as per Mauritius tax law and would not have any capital gains tax liability in India. The said Circular was a clear enunciation of the provisions contained in the DTAA, which would have overriding effect over the provisions of sections 4 and 5 of the

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(iii) Act by virtue of section 90 of the Act.

(iv) The CBDT vide **Circular No. 789 dated 13th April 2000** once again clarified that the TRC shall serve as sufficient evidence of the taxpayer's residence and beneficial ownership for applying the DTAA.

(v) The Supreme Court, in the case of **Azadi Bachao Andolan** (supra), upheld the validity and efficacy of the **Circular No. 682 dated 30 March 1994 and the Circular No. 789 dated 13th April 2000**, issued by the CBDT. The apex Court further held that the certificate of residence is conclusive evidence for determining the status of residence and beneficial ownership of an asset under the DTAA; the Revenue authorities were obliged to grant tax treaty relief to Mauritius entities so long as such persons were tax resident in Mauritius as confirmed by the Mauritius Revenue Authorities; that it was the only condition required to be satisfied to claim treaty relief; that there were no other provisions either in the domestic law or the tax treaty that permitted the Revenue authorities to exercise any discretion in disregarding the provisions of the Tax Treaty.

(vi) In the Finance Bill, 2013 as introduced in the Lok Sabha on 28th February, 2013, the Union of India sought to insert sub-section (5) in section 90 of the Act to stipulate precisely that submission of TRC shall be a necessary eligibility condition for availing the benefit of the DTAA.

(vii) The Finance Minister vide Press release dated 1st March, 2013 clarified, "*The Tax Residency Certificate produced by a resident of a contracting state will be accepted as evidence that he is a resident of that contracting state and the Income-tax Authorities in India will not go behind the TRC and question his resident status*". Consequently, the Government of India vide Press Release dated 1st March, 2013 once again reiterated that TRC shall be treated as a sufficient condition for claiming relief under the DTAA.

The aforesaid decision of **Blackstone Capital Partners** (supra) has been followed by various benches of the Courts/ Tribunals Ain the following cases where it has been held that TRC is

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sufficient evidence to claim the relief under the applicable Tax Treaty:

- Reverse Age Health Services Pte Ltd. V. DCIT: 147 taxmann.com 358 (Del)
- Sapein Funds Ltd. v. CIT: 153 taxmann.com 60 (Del)
- Sarva Capital LLC v. ACIT: 153 taxmann.com 618 (Del)
- Saif II-Se Investments Mauritius Ltd. v. ACIT: 154 taxmann.com 617 (Del)

Reference is further made to the recent decision of the Delhi High Court in the case of **Tiger Global International III Holdings v. AAR:165 taxmann.com 850 (Delhi) dated 28.08.2024**. The facts in that were that the assessee was a tax resident of Mauritius and held a Category 1 Global Business License and a TRC issued by the Mauritian authorities; the immediate shareholders of the assessee were also Mauritian companies which, in turn, were part of a foreign private equity fund ('The PE Fund); the PE Fund had raised funds from several investors across the globe; US-based group company was the investment manager of the fund (with no investment in the taxpayer). The assessee had acquired shares of a Singapore based company before 1 April 2017; the Singapore company had investment in the shares of the Indian companies; in 2018, the assessee sold shares of the Singapore company which derived their value substantially from the assets in India.

The assessee filed an application before the AAR to determine the tax implications in India considering that gains arising from the sale of shares are not taxable in India as per the India Singapore Tax Treaty. The AAR held that the transaction was designed for the avoidance of tax and rejected the application filed by the assessee.

The High Court held that TRC issued by a jurisdiction is 'sacrosanct' sans tax fraud/sham transaction proof presented by Revenue and it would be impermissible for the Revenue to manufacture additional roadblocks or standards that parties would be required to meet in order to avail of the Tax Treaty, as it would be contrary to the CBDT Circulars as well as decisions of the Courts in **Union of India v. Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V. vs. Union of India: (Supra).**

While reaching the above conclusion, the High Court observed as under:

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- **Law does not presume tax evasion** - It is always open for the multinational to expand their activities and presence in various markets by choosing a tax neutral and investor friendly jurisdiction; the law does not raise a presumption of tax evasion, treaty abuse, illegality, or disreputability to the foreign investments made through entities domiciled in Mauritius, nor such entities are obliged to satisfy a separate/stricter standard of legitimacy.

- **TRC as sufficient evidence** - The High Court referring to CBDT Circular No. 789 and clarification issued by the Finance Ministry that the TRC will be accepted as sufficient evidence for the treaty benefit and the Revenue will not question or go behind the TRC observed that taking any other view would result in erosion of faith and the trust reposed by the parties to the treaty in each other; Treaty shopping should not be frowned upon unless there is tax evasion and is contrary to the underlying and stated objectives of the treaty countries; the Indian Government appears to have accepted the legal position as enunciated in **Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V (supra)** that the invocation of the substance over form principle should be confined to extreme cases.

- **Beneficial ownership** – Concluding that the allegation that the assessee was not a beneficial owner was thoroughly misconceived and untenable, the High Court held that the beneficial ownership test requires determination as to whether the recipient of income holds the income in the capacity of an administrator/trustee or has no right or control over the income or merely holds the income to be deployed on the instruction of another; the Revenue failed to substantiate that the assessee was under a contractual or legal obligation to remit its revenue to the US company; the entire case against the assessee was based on the erroneous and factually unsustainable premise that the US company was the holding company of the taxpayer and controlled major decisions taken by the assessee; and the Revenue failed to prove that the US company was the beneficial owner of investments made by the assessee.

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- **Applicability of GAAR -** When the Treaty was renegotiated, and the LOB provisions were incorporated in the treaty in 2016, GAAR and indirect transfer provisions had already been enacted in the Act. India and Mauritius were aware of the GAAR provisions and indirect transfer provisions, but still chose to grandfather the gains from the shares acquired prior to 1 April 2017. The LOB clause was restricted to shares acquired after that date. This is also evident from the grandfathering provisions in the domestic GAAR (Rule 10U(1)(d) of the Rules).

  The Revenue argued that the GAAR provision will apply to the transaction irrespective of the taxpayer's reliance on the grandfathering clause of the treaty and that even though an arrangement was entered into prior to 1 April 2017, any tax benefit from an arrangement on or after 1 April 2017 would be subject to the GAAR provisions as per Rule 10U(2) which overrides Rule 10U(1)(d) of the Rules. The High Court rejected the Revenue's argument and held that it would result in sub-rule (2) taking away what stood saved in Rule 10U(1)(d) of the Rules and further observed that the term 'without prejudice' is intended to mean that sub-rule (2) would operate in contingencies not contemplated by sub-rule (1)(d) of Rule 10U of the Rules.

  Importantly, the High Court observed that the domestic tax legislation cannot be interpreted in a manner which brings it in direct conflict with a treaty provision or with an overriding effect over the treaty provisions, as it would amount to accepting the right of one country to unilaterally amend the treaty provisions.

The Bombay High Court in the case of **Indostar Capital vs. ACIT: 105 taxmann.com 96 (Bom.)** wherein the Court on the argument of the Revenue that TRC is not sufficient evidence held that in case the transaction is fraudulent or fictitious, the Court can go beyond the requirement to obtain TRC and ascertain economic substance of the company. Relevant observations of the Court are as under:

> *21…… Legal position that the Assessing Officer has taken, cannot be grudged. Despite the existence of DTAA, despite the availability of the TRC of the petitioner issued by the Mauritius Authorities and despite the CBDT circular*

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that such certificate as long as in operation would be a valid consideration for applying the DTAA, it is not that as laid down by the Supreme Court through series of judgments has shut out the case of the revenue totally when it comes to a fraudulent or fictitious transaction

"23……..Mere fact that the assessee company has not transacted any other business by itself may not be conclusive. The reference to the assessee unable to produce TRC of the companies which hold shares in the assessee company is erroneous. The petitioner would point out that such certificates were produced before the Assessing Officer. The observation that mere transfer of money though banking channel would not be conclusive, maybe quite correct but the same cannot be a ground against the assessee unless there is adverse material. It is true that the extent of administrative expenditure and the employment structure maybe some of the factors which eventually would go to establish whether the transaction was sham and the very existence of the assessee was fraudulent, however by themselves may not be sufficient. All these aspects can and need to be gone into in the assessment proceedings."

Caveat to the aforesaid effect was also added by the Delhi High Court in the case of *Tiger Global (supra)* observing as under:

199. The significance and the salutary purpose underlying the issuance of a TRC cannot be overemphasized. Its importance stands duly acknowledged by the Union Government itself as is manifest from a reading of Circular 789 of 2000. Of equal import is the withdrawal of the amendments which were proposed to be introduced in Section 90 and were ultimately shelved. It becomes important to note that a TRC once found to have been issued by the competent authority must be accorded due weightage and its sanctity duly acknowledged. The TRC represents the first level of certification of the holder being a bona fide business entity domiciled in the Contracting State. The issuance of a TRC constitutes a mechanism adopted by the Contracting States themselves so as to dispel any speculation with respect to the fiscal residence of an entity. It therefore can neither be cursorily ignored nor would the Revenue be justified in doubting the presumption of validity which stands attached to that certificate bearing in mind the position taken by the Union itself of it constituting —sufficient evidence‖ of lawful and bona fide residence. Taking any other view would clearly be destructive of what Serco BPO aptly described as resulting in an erosion of faith and the trust reposed by the parties to the convention in each other.
200. Regard must also be had to the fact that when Vodafone was rendered, the DTAA was yet to incorporate provisions regulating entitlement of benefits. The TRC concept came to be adopted subsequently followed by the incorporation of a specific LOB clause in the Treaty itself. The observations appearing in Vodafone are thus liable to be appreciated bearing in mind the crucial

amendments which have subsequently come to be included in the DTAA. Even otherwise the observations appearing in Vodafone in the context of piercing of the corporate veil and the extent to which the Revenue could enquire and investigate despite a TRC were confined to cases of tax fraud, sham

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> *transactions, where the entity has no vestige of economic substance or the transaction is alleged to be aimed at camouflaging an illegality. These charges if raised would have to meet an extremely high and exacting standard of proof, since expressions such as fraud or sham though loosely used in common parlance, have a specific connotation in law. The Revenue would thus have to base such an allegation on cogent and convincing evidence as opposed to a mere conjecture, doubt or a perceived need to investigate and enquire. Such an allegation would have to be established at the outset itself before the Revenue being recognised as entitled to discard the presumption of validity which would spring into existence once a TRC is produced and the LOB conditions shown to be fulfilled."*

Accordingly, in view of the above and having regard to the entire sequence of events, namely, the Finance Bill, 2013, the clarification issued by the Finance Ministry regarding the TRC dated March 1, 2013 and the Finance Act, 2013, TRC issued by the appropriate tax authorities of other tax jurisdictions should be accepted as the basis for allowing benefit of the applicable tax treaty to the person holding valid TRC.

Accordingly, since the assessee holds a valid TRC issued by the Mauritian tax authorities and is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA.

In this regard, reliance in placed on the ruling in the case of ***Bid Services Division (Mauritius) Ltd. vs. AAR*** **[2023] 148 taxmann.com 215 (Bom)** wherein, dealing with an identical issue, the Hon'ble Bombay High Court held as follows:

> *"47. Reference has been made to article 27A of the Mauritius DTAA on LOB which was inserted by Notification dated 10th August, 2016 by amending the said DTAA pursuant to which shell/ conduit companies claiming residence of a contracting State shall not be entitled to benefits of the convention……*
>
> *48. It is observed that this Article disentitles benefits of Article 13(3B) if the affairs were arranged for the primary purpose to take advantage of the benefits of Article 13(3B). The Article has been inserted with effect from 1st April 2017. According to this Article, with effect from 1st April 2017, a shell or conduit company that claims to be a resident of a contracting State shall not be entitled to benefits of Article 13(3B).*
>
> *49. The Petitioner has also made reference to Press Release dated 29th August 2016*
>
> *issued by CBDT post amendment to Mauritius DTAA which was effective from 1st April 2017. ……*
>
> *50. The said press release expressly provides for grandfathering of capital gains*

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exemption provided under the erstwhile Mauritius DTAA. The protocol provides for source-based taxation of capital gains arising from alienation of shares acquired with effect from 1st April 2017 in a company resident in India viz. from Financial Year 2017-18. Investments made before 1st April 2017 have been grandfathered and will not be subject to capital gains taxation in India.

51. The Authority appears to have clearly missed the clear import of this Circular as the entire sale by the Petitioner was prior to 1st April, 2017. The arguments of the Revenue with respect to shell company/ conduit can only be considered for investments with effect from 1st April 2017 and not the case at hand."

Re: Recipient (the assessee) is the beneficial owner of the dividend income received from VEDL

The term "beneficial owner" is not defined in the Tax Treaty. The OECD Model Tax Commentary, 2017 on Article 10(2) provides that the term "*beneficial owner*" is not used in a narrow technical sense; rather, it should be understood in its context, in particular in relation to the words ***"paid … to a resident"***, and in light of the object and purpose of the DTAA. The Commentary further provides that in instances of agent, nominee, conduit company acting as a fiduciary, the direct recipient of dividend is not the beneficial owner because the recipient's right to use and enjoy the dividends is constrained by a contractual or legal obligation to pass on the payment received to another person.

Further, the OECD Report 2010 on "The Granting of Treaty Benefits with respect to the Income of Collective Investment Vehicles" observes that in order to qualify as a "beneficial owner", only one of the two tests needs to be satisfied, viz. the beneficial owner should be in position to decide (i) whether or not the asset should be used or made available for use by others; or (ii) on how the yields therefrom should be used or (iii) both. In other words, the 'beneficial owner' is he who is free to decide (i) whether or not the capital or other assets should be used or made available for use by others or (ii) on how the yields therefrom be used or (iii) both.

The Protocol dated 30 August 2010 to the India-Switzerland Tax Treaty (1994) deals with "conduit arrangements" as follows:

"The provisions of Articles 10… shall not apply in respect to any dividend … paid under, or as part of a conduit arrangement. The term 'conduit arrangement' means a transaction or series of transactions which is constructed in such a way that a resident of a Contracting State entitled to

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> *benefits of the Agreement receives an item of income arising in the other contracting state but that resident pays, directly or indirectly, all or substantially all of that income (at any time or in any form) to another person who is not a resident of either contracting state and who, if it received that item of income directly from the other contracting state, would not be entitled under a Convention or Agreement for the avoidance of double taxation between the State in which that other person is resident and the Contracting State in which the income arises, or otherwise, to benefits with respect to that item of income which are equivalent to, or more favorable than, those available under this Agreement to a resident of a contracting ; and the main purpose of such structuring is obtaining benefits under this Agreement".*

The purpose of the "beneficial ownership" test, in other words, is to prevent tax avoidance in source state by persons not entitled to protection by a particular treaty but claiming the same with the help of interposed entities. In such circumstance, benefit of the treaty may be denied where "beneficial owner" is not a resident of the other state (State R) even if intermediary collecting evidence is its "resident". However, an interposed entity/intermediary will be the "beneficial owner" if there is a business reason to place it between the payer and the final recipient of the dividends beyond the reduction of tax in source state. *[Refer: IBFD Case No. 283314 (Supreme Court of France) and IBFD Case No. 1110/2003 (National Court of Spain)]*

The US Model Commentary, dated 2006, observes that a person is not a "beneficial owner" of shares if that person receives dividend or sale proceeds nominally instead of for his own use and enjoyment and does not assume complete risk, dominion, and control over such funds.

The Delhi High Court in the case of **CIT vs. Fujitsu America Inc: 452 ITR 311**, was considering a case wherein a company incorporated under the laws of United States of America, rendered branding and management services to an Indian entity. The assessing officer sought to tax the said receipts on gross basis, while denying the assessee the benefit of the India-USA DTAA alleging that the assessee had back-to-back arrangement of passing on fee received to its holding company. The Court taking note of the concurrent findings of fact, namely, that (i) the assessee was playing the role of a service provider after procuring the same from other group companies and had dominion over the fees received; (ii) there was no back-to-back arrangement; (iii) in order to deny the assessee the status of beneficial owner, the assessing officer had to find that the assessee was either an agent or conduit for the holding company, held that since there was no back-to-back arrangement and the assessee had

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dominion and control over the fees received, the assessee company was entitled to status of 'beneficial owner'.

Reference is made to the recent decision of the Delhi High Court in the case of **Tiger Global International III Holdings v. AAR:165 taxmann.com 850 (Delhi)** wherein the Court held that the allegation that the assessee was not a beneficial owner was thoroughly misconceived and untenable, since the beneficial ownership test requires determination as to whether the recipient of income holds the income in the capacity of an administrator/trustee or has no right or control over the income or merely holds the income to be deployed on the instruction of another; the Revenue failed to substantiate that the assessee was under a contractual or legal obligation to remit its revenue to the US company; the entire case against the assessee was based on the erroneous and factually unsustainable premise that the US company was the holding company of the taxpayer and controlled major decisions taken by the assessee; and the Revenue failed to prove that the US company was the beneficial owner of investments made by the assessee. Relevant observations of the Court are reproduced below:

> *"242. As is manifest from the aforesaid passages and the views expressed by leading authorities on international tax planning, emphasis is essentially laid on the facet of ownership attributes. The views so expressed thus bid us to discern a legal obligation which binds the recipient to forward the income to another person. The views expressed commends the question to be posed being whether the intermediary could claim the income for its own account and benefit. It thus proposes that if it were found that the conduit was able to avail the income itself, and was not contractually obligated to forward that income to another person, it would clearly be incorrect to impute the principles of beneficial ownership in such a contextual setting. The core of the aforesaid precepts would appear to be aspects of ownership and control over the income, a right of disposal or a contractual obligation to pass on the same to another. 243. Both Vogel and Baker thus bid us to ascertain and discern the true controller of the income, the entity which decides the use of the asset and the income and which could also include an administrator or trustee. Tested on the basic rule of substance over form, the concept of beneficial owner would get attracted to cases where the recipient of income or the holder of the asset is found to be merely the ostensible depository and which may hold the income either in the capacity of an administrator or even as a trustee. For this charge to be accepted, it would have to be established that the recipient or holder of income has no right or control over the income and merely holds the same to be deployed on the instruction of another. While the obligation*
>
> *to forward the income or gain may be either legal or contractual dependent upon the position of parties, it would certainly require a finding on fact that the income is held*

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at the behest of another, is controlled and regulated by a third party entity and the ostensible owner having no real or substantive control over the same.
244. Tested on the aforesaid precepts, it becomes manifest that the allegation of the revenue earned from the transfer of shares being beneficially held by the petitioner, TG III and TG IV is thoroughly misconceived and untenable. Thus since the respondents do not rest or found this allegation on any material or evidence which may be read as even remotely suggestive of the petitioners being under a contractual or legal obligation to transmit the revenues to TGM LLC. The respondents also do not base these submissions on any material which may have tended to indicate that the revenue obtained from the transfer of shareholding was an action undertaken by the writ petitioners acting for and on behalf of TGM LLC. In fact and as was noted by us in the preceding parts of this decision, the allegation of beneficial ownership itself rested on straws with the respondents still seeking to discover the ultimate beneficiaries of the revenue earned from the transfer of shares."

Further, the Delhi Tribunal in the case of **Little Fairy Limited vs. ACIT: ITA No. 1513/Del/2022)** while examining whether the assessee, a tax resident of Cyprus as per Article 4 of India-Cyprus DTAA, was the beneficial owner of interest income earned by it on Compulsory Convertible Debentures, held that since the assessee had the complete right to receive the said interest income and was under no compulsion or contractual obligation to simultaneously pass on the same to another entity, it would be held as the beneficial owner entitled to being taxed at a concessional rate as provided under Article 11(2) of India-Cyprus Treaty. The relevant extracts of the decision are reproduced below:

"9. It is not in dispute that assessee is a tax resident of Cyprus as per Article 4 of India-Cyprus Double Taxation Avoidance Agreement (DTAA). The assessee also furnished the tax residency certificate issued by Republic of Cyprus, Ministry of Finance clearly stating that its worldwide income is liable to income tax in accordance with income tax law and Republic of Cyprus. This tax residency certificate issued for the fiscal years 2016 and 2017 are enclosed in pages 8 and 9 of the paper book. The assessee pleaded that it would be entitled for the benefit provided in India-Cyprus DTAA. The assessee had determined the taxability of the interest income arising in India to a resident of Cyprus to be taxed in India @10% of the gross amount of interest if the beneficial owner of the interest income is a resident of Cyprus. As stated in the earlier part of this order, the assessee had got complete control over the interest income on investment in CCDs and is free to enjoy the same as per its own wish. The assessee is not obliged to pass on the same to any other person. Hence, it could be safely concluded that the assessee is indeed the beneficial owner of such interest income and as per Article 11(2) of India-Cyprus treaty, the same would be taxed in India @10% as all the conditions stipulated in Article 11(2) are complied with. We find that the ld AO had denied this benefit to the assessee. We find that the ld AO had denied the benefit of

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applicability of Circular 789 dated 13.04.2000 in the context of India-Mauritius Treaty to the facts of the instant case. In this regard, the ld AO stated that the Circular 789 was only regarding India-Mauritius and Hon'ble Supreme Court in the case of Azadi Bachao Andolan reported in 263 ITR 706 (SC) had decided the issue in the same context, and accordingly, the benefit of the India-Mauritius Treaty cannot be made applicable to India-Cyprus Treaty. The AR placed reliance on the decision of the coordinate bench decision of Mumbai Tribunal in the case ADIT Vs. Universal International Music BV reported in 45 SOT 219 (Mum), wherein, it was held that the tax residency certificate issued by the tax authority of Netherland is sufficient evidence of the beneficial ownership as per Circular No. 789 dated 13.04.2000. This ruling of the Mumbai Tribunal was confirmed by the Hon'ble Bombay High Court which is reported in 31 taxmann.com 223 (Bombay), wherein it was held that the assessee which is incorporated under the laws of Netherland and being beneficial owner of royalty receipts in respect of music tracks given to Indian companies would be entitled to benefit of concessional rate of tax provided under Article 12 of India-Netherland DTAA. Hence, the objection made by the ld AO in respect of this issue is not sustainable."

The Mumbai bench of the Tribunal in the case of **Golden Bella Holdings Ltd. v. DCIT [2019] 109 taxmann.com 83 (Mum)**, while examining whether a Cyprus company qualified as the "beneficial owner" of interest earned from an Indian Company, observed that the mere fact that the investment in debt instrument was funded using a portion of an interest-free shareholder loan and share capital did not affect the taxpayer's status as the "beneficial owner" of interest income and such a fact pattern did not make the arrangement a back-to-back transaction. The ITAT placed reliance on the OECD Commentary and held that the taxpayer qualified as the "beneficial owner" of interest as the tax payer (i) had received the same for its own exclusive benefit and not for or on behalf of any other entity; (ii) wholly assumed and maintained the foreign exchange risk on the debt instruments (which were INR denominated) and the counter party risk on interest payments arising on the debt instrument.

The Tribunal further observed that the Revenue failed to prove fulfilment of following essential requirements for testing the "beneficial ownership":

(i) the taxpayer did not have exclusive possession and control over the interest income received;

(ii) the taxpayer was required to seek approval or obtain consent from any entity to invest in the Indian Company or to utilize interest received at its own discretion; and

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(iii) the taxpayer was not free to utilize the interest income received at its sole and absolute discretion, unconstrained by any contractual, legal, or economic arrangements with any other third party.

Reference is also made to the decision of the Pune bench of the Tribunal in the case of **Imersys Asia Pacific (P) Ltd vs DDIT [2016] 69 taxmann.com 454 (Pune),** wherein while examining whether the taxpayer qualified as "*beneficial owner*" of royalty received from an Indian company on sub-licensing of know-how originally licensed from its principal in the UK, the Tribunal held that where the taxpayer had entered into an agreement with the principal and received the know-how (for a fee of 2% of net sales of the Indian entity), which, in turn, was sub-licensed and had in furtherance thereof provided services to the sub-licensee and received sub-licensee fees (i.e., royalty @ 5% of net sales of the Indian entity) from the sub-licensee, then, such royalty income having been received by the assessee non-resident company in its own right as the "*beneficial owner*" thereof was to be subjected to tax at the concessional tax rate under the applicable tax treaty.

Similar view has been expressed in the undernoted judgements:

- ADIT vs Universal International Music BV [2011] 10 taxmann.com 29 (Mumbai) [upheld by the Bombay High Court in the case of DIT vs Universal International Music BV [2013] 31 taxmann.com 223 (Bom.)]
- HSBC Bank (Mauritius) Ltd vs DCIT [2018] 96 taxmann.com 544 (Mumbai – Trib)
- DCIT vs. Worldpart Limited: ITA No. 740 & 741/Chny/2023

In the case of **KSPG Netherlands Holding BV, In re ((2010) 322 ITR 696)**, the facts were that a Dutch company (D) having German parentage (G), acquired shares of an Indian Company (ICO) from the holding company. The Authority for Advance Ruling (AAR) held that D was the "*beneficial owner*" of ICO's shares, negativing the stand of the Revenue that G was the beneficial owner of shares held in ICO on the basis of the following facts:

- D was a special legal entity having its own board of directors and management systems;
- D made a significant investment in ICO with a view to broaden the capital base of ICO;

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- D had acquired ICO's Shares from G at a price determined as per Indian exchange control guidelines;
- Capital Gain on sale of ICO's share will enter the profit & loss account of D.

While coming to the aforesaid conclusion, the AAR made the following pertinent observations:

> *".... .... we find no factual or legal basis to hold that the German Company is the real beneficial owner of the shares and the capital gains that would accrue. The transferor, i.e., the Netherlands Company though a subsidiary of the aforementioned Germany Company is a distinct legal entity having its own board of directors and management systems. The glaring fact which is to be taken note of in this context is that the applicant which was incorporated towards the end of 2008 made significant investments in the Indian Company. It is stated that from September 2009 onwards, it invested nearly 17 million Euros (110 crores) in Pierburg India. It is seen from the facts stated by the applicant that the applicant had initially acquired the shares of the Indian Company from Pierburg GmbH at a price determined as per the evaluation guidelines prescribed under the Foreign Exchange Management Act, 2000. The substantial investments it has made was with a view to broaden the capital base of the Indian company, as stated by the applicant. The implied suggestion of the Revenue that the applicant is a sham entity or a conduit company deliberately set up to avoid the tax liability relating to capital gains is wholly misconceived. It would be presumptuous to predicate that the gains accruing to the applicant by the transfer of shares held in the Indian company would not enure to the benefit of the applicant or will not enter into the profit and loss account of the applicant or that the gains will be just passed on to the ultimate holding company (i.e., German company), dictated by its mandate. It is not possible to assume that the applicant would merely act as a conduit to syphon off the gains to the ultimate holding company by means of a colourable device contrary to its corporate status and the stake in the Indian company. It is of course open to the tax authorities to look to the facts at the time of transfer, but, on principle and in the light of the facts stated and substantiated in this application, we cannot reach the conclusion that the beneficial ownership in the gains resulting from the transfer of shares is vested with the ultimate holding company, i.e., German company. As stated earlier, we find no reason and no basis to characterize the proposed transaction as a mere device to avoid the capital gains tax by unlawful means."*

The Supreme Court of Netherlands in **Case No 28.638 dated 6 April 1994 (Supreme Court of Netherlands)** observed that the expression "beneficial owner" envisages a person who profits economically from dividend income or who is fully entitled to enjoy its benefit directly or who can freely avail of the dividend and deal with it without being accountable to anyone.

The Supreme Court of Canada (vide majority decision) in the case of Canada *vs.* Alta Energy

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Luxembourg S.A.R.L.: 2021 SCC 49 holding the conduit company set up in Luxembourg to be entitled to the benefit of Canada – Luxembourg DTAA, observed as under:

> *79 The remaining question is whether the contracting states intended that persons without "sufficient substantive economic connections" to their state of residence be able to take advantage of the carve-out to avoid paying any taxes. Put simply, the question is whether the use of conduit corporations in this context perverts the bargain struck between Canada and Luxembourg. In my view, it does not.*
> ……..
> *86…… The fact that the capital gains may not be taxed in Luxembourg, leading to double*
> *non-taxation, and the fact that conduit corporations can take advantage of the carve-out are tax planning outcomes consistent with the bargain struck between Canada and Luxembourg. Although Canada had a greater claim to tax such income based on the theory of economic allegiance and would have most likely received more tax revenues without the carve-out given its traditional status as a source state, Canada agreed to forego its right to tax such capital gains, regardless of whether they would be taxed in Luxembourg, in order to attract foreign investment in business assets embodied in immovable property located in Canada (e.g. hotels, mines, or oil shales) and to reap the economic benefits generated by that investment. This is what was actually agreed upon. It appears that Canada was aware of tax planning strategies using conduit corporations in Luxembourg but that it made a deliberate choice not to include anti-avoidance provisions that would have addressed this situation in the Treaty.*
> ……
> *90……. for the abuse analysis is "to examine the factual context of a case to determine whether the avoidance transaction defeated or frustrated the object, spirit or purpose of the provisions in issue"*
> ……
> …
>
> *96……The courts' role is limited to determining whether a transaction abuses the object, spirit, and purpose of the specific provisions relied on by the taxpayer. It is not to rewrite tax statutes and tax treaties to prevent treaty shopping when these instruments do not clearly do so.*

Further, in the decision of **Prévost Car Inc v R (2008) 10 ITLR 736 (TCC); [2009] 11 ITLR 757 (FCA)** decided by the Canadian Court**,** the entire shares of Canada-based Prevost Car Inc ("PC Inc") were held by Prevost Holding BV ("PH BV"), a Netherlands-based company, incorporated under Dutch law. The shares of PH BV were held by Volvo Bus Corporation ("Volvo"), based in Sweden and Henleys Group plc ("Henleys") based in the UK. PC Inc. paid dividend to PH BV and based on shareholders' agreement between Volvo and Henleys, PH BV was required to pay at least 80% of its profits to Volvo and Henleys. In the aforesaid facts, the Canadian Revenue concluded that PH BV was not the beneficial owner of the dividends and,

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therefore, was not entitled to the concessional rate of tax on dividends under the tax treaty with the Netherlands.

The Canadian Court allowed the appeal of the taxpayer on the basis of the following underlying considerations:

> *"I therefore reach the conclusion, that for the purposes of interpreting the Tax Treaty, the OECD Conduit Companies Report (in 1986) as well as the OECD 2003 Amendments to the 1977 Commentary are a helpful complement to the earlier Commentaries, insofar as they are eliciting, rather than contradicting, views previously expressed (...)"*
> *"(...) the "beneficial owner" of dividends is the person who receives the dividends for his or her own use and enjoyment and assumes the risk and control of the dividend (italicizing WM) he or she received (...)".*
> *"Where an agency or mandate exists or the property is in the name of a nominee, one looks to find on whose behalf the agent or mandatory is acting or for whom the nominee has lent his or her name. When corporate entities are concerned, one does not pierce the corporate veil unless the corporation is a conduit for another person and has absolutely no discretion as to the use or application of funds put through it as conduit, or has agreed to act on someone else's behalf pursuant to that person's instructions without any right to do other than what that person instructs (italicizing WM) it, for example, a stockbroker who is the registered owner of the shares it holds for clients."*
> *"The (lower, red.) Judge's formulation captures the essence of the concepts of "beneficial owner", "bénéficiaire effectif" as it emerges from the review of the general, technical and legal meanings of the terms. Most importantly, perhaps, the formulation accords with what is stated in the OECD Commentaries and in the Conduit Companies Report. (italicizing WM)"*

The commercial rationale for incorporating the assessee, as explained supra, was that in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange. Once the delisting offer of VEDL was approved by its shareholders and directors, for undertaking the aforesaid delisting/ purchase of shares from the public in accordance with the Delisting Regulations, Vedanta group was required to raise funds by way of loans/ issuing of bonds. The Vedanta group had already taken loans/ created a pledge/ charge in TSH. Accordingly, in order to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business

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environment of Mauritius, the group decided to establish the assessee in Mauritius on 29.06.2020.

Even though there existed other tax efficient jurisdictions (such as Slovenia), the commercial rationale for establishing the assessee in Mauritius was the long-standing presence of TSH in Mauritius for the past 2 decades which offers better business synergies in case the group decides to simplify its holding structure and consolidate its holdings in one country i.e. Mauritius in future.

Shares could have been acquired in TSH but for the stipulation/mandate of the lender and the fact that the asset of TSH were already mortgaged.

It is respectfully submitted that the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder in name which is evidenced by the following:

- The assessee files its return of income in Mauritius and is assessed to tax in that country. Copy of the return of income filed in Mauritius was enclosed as Annexure C vide response dated 08.08.2023.

- The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber. The Board meetings are held in Mauritius and decisions with respect to investing / divesting of investments in VEDL and advancing or obtaining loans from other companies are taken in the board meetings, including repatriation of dividends to its holding company. In other words, control and management of the assessee is situated and shall continue to be situated in Mauritius

- The bank accounts of the assessee are managed by the employees of the assessee. Only for administrative convenience and implementing the decision of the board of

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directors, some employees of the group company have been authorised to operate the bank account on behalf of the company

- The assessee does not have any legal or contractual obligation to pass its income to its holding company and decision with respect to utilization of funds are taken by the Board of the company. In other words, the decision with respect to utilization of revenues received by the assessee from its operation or investments rests with the Board which is independent and no other person has control over the disposition of such income. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies

- The assessee is the legal and beneficial owner of all its investments including shares of VEDL

- The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius.

- The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius.

- The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis.

- The assessee continues to hold the shares in VEDL till date.

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It is also respectfully submitted that the Mauritian Government issued the Income Tax (Amendment No. 2) Regulations 2019 applicable with effect from 01.07.2019 which, inter-alia, provide that a Mauritian company (GBC) in order to keep a valid global business licence and qualify for the exemptions, will have to satisfy the following new enhanced economic substance requirements at all times:

- they are managed and controlled from Mauritius;
- they are administered by a management company in Mauritius; and
- their core income-generating activities (CIGA) are being carried out in or from Mauritius, by:
  - employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the CIGA; and
  - having a minimum level of expenditure, which is proportionate to their level of activities.

The assessee being a GBC is complying with the aforesaid guidelines issued by the Mauritian government to establish commercial substance under the laws of Mauritius. Such compliance proves beyond doubt and discharges the onus on the assessee of establishing that it is the bona fide tax resident of Mauritius.

Even otherwise and without prejudice, Article 27A of the Tax Treaty provides that a Mauritian resident shall not be entitled to the benefits of paragraph 3B of Article 13 of this Agreement (though the said Article is not applicable in the present case) if its affairs were arranged with the primary purpose to take benefit of the Tax Treaty [commonly referred to as the Limitation of Benefits (LOB) clause]. Article 27A of the Treaty reads as under:

> **"***ARTICLE 27A*
> **LIMITATION OF BENEFITS**
> *1. A resident of a Contracting State shall not be entitled to the benefits of Article 13(3B) of this Convention if its affairs were arranged with the primary purpose to take advantage of the benefits in Article 13(3B) of this Convention.*
> *2. A shell/conduit company that claims it is a resident of a Contracting State shall not be entitled to the benefits of Article 13(3B) of this Convention. A shell/conduit company*

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is any legal entity falling within the definition of resident with negligible or nil business operations or with no real and continuous business activities carried out in that Contracting State.

3. A resident of a Contracting State is deemed to be a shell/conduit company if its expenditure on operations in that Contracting State is less than Mauritian Rs.1,500,000 or Indian Rs. 2,700,000 in the respective Contracting State as the case may be, in the immediately preceding period of 12 months from the date the gains arise.

4. A resident of a Contracting State is deemed not to be a shell/conduit company if:

(a) it is listed on a recognized stock exchange of the Contracting State; or

(b) its expenditure on operations in that Contracting State is equal to or more than Mauritian Rs.1,500,000 or Indian Rs.2,700,000 in the respective Contracting State as the case may be, in the immediately preceding period of 12 months from the date the gains arise.

Further, Article 27A(4) provides that a resident of Mauritius would be deemed not to be a shell or conduit company if:

(a) it is listed on a recognised stock exchange in Mauritius; or

(b) its annual expenditure on operations in Mauritius is atleast Mauritian Rs. 1,500,000 in the immediately preceding period of 12 months from the date on which the gains arise;

Though Article 27A of the Treaty is not strictly applicable in the present case, nevertheless, the assessee does not fall foul of the rigors of the LOB clause since the assessee is not a shell company considering that its annual expenditure on operations in Mauritius is in excess of Mauritian Rs. 1,500,000 in the assessment year 2022-23.

In view of the aforesaid, the assessee cannot, in our submission, be said to have been set up with a motive/ main objective of tax avoidance / obtaining treaty benefits; rather the assessee has been set up for a valid business purpose, i.e., for investing in the shares of VEDL and consolidating the holding of the Vedanta group in Mauritius. Accordingly, the assessee be considered as the beneficial owner of the dividend income for the purposes of availing benefit of the concessional rate under Article 10 of the DTAA.

Rebuttal to the allegations of your goodself raised vide show cause notice dated 14.11.2024

Re (1) : The assessee did not furnish any diligence report for the purpose of investment, any explanation with regard to the flow of decision making as to how the quantum of

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purchase/sale of shares is decided [Para 2.4, Page 6 of the SCN]

For the past 2 decades, the majority shareholding of the group in VEDL has been held through TSH, Mauritius. At the time of establishing TSH, a detailed feasibility analysis/ study was undertaken and the commercial reason for establishing the company in Mauritius is hereunder:

- Mauritius is a business friendly jurisdiction and has a stable regulatory and financial environment that makes investing and conducting business relatively simple and easy
- Mauritius has a large pool of highly literate, comparatively low-cost and multi-lingual workforce as compared to some other jurisdictions;
- Mauritius provides ease of doing business and state-of-the-art infrastructure;
- Mauritius has good and stable banking system and availability of finance at lower rates

In order to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a Special Purpose Vehicle (SPV). The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee on 29.06.2020.

If the purpose of the assessee was to avail benefit of the DTAA then the shares of VEDL would have been purchased by TSH instead of the assessee which was in existence for more than 20 years. It was due to commercial considerations viz, raising of funds from third parties that the assessee was incorporated to purchase the shares of VEDL.

As explained in detail (supra) the board of directors of the assessee passed a board resolution determining when the shares are to be purchased and quantum of the shares to be purchased. Copy of the Minutes of the resolutions have been filed before your goodself. On perusal of the same, it is evident that each transaction for sourcing of funds and investments in shares of VEDL was discussed and deliberated. A snapshot of the purchase of shares of VEDL is as under:

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Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Source of investment	Remarks
23.12.2020	18,50,00,000	4.98	160	Loan form Oaktree	Acquired from market under bulk deal consequent to the Loan agreement with Oak Tree
15.04.2021	2,54,45,341	0.68	235	Loan form Oaktree	Acquired through open offer
16.12.2021	17,01,16,200	4.58	352.7	Loan form FCIL	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Loan form FCIL	Acquired from FICL
23.12.2021	4,43,43,139	1.19	340.4	Loan form FCIL	Acquired from Westglobe
Total	**49,28,20,420**	**13.26**			

Re (2): From the board-level deliberations that it is seen that the members of the Board, namely Shakill Ahmed Toorabally and Rajiv Mangar, simply detailed about the loans being received and the loans being put to use. The deliberations / minutes do not bring out the independent mind of the assessee company. [Para 2.5, Page 6 of the SCN]

The allegation levelled by your goodself lacks merit inasmuch as each and every decision has been discussed in detail by the board of the assessee which is evidenced by the minutes of the board meetings placed before your gooself. A summary of specimen minutes of the meeting is as under:

- *Written resolutions, read and approved by the director on this 13th Day of October 2020 in accordance with section 7 of the eight schedule of the companies act 2001 wherein on seeking **Loan from Twin Star Holding Limited** from it was resolved that:*

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- the terms and conditions of the Loan Agreement been approved and any one Director be authorized to sign the said Agreement and any other related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and
- Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

- *Written resolutions, read and approved by the director on this 13th Day of October 2020 in accordance with section 7 of the eight schedule of the companies act 2001 wherein on grant of* ***Loan to Vedanta Resources Holding Limited*** *it was resolved that:*

  - the terms and conditions of the Loan Agreement been approved and any one Director be authorized to sign the said Agreement and any other related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and
  - Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

- *Written resolutions of the directors of assessee* ***read and approved by directors on this 24 December 2020*** *in accordance with section 7 of the eight schedule of the companies act 2001 wherein it was resolved that:*

  - The acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited be approved;
  - Any one Director of the Company be authorized to execute singly on the abovementioned disclosures and all the necessary agreements/documents and complete the documentation for acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited; and
  - Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited.

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- *Minutes of the proceedings of the board meeting of assessee held on **16 April 2021 at 13.45** P.M. by conference on telephone wherein it was resolved that:*

  – the Company had opened a custody and demat account in India in order to facilitate the Voluntary Open Offer (VOO), being subscribed by Vedanta Resources Limited ("VRL"), a company incorporated in the United Kingdom and the ultimate parent company of the Company.
  – VRL along with Twin Star Holdings Limited ("PAC 1"), Vedanta Holdings Mauritius Limited ("PAC 2") and the Company ("PAC 3"), acting in concert with VRL, had made a Voluntary Open Offer in accordance with Takeover Regulations of Securities and Exchange Board of India (SEBI), for the acquisition of up to 651,000,000 equity shares of Vedanta Limited ("Equity Shares"), representing 17.51% of the voting share capital of Vedanta Limited ("VEDL") at a price of INR 235 (Indian Rupees Two Hundred Thirty- Five only) per Equity Share ("Open Offer")
  – Pursuant to the VOO, it was proposed that PAC 1, PAC 2 and PAC 3 acquire 241,443,115 Equity Shares, 107,342,705 Equity Shares and 25,445,341 Equity Shares, respectively, on 16 April 2021.

- *Minutes of the proceedings of the board meeting of assessee held **on 15 July 2021 at 15.00 p.m.** by conference on the telephone wherein it was unanimously resolved that:*
  – the Company had entered into a Loan Agreement with Twin Star Holdings Ltd \for an aggregate facility amount of USD 400 million at an interest rate of 8.03% per annum, of which USD 100 million has been drawn as on date of the Agreement.

  – Twinstar shall absolutely assign to VRL, all of its receivables, rights and obligations and VRL agrees to assume all the receivables, rights and obligations as a Lender under the Loan Agreement;

  – The Company acknowledges that all of its obligations under the Loan Agreement will be payable by VRL, and VRL acknowledges that the further drawdowns available to the Company shall now be undertaken by VRL.

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- *Written resolutions, read and approved by the director* ***on this 15th Day of December 2021*** *in accordance with section 7 of the eight schedule of the companies act 2001 wherein seeking* ***loan from Finsider International Company Limited*** *it was resolved that:*

  – the terms and conditions of the Loan Agreement be approved and any one Director be authorized to sign the said Agreement and any other related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and
  – Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

Re (3) Several employees of different entities of Vedanta group were authorized signatories to the bank account [Para 2.6, Page 7 of the SCN]

The Assessee Company is a part of Vedanta group and the group for its administrative convenience has arrangements for the group as a whole to process the approved payments via internet banking platform (IBP) in standard format. Decision to implement the administrative steps including raising funds from other group companies and supplementing it with borrowed funds from the lenders willing to lend to the Assessee Company (funds being the most important ingredient for a holding company) as also to invest the funds in acquisition of shares of Vedanta Ltd - a decision in line with the reason for incorporation of the Assessee Company - are decisions taken by the Board of the assessee Company in Mauritius. In the administrative tasks of implementing the decisions of the Board, that is placing orders with brokers for board approved investments, for taking Board approved payments in banking channel, group's employees employed in different entities of the group, both downstream and upstream of the Assessee Company are involved. This is cost effective, and enables good controls over execution of administrative tasks. The carrying out of administrative tasks is not indicative of the control being shifted by the assessee outside Mauritius. The core business of the assessee i.e. raising of funds and their deployment/investment are decided upon and mandated by the Board of directors of the assessee in Mauritius.

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Re (4): The assessee furnished the rationale that TSH was one of the guarantors and had restrictions placed on it due to which acquisition of stake by TSHL was not possible [Para 3.6, Page 9 of the SCN]

On 09.12.2020, VRL announced Bond offering of US$ 1 billion 13.875% Bonds due for maturity in January, 2024 and TSHL being one of the guarantors of the Bond issue. As per *Clause 3 – Covenants* of the Bond issue, covenants were attached which restricted the guarantor (TSHL) from availing any additional borrowings, creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness. In other words, TSHL was restricted from taking any additional borrowings, creating any mortgage, charge, pledge lien or any other form of encumbrance.

It is important to point out that since TSH had already borrowed funds and was also a guarantor (explained supra) on different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from Oak Tree for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender.

In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum.

Re (5): By transfer of shareholding from UK to Mauritius, the parent company Finsider lowered its tax liability in India under India-UK DTAA (since dividend is taxable at the rate of 10% as per India-UK DTAA) and by acquiring 6.41% shareholding of VEDL (4.58% acquired on December 16, 2021 when Finsider sold the same percentage of shareholding on the same day and 1.83% acquired on December 21, 2021 when Finsider sold the same percentage of shareholding in the same day) the assessee company offers

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dividend for taxation at lower rate of 5% (as per India Mauritius DTAA), as against the 15% tax rate where the shareholding is less than 10%. [Para 5(d), Page 13 of the SCN]

The Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018. Further, the group also wished to consolidate its shareholding in Mauritius.

Additionally, as explained supra, the assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum. On receipt of the first installment of the loan facility, assessee was required to acquire at least 4.65 per cent but not more than 5 per cent of the shares of VEDL. Accordingly, assesse acquired 4.98 percent shares of VEDL on 24.12.2020. Thereafter, on receipt of subsequent loan installment, assessee was to ensure that at least 11.5 percent of the shares of VEDL are acquired by the assessee or FICL. Since the Vedanta group had been pursuing a process of corporate simplification, FICL shares were transferred to the assessee for completion of said corporate simplification (even though inter se) on the Indian stock exchange. For undertaking the said transaction, FICL entered into a loan agreement with the assessee in terms of which FICL granted a loan of USD 1.313 billion to the assessee. As per the terms of the Agreement, the loan granted by FICL shall be used by the assessee *"only for inter se share transfer of Vedanta Limited and to settle expenses incidental thereto"*.

Be that as it may, the apex Court in the case of **Vodafone Holdings BV vs. UOI: 341 ITR 1 (SC)** observed that it is a common practice for foreign investors to invest in Indian companies through foreign subsidiaries set up in Cayman Islands or Mauritius for both tax and business purposes; in doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. Accordingly, merely because the assessee purchased the shares of VEDL (a group company) from another group company (FICL) would not make the transaction sham/ devoid of merit moreso when the Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018.

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It is trite that the assessing officer cannot sit in the armchair of businessman and decide what one has to do to maximize his profits. It is for the assessee to run the show and he is the best

judge to manage the affairs of the business. The Revenue cannot step into the shoes of the businessman and determine as to how the business ought to have been carried out. In simple words, it is entirely the choice of an assessee to determine as to in what manner business is to be run; transactions are to be undertaken, to carry on the business in an efficient and profitable manner.

Reference may be made to the decision of the **Supreme Court** in the case of **Eastern Investment Ltd. vs. ITO 20 ITR 1** (SC), wherein it was observed that, "*there are usually many ways in which a given thing can be brought about in business circles but it is not for the Court to decide which of them should have been employed when the Court is deciding a question under Section 12(2) of the Income-tax Act.*"

Reference may be made to following decisions where the Court, in context of applying the test of commercial expediency for determining whether the expenditure was wholly and exclusively laid out for the purpose of business, held that reasonableness of the expenditure has to be judged from the point of view of the businessman and not of the Revenue:

- CIT vs. Malayalam Plantations Limited: 53 ITR 140 (SC)
- CIT v. Walchand & Co. etc. (1967) 65 ITR 381
- J K Woollen Manufacturers v. CIT: 72 ITR 612(SC)
- CIT v. Birla Cotton Spg. And Wvg. Mills Ltd.: 82 ITR 166 (SC)
- Madhav Prasad Jatia v. CIT U.P.: 118 ITR 200 (SC)
- S.A. Builders Ltd. vs. CIT: 288 ITR 1 (SC)

In view of the above, the test of prudence is to be determined from the point of view of the businessman and not the income tax department and the assessing officer cannot seek to conduct business of an assessee by sitting on the armchair of the businessmen since the businessmen knows best how to do his business.

Therefore, the allegations levelled by your goodself lack merit and have no legs to stand on.

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Re (6): Incorporation of the assessee and the subsequent transactions lack commercial substance deeming the arrangement to be impermissible avoidance arrangement under section 96 of the Act

Your goodself has alleged that incorporation of the assessee and the subsequent transactions lack commercial substance and hence, provisions of GAAR are dought to be invoked

The provisions of GAAR under Chapter X-A of the Act, applicable w.e.f 01.04.2018 (assessment year 2018-19/ previous year 2017-18), were introduced with the intent to specifically deal with instances of transactions which lack commercial substance and were entered into only with the intent of obtaining tax benefit. The relevant provisions read as under :

"

CHAPTER X-A

GENERAL ANTI-AVOIDANCE RULE

Applicability of General Anti-Avoidance Rule.

95.(1) Notwithstanding anything contained in the Act, an arrangement entered into by an assessee may be declared to be an impermissible avoidance arrangement and the consequence in relation to tax arising therefrom may be determined subject to the provisions of this Chapter.

(2) This Chapter shall apply in respect of any assessment year beginning on or after the 1st day of April, 2018.

Explanation.—For the removal of doubts, it is hereby declared that the provisions of this Chapter may be applied to any step in, or a part of, the arrangement as they are applicable to the arrangement.

Impermissible avoidance arrangement

96. (1) An impermissible avoidance arrangement means an arrangement, ***the main purpose of which is to obtain a tax benefit,*** *and it—*

a) *creates rights, or obligations, which are* ***not ordinarily created between persons dealing at arm's length****;*
b) *results, directly or indirectly, in the misuse, or abuse, of the provisions of this Act;*
c) ***lacks commercial*** *substance or is deemed to lack commercial substance under section 97, in whole or in part; or*

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d) *is entered into, or carried out, by means, or in a manner,* ***which are not ordinarily employed for bona fide purposes***

(2) An arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

Arrangement to lack commercial substance.

97. (1) An arrangement shall be deemed to lack commercial substance, if—

(a) the substance or effect of the arrangement as a whole, is inconsistent with, or differs significantly from, the form of its individual steps or a part; or
(b) it involves or includes—
(i) round trip financing;

(ii) an accommodating party;
(iii) elements that have effect of offsetting or cancelling each other; or
(iv) a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction; or
(c) it involves the location of an asset or of a transaction or of the place of residence of any party which is without any substantial commercial purpose other than obtaining a tax benefit (but for the provisions of this Chapter) for a party; or
(d) it does not have a significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the tax benefit that would be obtained (but for the provisions of this Chapter).

(2) For the purposes of sub-section (1), round trip financing includes any arrangement in which, through a series of transactions—

(a) funds are transferred among the parties to the arrangement; and
(b) such transactions do not have any substantial commercial purpose other than obtaining the tax benefit (but for the provisions of this Chapter),

without having any regard to—

(A) whether or not the funds involved in the round trip financing can be traced to any funds transferred to, or received by, any party in connection with the arrangement;

(B) the time, or sequence, in which the funds involved in the round trip financing are transferred or received; or

(C) the means by, or manner in, or mode through, which funds involved in the round trip financing are transferred or received.

(3) For the purposes of this Chapter, a party to an arrangement shall be an accommodating party, if the main purpose of the direct or indirect participation of that party in the arrangement, in whole or in part, is to obtain, directly or

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indirectly, a tax benefit (but for the provisions of this Chapter) for the assessee whether or not the party is a connected person in relation to any party to the arrangement.

(4) For the removal of doubts, it is hereby clarified that the following may be relevant but shall not be sufficient for determining whether an arrangement lacks commercial substance or not, namely:—

(i) the period or time for which the arrangement (including operations therein) exists;
(ii) the fact of payment of taxes, directly or indirectly, under the arrangement;
(iii) the fact that an exit route (including transfer of any activity or business or operations) is provided by the arrangement.'

Consequences of impermissible avoidance arrangement.

98. (1) If an arrangement is declared to be an impermissible avoidance arrangement, then, the consequences, in relation to tax, of the arrangement, including denial of tax benefit or a benefit under a tax treaty, shall be determined, in such manner as is deemed appropriate, in the circumstances of the case, including by way of but not limited to the following, namely:—

(a) disregarding, combining or recharacterising any step in, or a part or whole of, the impermissible avoidance arrangement;
(b) treating the impermissible avoidance arrangement as if it had not been entered into or carried out;
(c) disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;
(d) deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;
(e) reallocating amongst the parties to the arrangement—
(i) any accrual, or receipt, of a capital nature or revenue nature; or

(ii) any expenditure, deduction, relief or rebate;

(f) treating—
(i) the place of residence of any party to the arrangement; or

(ii) the situs of an asset or of a transaction,

at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement; or

(g) considering or looking through any arrangement by disregarding any corporate structure.

(2) For the purposes of sub-section (1),—

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(i) any equity may be treated as debt or vice versa;

(ii) any accrual, or receipt, of a capital nature may be treated as of revenue nature or vice versa; or

(iii) any expenditure, deduction, relief or rebate may be recharacterised.

……

Definitions

102. In this Chapter, unless the context otherwise required,--

……..

(10) "tax benefit" includes,—

(a) a reduction or avoidance or deferral of tax or other amount payable under this Act; or
(b) an increase in a refund of tax or other amount under this Act; or
(c) a reduction or avoidance or deferral of tax or other amount that would be payable under this Act, as a result of a tax treaty; or
(d) an increase in a refund of tax or other amount under this Act as a result of a tax treaty; or
(e) a reduction in total income; or
(f) an increase in loss,
in the relevant previous year or any other previous year;"

The Finance Act, 2013 only codified GAAR, which have evolved and been applied by Courts over years. The GAAR provisions incorporated in the Act and applicable from financial year 2017-18, enable the Revenue to disregard or restructure a transaction, only if the main purpose of the transaction / arrangement is to obtain tax benefit and such transaction:

- creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length ("**Arm's Length Test**");
- results, directly or indirectly, in the misuse or abuse of the provisions of this Act ("**Misuse or Abuse Test**");
- lacks commercial substance or is deemed to lack commercial substance, in whole or in part ("**Commercial substance Test**"); or
- is entered into or carried out, by means or in a manner which are not ordinarily employed for bonafide purposes ("**Bonafide Purpose Test**"). [refer: section 96]

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Further, in terms of section 97 of the Act a transaction is deemed to lack "commercial substance" in the following circumstances:

- substance or effect of the arrangement as a whole, is inconsistent with, or differs significantly from the form of its individual step or a part; or
- it involves or includes –
  - ✓ round trip financing;
  - ✓ an accommodating party;
  - ✓ elements that have effect of offsetting or cancelling each other; or
  - ✓ a transaction which is conducted through one or more persons and disguises value, location, source, ownership, or control of funds which is the subject matter of such transaction; or
- it involves the location of an asset or of a transaction or of the place of residence of any party which would not have been so located for any substantial commercial purpose other than obtaining a tax benefit for a party; or
- it does not have a significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the tax benefit that would be obtained. Copy of the cash flow statement was attached as Annexure B vide response dated 12.02.2024.

For applicability of GAAR, any of the conditions laid down above in section 96(1) read with section 97 of the Act, coupled with the test that the main purpose of the arrangement is to obtain tax benefit, is required to be satisfied to treat the arrangement as "impermissible avoidance arrangement" and to consequentially disregard the same.

In the case of **Rogers Enterprises (2015) Inc And Her Majesty The Queen : 2020 TCC 92**, the Tax Court of Canada ruled that for applicability of GAAR, existence of tax benefit resulting from a transaction based on misuse/abuse of a statutory or treaty provision is essential; for abuse or misuse, the transaction must frustrate or defeat or circumvent the object, spirit or purpose of the relevant income tax provisions conferring the tax benefit.

Section 98 lists out the consequences of an impermissible avoidance arrangement. The consequences are broad and far reaching. Section 98(1) of the Act states that if an arrangement is considered to be an impermissible avoidance arrangement, the consequences, in relation to

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tax, of that arrangement, including the denial of a tax benefit or the benefit under a Double Taxation Avoidance Agreement (DTAA or tax treaty), shall be determined in such manner, as may be deemed appropriate, in the circumstances of the case, including by way of, but not limited to the following:

(a) disregarding, combining or recharacterising any step in, or a part or whole of, the impermissible avoidance arrangement;

(b) treating the impermissible avoidance arrangement as if it had not been entered into or carried out;

(c) disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;

(d) deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;

(e) reallocating receipts or expenditure (capital or revenue) amongst the parties to the arrangement;

(f) treating the place of residence of any party to the arrangement; or the situs of an asset or of a transaction, at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement;

(g) considering or looking through any arrangement by disregarding any corporate structure.

It is respectfully submitted that incorporation of the assessee and subsequent transaction of purchase of shares of VEDL and consequent receipt of dividends cannot be regarded as impermissible avoidance arrangement within the meaning of section 96 of the Act, considering that – (a) the assessee was incorporated for the purposes of acquiring shares on proposed delisting of the shares of VEDL, (b) subsequently, shares of VEDL were purchased by the assessee from open market and its group companies (c) thereafter, dividends were received by the assessee from VEDL which were taxed at concessional rate under the DTAA.

Re: Applicability of clause (a) of section 96(1) ~ Arm's Length Test

As stated supra, clause (a) of section 96(1) of the Act provides that an arrangement would fall in the category of impermissible avoidance arrangement if it creates rights or obligations which

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are not ordinarily created between parties dealing at arm's length.

In the present case, the following facts cumulatively establish, without any doubt whatsoever, that the entire transaction did not fall foul of the Arm's Length Test–

(a) The assessee was incorporated to acquired shares of VEDL during delisting offer. Once the delisting failed, the assessee acquired the shares of VEDL through bulk deals on the Indian stock exchange

(b) The shares acquired by the assessee were at the prevailing market price on the Indian stock exchange

(c) The funds were raised by the assessee from Oak Tree and other group companies at arm's length

(d) subsequently, dividends were paid by VEDL to all its shareholders including the assessee in accordance with the provisions of the Companies Act, 2013.

Re: Applicability of clauses (b) and (d) of section 96(1) ~ Misuse or Abuse Test/ Bonafide Purpose Test

As elaborately explained in supra, incorporation of the assessee, purchase of shares of VEDL and subsequent receipt of dividends did not result in misuse / abuse of any of the provisions of the Act so as to be covered in clause (b) of section 96 thereof. Further, the bonafide of the transactions cannot be called in question considering the following:

- To raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan.

- Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee on 29.06.2020.

- Since TSH had already borrowed funds and was also a guarantor (explained supra) on different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from Oak Tree for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company

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of Vedanta group which did not have any external borrowing and had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender.

- In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum.

- the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder

The fact that as a result of acquisition of shares of VEDL, the assessee is able to claim a concessional rate on taxability of dividends should not be a ground to hold that the said transaction of receipt and taxability of dividends is sham / collusive / device to defraud the Revenue.

Re: Applicability of clause (c) of section 96(1) ~ Commercial substance Test

Clause (c) of section 96(1) of the Act states that an arrangement would be an impermissible avoidance arrangement if the same lacks commercial substance. Thus, "commercial substance" is the pivot on which the provisions of GAAR revolves. Although, section 97 prescribes transactions which would be deemed to be lacking commercial substance, but the phrase "commercial substance" has not been defined in the Act; the said phrase, in our submission, could deem a transaction as impermissible which is not commercially prudent or would not have been entered into between unrelated parties in normal/ordinary circumstances.

The Revenue cannot question the prudence of commercial expediency of the decision of the assessee and Vedanta group to incorporate the assessee and purchase the shares of VEDL; it is the sole prerogative of the assessee as the transaction is within the four corners of the law.

In the case of **CIT vs M/s Parry and Company Ltd** (supra), the High Court has held that –

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"***when the transaction is within the parameters of law, then the Income Tax Authorities cannot enter into the shoe of the assessee to decide the prudence of commercial expediency of a particular transaction."***

The incorporation of the assessee, funds raised by way of loans which were used for purchasing the shares of VEDL and subsequent receipt of dividends which was taxable as concessional rate under Article 10 of the DTAA were based on sound commercial principles. The said transactions, being legitimate business arrangements, having no disguised purpose/ element involved therein, cannot, it can, in our submission be said to have been undertaken solely for the purpose of achieving the tax benefit; the tax benefit (if any) is only incidental thereto.

In this regard, it may be noted that an assessee is free to conduct business in a manner most conducive/ advantageous to the assessee. The Revenue cannot step into the shoes of the businessman and determine as to how the business ought to have been carried out. In simple words, it is entirely the choice of an assessee to determine as to in what manner business is to be run; transactions are to be undertaken, to carry on the business in an efficient and profitable manner.

Reference can be made to the decision of **the Supreme Court in the case of Eastern Investment Ltd. vs. ITO 20 ITR 1** (SC), wherein it was observed that, "*there are usually many ways in which a given thing can be brought about in business circles but it is not for the Court to decide which of them should have been employed when the Court is deciding a question under Section 12(2) of the Income-tax Act."*

The Courts have repeatedly held that in applying the test of commercial expediency for determining whether the expenditure was wholly and exclusively laid out for the purpose of business, reasonableness of the expenditure has to be judged from the point of view of the businessman and not of the Revenue. Reference in this regard is invited to the following decisions of the apex Court:

- CIT vs. Malayalam Plantations Limited: 53 ITR 140 (SC)
- CIT v. Walchand & Co. etc. (1967) 65 ITR 381
- J K Woollen Manufacturers v. CIT: 72 ITR 612(SC)
- CIT v. Birla Cotton Spg. And Wvg. Mills Ltd.: 82 ITR 166 (SC)

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- Madhav Prasad Jatia v. CIT U.P.: 118 ITR 200 (SC)
- S.A. Builders Ltd. vs. CIT : 288 ITR 1 (SC)

The freedom available to carry on business in a manner most conducive to the assessee is, however, not unfettered. The assessee cannot, under the shield of such freedom, for instance, carry out transaction(s) which are sham, bogus or device to evade tax. So long as the transaction is within the framework of law, the Revenue has no authority in law to re-write the transaction, notwithstanding that the transaction may result in mitigation of tax liability.

Useful reference in this regard may be made to the decision of the Supreme Court in the case of **Vodafone International Holdings B.V (supra),** wherein the apex Court after considering the jurisprudence that has developed in India and England over the years on the issue of tax avoidance and tax evasion, permissible and impermissible transaction, sham, bogus and colourable devices, held that on application of judicial anti-avoidance rule, the Revenue may, in the facts of a given case, invoke the "substance over form" principle or "piercing the corporate veil" test and disregard the transaction/structure, if there is abuse of organization/legal form without reasonable business purpose, which results in tax avoidance.

The Supreme Court further held that the onus would be on the Revenue to identify the scheme and its dominant purpose. It was observed that the corporate business purpose of a transaction is evidence of the fact that the transaction is not undertaken as a colourable or artificial device; conversely, the stronger the evidence of a device, still stronger corporate business purpose must exist to overcome such evidence. The relevant findings of the Supreme Court read as follows:

> *""…….. The concept of GAAR is not new to India since India already has a judicial anti-avoidance rule, like some other jurisdictions. Lack of clarity and absence of appropriate provisions in the statute and/or in the treaty regarding the circumstances in which judicial anti-avoidance rules would apply has generated litigation in India. …… In the application of a judicial anti-avoidance rule, the Revenue may invoke the "substance over form" principle or "piercing the corporate veil" test only after it is able to establish on the basis of the facts and circumstances surrounding the transaction that the impugned transaction is a sham or tax avoidant.*
>
> *To give an example, if a structure is used for circular trading or round tripping or to pay bribes then such transactions, though having a legal form, should be discarded by applying the test of fiscal nullity. Similarly, in a case where the Revenue finds that in a Holding Structure an entity which has no*



> *commercial/business substance has been interposed only to avoid tax then in such cases applying the test of fiscal nullity it would be open to the Revenue to discard such inter-positioning of that entity. …… In short, the onus will be on the Revenue to identify the scheme and its dominant purpose. The corporate business purpose of a transaction is evidence of the fact that the impugned transaction is not undertaken as a colorable or artificial device. The stronger the evidence of a device, the stronger the corporate business purpose must exist to overcome the evidence of a device…"*
> (emphasis supplied)

The apex Court further observed, as under:

> *"…… In transnational investments, the use of a tax neutral and investor-friendly countries to establish SPV is motivated by the need to create a tax efficient structure to eliminate double taxation wherever possible and also plan their activities attracting no or lesser tax so as to give maximum benefit to the investors. Certain countries are exempted from capital gain, certain countries are partially exempted and, in certain countries, there is nil tax on capital gains. Such factors may go in creating a corporate structure and also restructuring. ……*
> *79…… Courts have evolved doctrines like piercing the corporate veil, substance over form etc. enabling taxation of underlying assets in cases of fraud, sham, tax avoidant, etc. However, genuine strategic tax planning is not ruled out."* (emphasis supplied)

In essence, the Supreme Court held that if the arrangement, re-organization, restructuring, etc. are undertaken for sound commercial and legitimate tax planning reasons, then, the same could not be disregarded by the Revenue. Thus, so long as the sole motive of the transaction is not to avoid tax, which otherwise does not lack business / commercial substance, the same cannot be interfered with.

The basic principle that the tax authorities have no mandate to re-write/re-characterize the transaction unless the same is found to be sham or bogus is also applicable to fiscal statutes and should be applicable to GAAR provisions inserted in the Act, which have come into effect from previous year commencing 1.4.2017.

Reference is made to the comments of the Expert Committee (2012) chaired by Dr. Parthasarathi Shome. Evaluating the nuances of GAAR provisions, the Expert Committee noted in the "Background" on page 16 of the "*Final Report on General Anti Avoidance Rules (GAAR) in Income-tax Act, 1961*" ("**Final Report**") that intention of the Legislature while introducing the provisions of GAAR was to prevent aggressive tax avoidance, instead of

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curbing tax mitigation / planning, in the following words :

> ***" 1.2 Background***
>
> **……**
>
> *With this backdrop, there useful points may be noted –*
>
> ***The Indian government (henceforth Govt.) has no problem with tax mitigation by which is implied the use of tax incentives in not only a legal, but also transparent, manner by means of legitimate tax planning with the objective of achieving what tax professionals term "tax efficiency". Instead, Govt's intention is to target tax avoidance which is technically legal (in that it is not evasion which is illegal) but may represent tax planning with the sheer objective of obtaining a tax benefit without any supporting justification in terms of commercial, economic, or business purpose****. The determination of this separation of objectives comprises a crucial challenge in modern global practices in designing complex corporate structures with good or bad motives….."* (emphasis supplied)

On page 19 of the Final Report, the Expert Committee has brought about the difference between tax mitigation, tax evasion and tax avoidance and has re-iterated that tax mitigation by complying to the conditions of tax legislation is allowable under the tax statute, in the following words :

> ***"Tax Evasion, Tax Mitigation and Tax Avoidance***
>
> ***Tax mitigation is a situation where the taxpayer uses a fiscal incentive available to him in the tax legislation by submitting to the conditions and economic consequences that the particular tax legislation entails. An example of tax mitigation is the setting up of a business undertaking by a taxpayer in a designated area such as a Special Economic Zone (SEZ). In such a case the taxpayer is taking advantage of a fiscal incentive offered to him in the SEZ provisions in the Income-tax Act e.g., setting up the business only in the SEZ areas and exporting from the SEZ area. Tax mitigation is, thus, allowed under the tax statute.***
>
> *Tax avoidance, on the other hand, is by and large not defined in taxing statutes. Tax avoidance is, nevertheless, the outcome of actions taken by the assessee, none of which or no combination of which is illegal or forbidden by the law as such. International literature, on the subject tends to describe it as:*
>
> - *Tax avoidance involves the legal exploitation of tax laws to one's own advantage.*
> - *Every attempt by legal means to prevent or reduce tax liability which would otherwise be incurred, by taking advantage of some provisions or lack of provisions in the law…it presupposes the existence of alternatives, one of which would result in less tax than the other… except where the taxpayer adopts the same course for business or personal reasons.*
> - *An arrangement entered into solely or primarily for the purpose of obtaining a tax advantage……."*

In the case of **The Queen vs. Canada Trustco Mortgage Company :2005 SCC 54**, the

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Supreme Court of Canada held that despite the enactment of GAAR within the statute, it was imperative for the Court to adopt an interpretation which resulted into "consistent, predictable and fair results". Dealing with the claim of tax authorities to apply GAAR on tax deferral benefits obtained by the tax-payer by adopting a "sale and lease-back" transaction, the Court extensively examined the principle of literal interpretation of fiscal statutes and also noted the fact that the principle laid down in the case of IRC v. Duke of Westminster [1936] AC 1 by House of Lords, viz. " *Every man is entitled, if he can, to order his affairs so that the tax attaching under the appropriate Acts is less than it otherwise would be*", was still applicable. Noting the setting of enactment of GAAR, explanatory notes to the legislation and despite acknowledging that "*the GAAR's purpose is to deny the tax benefits of certain arrangements that comply with a literal interpretation of the provisions of the Act, but amount to an abuse of the provisions of the Act*", the Court went on to reject the projection of the tax-administration. The Canadian Supreme Court, *inter alia,* observed as under:

> *"1 ....* ***The Act continues to permit legitimate tax minimization; traditionally, this has involved determining whether the taxpayer brought itself within the wording of the specific provisions relied on for the tax benefit. Onto this scheme, the GAAR has superimposed a prohibition on abusive tax avoidance, with the effect that the literal application of provisions of the Act may be seen as abusive in light of their context and purpose. The task in this appeal is to unite these two approaches in a framework that reflects the intention of Parliament in enacting the GAAR and achieves consistent, predictable, and fair results.*** *.....*
> *41 ....* ***The courts cannot search for an overriding policy of the Act that is not based on a unified, textual, contextual, and purposive interpretation of the specific provisions in issue. First, such a search is incompatible with the roles of reviewing judges.*** *The Income Tax Act is a compendium of highly detailed and often complex provisions.* ***To send the courts on the search for some overarching policy and then to use such a policy to override the wording of the provisions of the Income Tax Act would inappropriately place the formulation of taxation policy in the hands of the judiciary, requiring judges to perform a task to which they are unaccustomed and for which they are not equipped.*** *Did Parliament intend judges to formulate taxation policies that are not grounded in the provisions of the Act and to apply them to override the specific provisions of the Act? Notwithstanding the interpretative challenges that the GAAR presents, we cannot find a basis for concluding that such a marked departure from judicial and interpretative norms was Parliament's intent.*
> *42.* ***Second, to search for an overriding policy of the Income Tax Act that is not anchored in a textual, contextual, and purposive interpretation of the specific provisions that are relied upon for the tax benefit would run counter to the overall policy of Parliament that tax law be certain, predictable, and fair, so that taxpayers can intelligently order their affairs. Although Parliament's general purpose in enacting the GAAR was to preserve legitimate tax minimization schemes while***

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> ***prohibiting abusive tax avoidance, Parliament must also be taken to seek consistency, predictability, and fairness in tax law***. *These three latter purposes would be frustrated if the Minister and/or the courts overrode the provisions of the Income Tax Act without any basis in a textual, contextual and purposive interpretation of those provisions*." (emphasis supplied)

Having held so, the Canadian Supreme Court went on to vindicate the tax-payer's stand by declaring that the "*Parliament intends taxpayers to take full advantage of the provisions of the Act that confer tax benefits. Parliament did not intend the GAAR to undermine this basic tenet of tax law*".

As stated above, "commercial substance" is the pivot on which provisions of GAAR resolves. So long as the transaction is within the framework of law, having "commercial substance" (than merely/ mainly to avoid payment of taxes), the authorities have no right to re-write the transaction, notwithstanding that the transaction may result in mitigation of tax liability.

Reference, in this regard may be made to the decision of the **Delhi High Court** in the case of **CIT v. EKL Appliances Ltd. 345 ITR 241**wherein, the Court, in the context of transfer pricing provisions, frowned upon re-characterization of the transaction, inter-alia, observing as under:

> "*The significance of the guidelines of OECD lies in the fact that they recognize that barring exceptional cases,* ***the tax administration should not disregard the actual transaction or substitute other transactions for them and the examination of a controlled transaction should ordinarily be based on the transaction as it has been actually undertaken and structured by the associated enterprises***. *It is of further significance that the guidelines discourage restructuring of legitimate business transactions. The reason for characterization of such restructuring as an arbitrary exercise, as given in the guidelines, is that it has the potential to create double taxation if the other tax administration does not share the same view as to how the transaction should be structured*."

The aforesaid test was reiterated by the same Court in the case of **Pr. CIT vs. Kusum Healthcare Pvt. Ltd.**: [2017] 398 ITR 66 (Del).

Attention is also invited to the following illustrations given in the Final Report by the Expert Committee as a guide to the overall intent of GAAR, which would be relevant to the facts of the present case. The relevant excerpts of the said illustrations are, for the sake of ready reference, reproduced as under:

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"Example-3
……..
Interpretation:
As regards setting off of losses, ***the provisions*** *relating to merger and amalgamation already* ***contain specific anti-avoidance safeguards. Therefore, GAAR would not be invoked when SAAR is applicable****.*
…… ……..
Example -9: Facts: A company sets off losses in the stock market against gains which is aimed at balancing the portfolio.
Interpretation: Sale/purchase through stock market transactions would not come under GAAR provisions. ***Moreover, timing of a transaction by a taxpayer would not be questioned under GAAR.*** *……..*

In the instant case, the entire transaction should not be questioned under GAAR since it has been undertaken for Bonafide business purpose.

Having regard to the above, in the present case, the entire arrangement was legitimate/ genuine and backed by commercial prudence and does not specifically fall under any of the four clauses of section 96(1) of the Act, for the reasons elaborately discussed supra, the applicability of GAAR provisions should, in our respectful submission, stand ousted.

In view of the above, incorporation of the assessee and the subsequent transactions should not be held to lack commercial substance and therefore, the arrangement should not be held to be an impermissible avoidance arrangement under section 96 of the Act.

Prayer

In case your goodself were to, for any reason whatsoever, not agree with the aforesaid written submissions, then, it is respectfully submitted that before taking any adverse view, the specific point of disagreement may kindly be intimated and thereafter, the assessee should be granted an opportunity of: (a) personal/ oral hearing; and (b) for filing further submissions on the said specific aspects and/ or any other issue that may be indicated by your goodself.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

Neeraj Jain/ Anshul Sachar

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vedanta
transforming elements

VEDL/Sec./SE/20-21/105 October 01, 2020

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400 001

National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400 051

Scrip Code: 500295

Scrip Code: VEDL

Sub: Update regarding proposed voluntary delisting of the equity shares of Vedanta Limited ("Company") in accordance with the provisions under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended ("Delisting Regulations").

Dear Sir/Madam,

In connection with the aforesaid delisting offer, this is to inform you that we have received a confirmation from Vedanta Resources Limited and its indirect subsidiaries namely, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited, that KFin Technologies Private Limited has completed the dispatch of letter of offer to all public shareholders in accordance with the Delisting Regulations.

Please find enclosed a copy of the letter of offer dispatched to the public shareholders for your reference and records. Request you to disseminate the said information on your website.

The letter offer is also being made available on the website of the Company i.e., www.vedantalimited.com.

Thanking you,

Yours sincerely
For Vedanta Limited

Prerna Halwasiya
Company Secretary & Compliance Officer

Enclosed: As above

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer **("Letter of Offer"/ "LOF")** is being sent to you as a Public Shareholder (*defined below*) of Vedanta Limited as on the Specified Date (*defined below*) in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended ("**Delisting Regulations**"). In case you have recently sold your Equity Shares (*as defined below*), please hand over this Letter of Offer and the accompanying documents to the member of the stock exchange through whom the sale was effected.

LETTER OF OFFER

to the Public Shareholders for voluntary delisting of Equity Shares of

VEDANTA LIMITED ("Company")

CIN: L13209MH1965PLC291394
Registered Office: 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093
Company Secretary & Compliance Officer: Ms. Prerna Halwasiya
Tel. no.: +91 22 6643 4500; **Fax no.**: +91 22 6643 4530
E-mail ID: comp.sect@vedanta.co.in; **Website**: www.vedantalimited.com

From

Name	Registered office
Vedanta Resources Limited	8th Floor, 20 Farringdon Street, London, EC4A 4AB
Vedanta Holdings Mauritius Limited	C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius
Vedanta Holdings Mauritius II Limited	C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius

(hereinafter collectively referred to as the "**Acquirers**")

inviting you to tender your Equity Shares, pursuant to the reverse book building process in accordance with the Delisting Regulations.

NOTES:

If you wish to tender your Equity Shares pursuant to this Letter of Offer to the Acquirers, you should:

- carefully read this Letter of Offer and the instructions herein; and
- complete and sign the accompanying Bid Form in accordance with the instructions therein and in this Letter of Offer, which is enclosed at the end of this booklet and submit the Bid Form to your Seller Member for bidding under Offer to Buy/ OTB. For detailed procedure on the submission and settlement of Bids, please refer to paragraph 17 of the Letter of Offer.
- In case of the Equity Shares held in physical form, please refer to paragraph 17.6 of the Letter of Offer.

The Delisting Offer (as defined below) will be implemented by the Acquirers through the stock exchange mechanism, as provided under the Delisting Regulations and circular nos. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by the Securities and Exchange Board of India ("**SEBI**"). For details on methodology on stock exchange mechanism, please refer to paragraphs 15 and 17 of this Letter of Offer.

For the implementation of the Delisting Offer, the Acquirers have appointed the Buyer Broker viz., DAM Capital Advisors Limited, as the registered broker through whom the purchases and settlements on account of the Delisting Offer would be made by the Acquirers.

FLOOR PRICE: INR 87.25/- PER EQUITY SHARE

BID OPENING DATE: OCTOBER 05, 2020	BID CLOSING DATE: OCTOBER 09, 2020
MANAGER TO THE OFFER	**REGISTRAR TO THE OFFER**
J.P. Morgan India Private Limited **CIN:** U67120MH1992FTC068724 **Address:** J.P. Morgan Tower, Off C. S. T. Road, Kalina, Santacruz (East), Mumbai – 400 098 **Tel. no.:** +91 22 6157 3000 **Fax no.:** +91 22 6157 3911 **Email:** vedanta_delist@jpmorgan.com **Contact person:** Mr. Shagun Gupta **SEBI registration no.:** INM000002970 **Validity period:** Permanent	**KFin Technologies Private Limited** (*formerly known as Karvy Fintech Private Limited*) **CIN:** U72400TG2017PTC117649 **Address:** Selenium Building, Tower- B, Plot No 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad Rangareddi – 500032, Telangana **Tel. no.:** +91 40 6716 2222/ 1-800-34-54001 **Fax no.:** +91 40 2343 1551 **Email:** vedanta.delisting@kfintech.com **Contact person:** Mr. Murali Krishna **SEBI registration no.:** INR000000221 **Validity period:** Permanent

ADVISOR TO THE ACQUIRERS FOR THE DELISTING PROCESS

DAM Capital Advisors Limited	**CIN:** U99999MH1993PLC071865 **Address:** One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

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SCHEDULE OF ACTIVITIES

For the process of the Delisting Offer, the tentative schedule of activity will be as set out below:

Activity	Date	Day
Specified Date for determining the names of shareholders to whom the Letter of Offer shall be sent@	September 25, 2020	Friday
Date of receipt of BSE in-principle approval	September 28, 2020	Monday
Date of receipt of NSE in-principle approval	September 28, 2020	Monday
Date of publication of the Public Announcement	September 29, 2020	Tuesday
Last date for dispatch of Letter of Offer/ Bid Forms to Public Shareholders as of Specified Date	October 01, 2020	Thursday
Bid Opening Date (bid starts at market hours)	October 05, 2020	Monday
Last Date for upward revision or withdrawal of bids	October 08, 2020	Thursday
Bid Closing Date (bid closes at market hours)	October 09, 2020	Friday
Last date for announcement of counter offer	October 13, 2020	Tuesday
Last date for announcement of Discovered Price/ Exit Price and the Acquirers' acceptance/ non-acceptance of Discovered Price/ Exit Price*	October 16, 2020	Friday
Proposed date for payment of consideration to Public Shareholders and/ or return of Equity Shares to Public Shareholders** in case of Bids not being accepted/ failure of the Delisting Offer	October 23, 2020	Friday

@ *The Specified Date is only for the purpose of determining the names of the Public Shareholders to whom the Letter of Offer will be sent. However, all Public Shareholders, who are eligible to participate in the Delisting Offer, can submit their Bids in Acquisition Window Facility or OTB through their respective Seller Member during the Bid Period. Changes to the proposed timeline, if any, will be notified to Public Shareholders by way of a public announcement in the same newspapers where the Public Announcement is published.*

* *This is an indicative date and the announcement may be made on or before October 16, 2020, being the fifth working day from the Bid Closing Date.*

** *Subject to the acceptance of the Discovered Price or offer of an Exit Price higher than the Discovered Price by the Acquirers.*

***Notes**: **(1)** All dates are subject to change and depend on obtaining the requisite statutory and regulatory approvals, as may be applicable. Changes to the proposed timetable, if any, will be notified to the Public Shareholders by way of corrigendum/ addendum in all the newspapers in which the Public Announcement has appeared; and **(2)** Last date of payment is subject to the acceptance of the Discovered Price by the Acquirers.*

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RISK FACTORS

The risk factors set out below do not relate to the present or future business operations of the Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Public Shareholder in the Delisting Offer. Each Public Shareholder of the Company is hereby advised to consult with legal, financial, tax, investment or other independent advisers and consultants for advice on the further risks with respect to each such Public Shareholder's participation in the Delisting Offer and related sale and transfer of Offer Shares of the Company to the Acquirers.

Risk factors relating to the Delisting Offer and the probable risks involved in associating with the Acquirers:

- The Acquirers and the Promoter Group make no assurance with respect to the future financial performance of the Company.
- The Delisting Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer for reasons beyond the control of the Acquirers and the Company. Consequently, the payment of consideration to the Public Shareholders whose Offer Shares are accepted under this Delisting Offer as well as the return of Offer Shares not accepted under this Delisting Offer by the Acquirers may get delayed.
- The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in this Letter of Offer or in the Public Announcement or in advertisements or other materials issued by, or at the request of the Acquirers or the Manager to the Offer, and anyone placing reliance on any other source of information, would be doing so at his/ her/ their own risk.
- This Delisting Offer is subject to completion risks as would be applicable to similar transactions.
- The Delisting Offer is being made for securities of an Indian company and Public Shareholders of the Company in the U.S. should be aware that this Letter of Offer and any other documents relating to the Delisting Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this Letter of Offer or in any other documents relating to the Delisting Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.
- The receipt of cash pursuant to the Delisting Offer by a Public Shareholder of the Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each Public Shareholder of the Company is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Delisting Offer.

Neither the U.S. Securities Exchange Commission nor any U.S. state securities commission has approved or disapproved the Delisting Offer or passed any comment upon the adequacy or completeness of this Letter of Offer. Any representation to the contrary is a criminal offence in the U.S.

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KEY DEFINITIONS AND ABBREVIATIONS

TERM	DEFINITION
Acquirers	Vedanta Resources Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited.
Acquisition Window Facility or Offer to Buy/ OTB	An acquisition window facility, i.e., separate acquisition window in form of web-based bidding platform provided by BSE, in accordance with the stock exchange mechanism conducted in accordance with the terms of the Delisting Regulations and the SEBI Circulars.
ADS	American depositary share(s) issued by the Company that are listed on NYSE.
ADR	American depositary receipt.
ADR Deposit Agreement	Deposit agreement dated September 6, 2013 among the Company (as successor in interest to Sesa Goa Limited) and Citibank, N.A., as depositary, and the holders and beneficial owners of ADS issued thereunder, as amended by the deposit agreement dated August 25, 2015 among the Company and Citibank, N.A., for continued appointment of Citibank, N.A. as the exclusive depositary of ADRs issued thereunder.
Bid Closing Date	Close of trading hours on October 09, 2020 being the last date of the Bid Period.
Bid Form	Bid form as enclosed with this Letter of Offer.
Bid Opening Date	Opening of trading hours on October 05, 2020 being the date on which the Bid Period commences.
Bid Period	Bid Opening Date to Bid Closing Date, inclusive of both dates.
Board	Board of Directors of the Company.
BSE	BSE Limited.
Buyer Broker	DAM Capital Advisors Limited
CIN	Corporate identity number.
Clearing Corporation	ICCL or NCL, as the case may be.
Company	Vedanta Limited, the Company whose Equity Shares are sought to be delisted from the Stock Exchanges.
Counter Offer Price	A price offered by the Acquirers, which is lower than the Discovered Price but not less than the book value of the Company as certified by the merchant banker in terms of Regulation 16(1A) of the Delisting Regulations.
Delisting Letter	Letter dated May 12, 2020, sent by VRL to the Company expressing its intention to make the Delisting Offer.
Delisting Offer	The offer being made by the Acquirers to acquire all Offer Shares in accordance with the Delisting Regulations and the terms and conditions set out in the Public Announcement and this Letter of Offer. Consequently, Offer Shares shall be voluntarily delisted from the Stock Exchanges and the 'permitted to trade' status from MSE given to the Equity Shares will stand withdrawn.
Delisting Regulations	SEBI (Delisting of Equity Shares) Regulations, 2009, as amended.
DIN	Director identification number.
Discovered Price	The price at which the shareholding of the members of the Promoter Group reaches 90% of the total issued and 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, pursuant to the reverse book building process specified in Schedule II of the Delisting Regulations, which shall not be lower than the Floor Price.
DP	Depository participant.
DTC	Depository trust company.

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TERM	DEFINITION
Due Diligence Report	The due diligence report dated May 18, 2020 submitted by the Merchant Banker to the Board.
Equity Shares	The fully paid-up equity shares of the Company having face value of INR 1/- (Indian Rupees One only) each.
Escrow Accounts	Escrow accounts opened with the Escrow Bank in accordance with the Delisting Regulations referred to in paragraph 22 of this Letter of Offer.
Escrow Bank	Axis Bank Limited, a scheduled commercial bank and a banker to an issue registered with SEBI.
Exit Price	Any Discovered Price that is accepted by the Acquirers for the Delisting Offer, a higher price that is offered by the Acquirers for the Delisting Offer at their discretion, or a Counter Offer Price that results in shareholding of the Promoter Group reaching 90% of the total issued and 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, pursuant to acceptance of the Counter Offer Price by the Public Shareholders.
Exit Window	A period of 1 year following the date of delisting of Equity Shares from the Stock Exchanges.
Floor Price	INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) per Offer Share determined in accordance with the Delisting Regulations. Please refer to paragraph 12 of this Letter of Offer.
ICCL	Indian Clearing Corporation Limited.
INR	Indian Rupee.
IT Act	Income-Tax Act, 1961.
Letter of Offer/ LOF	This letter inviting Bids from all Public Shareholders.
Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
Manager/ Manager to the Offer	J.P. Morgan India Private Limited.
Merchant Banker	SBI Capital Markets Limited, a merchant banker registered with SEBI.
MSE	Metropolitan Stock Exchange of India Limited.
NCL	NSE Clearing Limited.
NSE	National Stock Exchange of India Limited.
NYSE	New York Stock Exchange.
Offer Shares	All Equity Shares that are held by the Public Shareholders.
PAN	Permanent account number.
Promoter Group	The members of the promoter and promoter group of the Company.
Public Announcement	The public announcement issued by the Acquirers published on September 29, 2020 in accordance with Regulation 10(1) of the Delisting Regulations.
Public Shareholders	All holders of the Equity Shares other than the Acquirers, the Promoter Group and the holders of ADS issued against the Equity Shares held with the custodian and such custodian holding the Equity Shares, as defined under Regulation 2(1)(v) of the Delisting Regulations.
RBI	Reserve Bank of India.
Registrar/ Registrar to the Offer	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited).
Residual Public Shareholders	The Public Shareholders whose Offer Shares have not been acquired by the Acquirers.
SEBI	Securities and Exchange Board of India.

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TERM	DEFINITION
SEBI Circulars	SEBI's circular dated April 13, 2015 on 'Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting' and circular dated December 9, 2016 on 'Streamlining the process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buyback and Delisting of Securities'.
SEC	U.S. Securities and Exchange Commission.
Seller Member	The stock brokers who are registered with BSE appointed by the respective Public Shareholders.
Specified Date	September 25, 2020.
Stock Exchange Mechanism	The process set out in the SEBI Circulars.
Stock Exchanges	BSE and NSE.
STT	Securities transaction tax.
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
TRS	Transaction registration slip.
UCC	Unique client code.
U.S./ United States	United States of America.
USD	U.S. Dollar.
VHML	Vedanta Holdings Mauritius Limited.
VHML II	Vedanta Holdings Mauritius II Limited.
VRL	Vedanta Resources Limited.

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Dear Public Shareholder,

Invitation to tender Equity Shares held by you in the Company

The Acquirers are pleased to invite you to tender your Equity Shares, on the terms and subject to the conditions set out in the Delisting Regulations, the Public Announcement and in this Letter of Offer, held by you in the Company to the Acquirers pursuant to the Delisting Offer made in accordance with relevant provisions of the Delisting Regulations.

1 BACKGROUND OF THE DELISTING OFFER

1.1 As on the Specified Date, 1,86,36,18,788 Equity Shares aggregating to 52.33% of the total issued and paid-up equity share capital of the Company, excluding the ADS issued by the Company, are held by the Promoter Group. As on the Specified Date, the Acquirers do not directly hold any Equity Shares. As on the Specified Date, the Public Shareholders (including the employee benefit trust) hold 1,69,73,90,047 Equity Shares aggregating to 47.67% of the total issued and paid-up equity share capital of the Company, excluding ADS issued by the Company.

1.2 In addition to the above, as on Specified Date, 3,91,24,009 ADS are outstanding which have been issued by the Company against 15,64,96,036 number of underlying Equity Shares. The holders of such ADS would be considered to be Public Shareholders to be able to participate in the Delisting Offer in the event they chose to convert the ADS into Equity Shares. In this regard, please note if all the outstanding ADS (as on the Specified Date) are converted into Equity Shares, the: (a) members of the Promoter Group will hold 1,86,36,18,788 Equity Shares aggregating to 50.13% of the total issued and paid-up equity share capital of the Company; and (b) the Public Shareholders will hold 1,85,38,86,083 Equity Shares aggregating to 49.87% of the total issued and paid-up equity share capital of the Company.

1.3 The Acquirers are making this Letter of Offer to acquire the Offer Shares. If the Delisting Offer is successful in accordance with the terms set out in paragraph 14 of this Letter of Offer, an application will be made to delist the Equity Shares from the Stock Exchanges pursuant to and in accordance with the Delisting Regulations and on the terms set out in the Public Announcement, this Letter of Offer and any other Delisting Offer related documents. Consequently, the Equity Shares shall be voluntarily delisted from the Stock Exchanges and the 'permitted to trade' status given to Equity Shares by the MSE shall stand withdrawn.

1.4 VRL, pursuant to the Delisting Letter, expressed its intention to the Board to acquire the Offer Shares and consequently voluntarily delist the Equity Shares from the Stock Exchanges by making a Delisting Offer in accordance with the Delisting Regulations and if such delisting is successful, then to also delist the ADS from NYSE and deregister the Company from the SEC, subject to the requirements of the NYSE and the SEC. Further, VRL, *inter alia*, requested the Board to: (a) take all such other actions as may be required to be undertaken by the Company under the Delisting Regulations in order to give effect to the Delisting Offer, including appointment of a merchant banker to undertake due diligence, provide all relevant information necessary for the due diligence, make relevant applications to Stock Exchanges and/ or to any other regulatory authorities, as may be required in connection to the Delisting Proposal; (b) consider and approve the Delisting Offer under Regulation 8 of the Delisting Regulations; and (c) take necessary steps to: (i) seek approval of the shareholders of the Company through postal ballot; (ii) seek approval of the Stock Exchanges for the proposed delisting of the Equity Shares in accordance with the Delisting Regulations; and (iii) obtain consent/ waivers from the lenders in connection with the proposed delisting of the Equity shares, as may be required. The receipt of the Delisting Letter was intimated by the Company to the Stock Exchanges on May 12, 2020 ("**Stock Exchanges Notification Date**").

1.5 Pursuant to the Delisting Letter, the Board appointed the Merchant Banker to carry out due diligence in accordance with Regulations 8(1A) and 8(1D) of the Delisting Regulations. The appointment of the Merchant Banker was intimated by the Company to the Stock Exchanges on May 13, 2020.

1.6 On May 12, 2020, the Company intimated the Stock Exchanges that a meeting of the Board is scheduled to be held on May 18, 2020 in order to: (i) take on record and review the Due Diligence Report in terms of Regulations 8(1A)(ii) and 8(1E) of the Delisting Regulations; (ii) approve/ reject the proposal of voluntary delisting of the Equity Shares; and (iii) any other matters incidental thereto or required in terms of the Delisting Regulations.

1.7 Further, in the Delisting Letter, after considering the prevailing market conditions and with a view to provide the Public Shareholders with a fair exit price, VRL informed the Company of its willingness to accept Equity Shares tendered by the Public Shareholders in the Delisting Offer at a price of INR 87.50 (Indian Rupees Eighty Seven and Fifty Paise only) per Equity Share ("**Indicative Offer Price**"). VRL further informed the Company that the Indicative Offer Price should in no way be construed either as an obligation/ restriction on VRL and/ or its subsidiaries to accept the Equity Shares tendered in the Delisting Offer at a price lower than, equal to or higher than the Indicative Offer Price or as a restriction on the Public Shareholders to tender the Equity Shares at price higher than the Indicative Offer Price. The Indicative Offer Price was intimated to Stock Exchanges on May 12, 2020.

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1.8 On May 18, 2020, the Company received a letter from VRL, providing the details of the floor price for the Delisting Offer, along with a certificate issued by Price Waterhouse & Co LLP, certifying the Floor Price for the Delisting Offer to be INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) determined in accordance with the Delisting Regulations ("**Floor Price Letter**").

1.9 The Board, in its meeting held on May 18, 2020, *inter-alia*, took the following decisions:

a) The Due Diligence Report, as tabled before them, issued and submitted by the Merchant Banker, was taken on record.

b) Based on the Due Diligence Report and information available with the Company, the Board, in accordance with Regulation 8(1B) of the Delisting Regulations, certified that:

i. The Company is in compliance with the applicable provisions of securities laws;

ii. The members of the Promoter Group or their related entities are in compliance with Regulation 4(5) of the Delisting Regulations; and

iii. The Delisting Offer is in the interest of the shareholders of the Company.

c) In accordance with Regulation 8(1)(a) of the Delisting Regulations, the Board has approved the Delisting Offer, after having discussed and considered various factors including the Due Diligence Report.

d) The Board granted its approval to the Company to seek shareholders' approval by way of special resolution through postal ballot and e-voting, and thereby approved the draft of the postal ballot notice and the explanatory statement thereto. The Company was authorized to: (i) dispatch the said postal ballot notice and the explanatory statement to the shareholders in accordance with applicable laws; and (ii) obtain approval of the Stock Exchanges in accordance with the provisions under the Delisting Regulations and/ or any other regulatory/ government authority in India and/ or abroad (including the SEC and NYSE), as may be required, in relation to the Delisting Offer.

e) Mr. Upendra C Shukla, Practicing Company Secretary (FCS No. 2727, CP No. 1654), was appointed as the scrutinizer in terms of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, to conduct the process of the postal ballot in a fair and transparent manner.

The outcome of the meeting of the Board was intimated by the Company to the Stock Exchanges on the same day, i.e., May 18, 2020.

1.10 The dispatch of the notice of postal ballot dated May 18, 2020 for seeking the approval of the shareholders, through postal ballot and remote e-voting for the Delisting Offer, as required under the Delisting Regulations and the Companies Act, 2013 and the rules made thereunder read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, was completed on May 25, 2020.

1.11 The shareholders of the Company approved the Delisting Offer by way of a special resolution in accordance with the Delisting Regulations on June 24, 2020 i.e., the last date specified for remote e-voting. The results of the postal ballot were announced on June 25, 2020 and the same were intimated to the Stock Exchanges. As part of the said resolution, the votes cast by the Public Shareholders in favour of the Delisting Offer are 99,69,13,034 votes which is more than two times the number of votes cast by the Public Shareholders against it i.e., 18,59,11,313 votes.

1.12 BSE and NSE have issued their in-principle approvals to the Delisting Offer subject to compliance with the Delisting Regulations, pursuant to their letters, each dated September 28, 2020, in accordance with Regulation 8(3) of the Delisting Regulations.

1.13 The Public Announcement has been issued in the following newspapers as required under Regulation 10(1) of the Delisting Regulations:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Navshakti	Marathi	Mumbai
The Free Press Journal	English	Mumbai

1.14 Any changes, modifications or amendments to the Public Announcement or this Letter of Offer, if any, will be notified by way of issuing corrigendum/ addendum in all of the aforesaid newspapers.

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1.15 The Delisting Offer is subject to the acceptance of the Discovered Price *(defined below in paragraph 13.3 of this Letter of Offer)*, determined in accordance with the Delisting Regulations, by the Acquirers. The Acquirers may also, at their discretion, propose: (a) a price higher than the Discovered Price for the purposes of the Delisting Offer; or (b) a Counter Offer Price. Any Discovered Price that is accepted by the Acquirers for the Delisting Offer, a higher price that is offered by the Acquirers for the Delisting Offer at their discretion, or a Counter Offer Price pursuant to acceptance of the Counter Offer Price by the Public Shareholders that results in shareholding of the Promoter Group reaching 90% of the total issued and 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, shall hereinafter be referred to as the "**Exit Price**".

2 NECESSITY AND OBJECTIVE OF THE DELISTING OFFER

2.1 In the Delisting Letter, VRL specified the following as the rationale for the Delisting Offer:

a) The Vedanta Group (the "**Group**") has been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with the Company in 2016, and the delisting of Vedanta Resources Plc (subsequently renamed Vedanta Resources Ltd) in 2018.

b) The Group believes that a delisting of the Company is the next logical step in this simplification process and will provide the Group with enhanced operational and financial flexibility in a capital intensive business. Vedanta Group maintains its strategic priority of attaining leadership in diversified natural resources, underpinned by growth, while maintaining a flexible capital structure.

c) The proposed delisting offer will provide public shareholders of the Company an opportunity to realize immediate and certain value for their shares at a time of elevated market volatility. The price will be determined in accordance with the reverse book building mechanism set out in the Delisting Regulations.

d) The proposed delisting will align the Group's capital and operational structures, streamline the process of servicing the Group's financing obligations and significantly improve a range of important credit metrics. As a result, the transaction is expected to support an accelerated debt reduction program in the medium term and, in turn, support the Group's highly attractive longer-term growth pipeline.

3 BACKGROUND OF THE ACQUIRERS

3.1 Vedanta Resources Limited

3.1.1 VRL was incorporated on April 22, 2003, as a private limited company under the laws of United Kingdom (company registration number 4740415). It was incorporated in the name of Angelchange Limited. Subsequently, its name was changed to Vedanta Resources Limited on June 26, 2003. VRL was re-registered as a public limited company pursuant to which its name was changed to Vedanta Resources Plc with effect from November 20, 2003. The ordinary shares of VRL got listed on the London Stock Exchange on December 5, 2003. Thereafter, on October 01, 2018, the ordinary shares of VRL were delisted from London Stock Exchange pursuant to the successful completion of the delisting offer made by Volcan Investments Limited, the holding company of VRL. On October 29, 2018, VRL was re-registered as a private limited company pursuant to which its name was changed to Vedanta Resources Limited. VRL's registered office is located at 8th Floor, 20 Farringdon Street, London, EC4A 4AB and its corporate office is located at 4th Floor 30 Berkeley Square, London, W1J 6EX.

3.1.2 VRL is a globally diversified natural resources company and is engaged in production of aluminium, copper, zinc, lead, silver, iron ore, oil and gas and commercial energy. VRL has operations in India, Zambia, Namibia and South Africa.

3.1.3 Mr. Anil Agarwal, Mr. Navin Agarwal, Mr. Geoffrey Green, Mr. Deepak Parekh, Mr. Ravi Rajagopal and Mr. Edward Story are the directors of the VRL. As on the date of this Letter of Offer, the issued and paid-up share capital of VRL is USD 28,524,669.8 (U.S. Twenty Eight Million Five Hundred Twenty Four Thousand Six Hundred Sixty Nine point Eight only) comprising of 285,246,698 fully paid-up ordinary shares of USD 0.1 (U.S. Dollar Zero point One only) each. VRL is a subsidiary of Volcan Investments Limited.

3.1.4 The shareholding pattern of VRL as on the date of this Letter of Offer, is set out below:

Sr. No.	Name of the shareholders	No. of shares held	% of shareholding
1.	Volcan Investments Limited	18,74,88,092	65.7%
2.	Volcan Investments Cyprus Limited (*a wholly owned subsidiary of Volcan Investments Limited*)	9,77,58,606	34.3%
	Total	**28,52,46,698**	**100.0%**

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3.1.5 The key financial information of VRL, based on its audited consolidated financial statements for financial years ended on March 31, 2020, March 31, 2019 and March 31, 2018, is set out below:

(*Amount in USD million and INR crores except per share data and percentages shown)*

Particulars	Financial year ended March 31, 2020		Financial year ended March 31, 2019[4]		Financial year ended March 31, 2018[5]	
	USD (mm)	INR (cr.)	USD (mm)	INR (cr.)	USD (mm)	INR (cr.)
Equity Capital	29	213	29	213	30	221
Reserves	(3,292)	(24,227)	(957)	(7,042)	(360)	(2,649)
Minority Interests	5,536	40,742	6,181	45,489	6,870	50,560
Total Equity	**2,273**	**16,728**	**5,253**	**38,660**	**6,540**	**48,132**
Non-current borrowings[1]	4,909	36,128	10,524	77,451	9,734	71,637
Other non- current Liabilities	1,013	7,455	1,488	10,951	1,310	9,641
Current borrowings	10,186	74,964	5,456	40,153	5,460	40,183
Other current Liabilities	5,805	42,722	7,060	51,958	6,194	45,585
Total equity and liabilities	**24,186**	**177,997**	**29,781**	**219,173**	**29,238**	**215,178**
Fixed Assets (including Capital Work in Progress)[2]	13,357	98,301	17,909	131,801	17,919	131,875
Other non-current assets	3,028	22,285	2,999	22,071	2,122	15,617
Cash and cash equivalents	705	5,188	1,133	8,338	798	5,873
Other Current Assets	7,096	52,223	7,740	56,963	8,399	61,813
Total Assets	**24,186**	**177,997**	**29,781**	**219,173**	**29,238**	**215,178**
Revenue	11,790	86,769	13,006	95,718	15,294	112,556
Other operating income	142	1,045	225	1,656	154	1,133
Total operating income	**11,932**	**87,814**	**13,231**	**97,374**	**15,448**	**113,689**
Total expenses	13,278	97,720	11,863	87,306	12,960	95,379
(Loss)/ Profit before tax	**(1,346)**	**(9,906)**	**1,368**	**10,068**	**2,488**	**18,310**
Net tax (credit)/expense	(370)	(2,723)	611	4,497	1,013	7,455
(Loss)/ Profit after tax from continuing operations	**(976)**	**(7,183)**	**757**	**5,571**	**1,475**	**10,855**
Loss after tax from discontinued operations[3]	(771)	(5,674)	(333)	(2,451)	-	-
Net (loss)/ profit after tax	**(1,747)**	**(12,857)**	**424**	**3,120**	**1,475**	**10,855**
Attributable to equity holders of the parent	**(1,568)**	**(11,540)**	**(237)**	**(1,745)**	**239**	**1,759**
Attributable to non-controlling interests	**(179)**	**(1,317)**	**661**	**4,865**	**1,236**	**9,096**

Since the financial statements of VRL are prepared in USD (the functional currency of VRL), they have been converted into INR for the purpose of convenience of translation. USD to INR conversion has been assumed at a rate of USD 1 = INR 73.6 as on August 31, 2020 (www.fbil.com). No representation is made that the US Dollar amounts represent INR amounts or have been, could have been or could be converted into INR at such a rate or any other rate.

Note: Refer Note 2(b) of Annual financial statements for year ended March 31, 2019 and note 2(b) & 3(b) of preliminary results for year ended March 31, 2020 and March 31, 2019 respectively for details of new standards implemented and impact thereon.

[1] In addition to the gross debt of US$ 15.1 billion (INR 111,091Cr.) as of March 31, 2020, VRL has since announced and availed total debt financing arrangements of US$3.15 billion (INR 23,182 Cr.) (including issuance of US$1.4 billion (INR 10,303 Cr.) senior secured bonds and US$1.75 billion (INR 12,879 Cr.) term loan facility) to inter alia finance the total payments to the Public Shareholders and ADS holders of the Company following the proposed delisting of the Company. *(USD to INR conversion has been assumed at a rate of USD 1 = INR 73.6 as on August 31, 2020 (www.fbil.com)).*

[2] Fixed assets includes property, plant & equipment, intangible assets, exploration & evaluation assets, goodwill and leasehold land.

[3] Loss after tax from discontinued operations represents loss with respect to KCM (Konkola Copper Mines) operations along with the loss on fair valuation of the Group's interest in KCM.

[4] Restated. Refer note 1(b) of preliminary results for the year ended March 31, 2020.

[5] Financial information for financial year ended March 31, 2018 present KCM as consolidated subsidiary. Accordingly, financial information for year ended March 31, 2018 is not comparable.

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Source: *The financial information for financial years ended on March 31, 2020 and March 31, 2019 have been extracted from VRL's financial statements for financial years ended on March 31, 2020 and financial information for financial year ended on March 31, 2018 has been extracted from the comparative financial information included in VRL's financial statements for financial year ended on March 31, 2019. VRL's annual financial statements have been prepared and presented in accordance with international financial reporting standards as adopted by the European Union.*

3.1.6 As of the date of this Letter of Offer, VRL does not directly hold any Equity Shares.

3.2 **Vedanta Holdings Mauritius Limited**

3.2.1 VHML was incorporated on June 29, 2020 as a private limited company under the laws of Mauritius (company registration number 172883 GBC). The registered address of VHML is situated at C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, NexTeracom Building, Ebene, Mauritius.

3.2.2 The principal activity of VHML is to carry on the business of holding investments.

3.2.3 Mr. Shakill Ahmad Toorabally and Mr. Ashwanee Ramsurrun are the directors of VHML. As on the date of this Letter of Offer, the issued and paid-up share capital of VHML is USD 1,000 (U.S. Dollars One Thousand only) comprising of 1,000 ordinary shares of USD 1 (U.S. Dollar One only) each. VHML is a wholly owned subsidiary of Vedanta Holdings Jersey Limited, which in turn is a wholly owned subsidiary of VRL.

3.2.4 The shareholding pattern of VHML as on the date of this Letter of Offer is set out below:

Sr. No.	Name of the shareholders	No. of shares held	% of shareholding
1.	Vedanta Holdings Jersey Limited	1,000	100
	Total	**1,000**	**100**

3.2.5 VHML was incorporated on June 29, 2020, therefore no financial statements have been prepared by it.

3.2.6 As of the date of this Letter of Offer, VHML does not hold any Equity Shares.

3.3 **Vedanta Holdings Mauritius II Limited**

3.3.1 VHML II was incorporated on June 29, 2020 as a private limited company under the laws of Mauritius (company registration number 172884 GBC). The registered address of VHML II is situated at C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.

3.3.2 The principal activity of VHML II is to carry on the business of holding investments.

3.3.3 Mr. Rajiv Mangar and Mr. Shakill Ahmad Toorabally are the directors of VHML. As on the date of this Letter of Offer, the issued and paid-up share capital of VHML II is USD 1,000 (U.S. Dollars One Thousand only) comprising of 1,000 ordinary shares of USD 1 (U.S. Dollar One only) each. VHML II is a wholly owned subsidiary of Vedanta Holdings Jersey Limited, which in turn is a wholly owned subsidiary of VRL.

3.3.4 The shareholding pattern of VHML II as on the date of this Letter of Offer is set out below:

Sr. No.	Name of the shareholders	No. of shares held	% of shareholding
1.	Vedanta Holdings Jersey Limited	1,000	100
	Total	**1,000**	**100**

3.3.5 VHML II was incorporated on June 29, 2020, therefore no financial statements have been prepared by it.

3.3.6 As on the date of this Letter of Offer, VHML II does not hold any Equity Shares.

3.4 Neither the Acquirers nor any member of the Promoter Group has sold any Equity Shares during the 6 months preceding the date of the meeting of the Board i.e., May 18, 2020, wherein the Delisting Offer was approved. Further, neither the Acquirers nor any member of the Promoter Group shall sell the Equity Shares until the earlier of: (i) completion of the Delisting Offer in accordance with the Delisting Regulations; or (ii) failure of the Delisting Offer in accordance with the Delisting Regulations.

3.5 The members of the Promoter Group are not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act, 1992.

3.6 The Acquirers hereby invite all the Public Shareholders to bid in accordance with the reverse book building process of BSE and on the terms and subject to the conditions set out herein, and/ or in the Public Announcement, the Offer Shares.

3.7 The Acquirers have, as detailed in paragraph 22 of this Letter of Offer, made available all the requisite funds necessary to fulfil the obligations of the Acquirers under the Delisting Offer.

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4 BACKGROUND OF THE COMPANY

4.1 The Company was incorporated on June 25, 1965 as a private limited company under the laws of India as Sesa Goa Private Limited. The Company was converted into a public limited company pursuant to which its name was changed to Sesa Goa Limited with effect from April 16, 1981. Subsequently, the name of the Company was changed to Sesa Sterlite Limited on September 18, 2013 and further the name of the Company was changed to its present name i.e., Vedanta Limited with effect from April 21, 2015.

4.2 The Company's registered office is located at 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093; Tel. no.: +91 22 6643 4500; Fax no.: +91 22 6643 4530; E-mail: comp.sect@vedanta.co.in and website: www.vedantalimited.com. The CIN of the Company is: L13209MH1965PLC291394.

4.3 The Company is a globally diversified natural resources company engaged in the business of producing oil and gas, zinc, lead, silver, copper, iron ore, steel, aluminium and power across India, South Africa, Namibia and Australia.

4.4 As on the date of this Letter of Offer, the members of the Board are:

Name and DIN	Designation as on date of Letter of Offer	Date of Appointment	No. of Equity Shares Held
Mr. Anil Agarwal **DIN**: 00010883	Non-Executive Director, Chairperson	April 1, 2020	Nil
Mr. Navin Agarwal **DIN**: 00006303	Executive Director, Vice Chairperson	August 17, 2013	Nil
Mr. K. Venkataramanan **DIN**: 00001647	Non-Executive Independent Director	April 1, 2017	Nil
Ms. Lalita D. Gupte **DIN**: 00043559	Non-Executive Independent Director	March 29, 2014	Nil
Mr. MK Sharma **DIN**: 00327684	Non-Executive Independent Director	June 1, 2019	Nil
Mr. UK Sinha **DIN**: 00010336	Non-Executive Independent Director	March 13, 2018	Nil
Ms. Priya Agarwal **DIN**: 05162177	Non-Executive Director	May 17, 2017	Nil
Mr. GR Arun Kumar **DIN**: 01874769	Whole-Time Director & Chief Financial Officer	November 22, 2016	8,000

4.5 A brief summary of the financial performance of the Company, based on its audited consolidated financial statements of the Company for the financial years ended on March 31, 2020, March 31, 2019 and March 31, 2018, are set out as below:

(*Amount in INR crore except per share data)*

Particulars	Financial year ended March 31, 2020	Financial year ended March 31, 2019	Financial year ended March 31, 2018
Equity capital	372	372	372
Reserves & surplus	54,263	61,925	62,940
Minority interest	17,112	15,227	15,961
Total equity	**71,747**	**77,524**	**79,273**
Non-current borrowings	36,724	34,721	26,789
Other non- current Liabilities	11,829	13,157	11,276
Current borrowings	13,076	22,982	21,951
Other current Liabilities	50,246	53,659	45,296
Total equity and liabilities	**183,622**	**202,043**	**184,585**
Fixed Assets (including Capital Work in Progress)[1]	107,489	121,356	112,334
Other non-current assets	18,613	20,859	17,137
Cash and cash equivalents[2]	12,502	8,369	5,216
Other current assets	45,018	51,459	49,898
Total assets	**183,622**	**202,043**	**184,585**

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Particulars	Financial year ended March 31, 2020	Financial year ended March 31, 2019	Financial year ended March 31, 2018
Revenue from operations	83,545	90,901	92,011
Other operating income	902	1,147	912
Other Income	2,510	4,018	3,205
Total Income	**86,957**	**96,066**	**96,128**
Total Expenses	77,830	82,826	79,456
Profit before tax	**9,127**	**13,240**	**16,672**
Net exceptional (loss)/ gain	(17,386)	320	2,897
(Loss)/ Profit before tax after exceptional items	**(8,259)**	**13,560**	**19,569**
Net tax (credit)/ expense	(3,516)	3,862	5,877
(Loss)/ Profit after tax	**(4,743)**	**9,698**	**13,692**
Share of (Loss)/ Profit of Jointly Controlled entities	(1)	0	0
(Loss)/ Profit after tax after Share of (loss)/ profit of Jointly Controlled entities	**(4,744)**	**9,698**	**13,692**
Attributable to equity holders of the parent	(6,664)	7,065	10,342
Attributable to non-controlling interests	1,920	2,633	3,350
Basic EPS (INR per share)[3]	(18.0)	19.1	28.3
Diluted EPS (INR per share)[3]	(18.0)	19.0	28.2

Note: Refer Note 3(b) of Annual financial statements for the year ended March 31, 2020 and March 31, 2019 respectively, for details of new standards implemented and impact thereon.

[1] *Fixed Assets (including Capital Work in Progress) also includes Intangible assets and Exploration intangible assets under development*

[2] *Cash and cash equivalent includes other bank balances*

[3] *Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of Equity Shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of Equity Shares outstanding for the effects of all dilutive potential equity shares, unless the effect is anti-dilutive.*

Source: *The financial information for the financial years ended March 31, 2020 and March 31, 2019 have been extracted from the Company's audited consolidated financial statements for financial years ended on March 31, 2020 and financial information for financial year ended on March 31, 2018 have been extracted from the comparative financial information included in the Company's audited consolidated financial statements for financial year ended on March 31, 2019. The Company's financial statements have been prepared in accordance with the Indian Accounting Standards.*

4.6 The book value for the Company, for financial year ended on March 31, 2020, is INR 89.38 (Indian Rupees Eighty Nine and Thirty Eight Paise only) per Equity Share, as extracted from the audited consolidated financial statements of the Company. The book value has been arrived at by dividing net worth of the Company (as per Section 2(57) of the Companies Act, 2013) by total number of outstanding Equity Shares as of March 31, 2020. The computation of the book value of the Company has been certified independently by Shailesh Haribhakti & Associates, chartered accountants, vide certificate dated September 02, 2020.

5 PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

5.1 As of the date of this Letter of Offer, the authorized share capital of the Company is INR 74,12,01,00,000 (Indian Rupees Seventy Thousand Four Hundred Twelve Crore and One Lakh only) divided into 44,02,01,00,000 Equity Shares of INR 1 (Indian Rupees One only) each and 3,01,00,00,000 preference shares of INR 10/- (Indian Rupees Ten only) each. The total issued and paid-up share capital of the Company is INR 3,71,75,04,871 (Indian Rupees Three Hundred Seventy One Crore Seventy Five Lakh Four Thousand Eight Hundred Seventy One only) comprising of 3,71,75,04,871 Equity Shares of INR 1 (Indian Rupee One only) each. Out of the 3,71,75,04,871 Equity Shares, 3,08,232 Equity Shares are pending for allotment and not listed on the Stock Exchanges and hence, kept in abeyance since they are sub judice.

5.2 The Company has issued ADS which are listed on NYSE and the underlying Equity Shares, based on which such ADS have been issued, are held by Citibank N.A. as the custodian. As on the Specified Date, 3,91,24,009 ADS are outstanding which can be converted into 15,64,96,036 Equity Shares. If any of the outstanding ADS are converted into Equity Shares after the Specified Date until the Bid Closing Date, there may be a decrease in the equity shareholding percentage of the members of the Promoter Group and an increase in the equity shareholding percentage of the Public Shareholders as specified in paragraph 1.2 above. Depending upon the conversion of the ADS into Equity Shares, the Offer Shares may stand increased or decreased, as the case may be.

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5.3 As on the date of this Letter of Offer, there are no outstanding instruments in the nature of warrants or fully convertible debentures or partly convertible debentures/ preference shares etc., which are convertible into Equity Shares at any later date. Also, Equity Shares held by the members of the Promoter Group are not subject to any statutory lock-in. As on the date of this Letter of Offer, the Acquirers do not directly hold any Equity Shares. The Company also does not have any partly paid-up shares outstanding. Neither the Acquirers nor the members of the Promoter Group are participating in the Delisting Offer and will not tender their Equity Shares in the reverse book building process as part of the Delisting Offer.

5.4 The total issued and paid-up capital structure of the Company as on the Specified Date, is as follows:

Paid-up Equity Shares	No. of Equity Shares/ Voting Rights	% of Share Capital/ Voting Rights
Fully paid-up Equity Shares (*excluding the underlying Equity Shares based on which ADS have been issued*)	3,56,10,08,835	95.79
Fully paid-up Equity Shares (*including the underlying Equity Shares based on which ADS have been issued*)	3,71,75,04,871	100.00
Partly paid-up Equity Shares	0	0
Total paid-up Equity Shares (*excluding the underlying Equity Shares based on which ADS have been issued*)	3,56,10,08,835	95.79
Total paid-up Equity Shares (*including the underlying Equity Shares based on which ADS have been issued*)	3,71,75,04,871*	100.00
Total voting rights in Target Company (*including the voting rights relating to underlying Equity Shares based on which the ADS have been issued*)	3,71,71,96,639*	99.99

***Note:** The total issued and paid-up equity share capital of the Company consists of 3,71,75,04,871 Equity Shares out of which, 3,08,232 Equity Shares are pending for allotment and not listed on the Stock Exchanges and hence, kept in abeyance since they are sub judice.*

5.5 The shareholding pattern of the Company, as on the Specified Date is as follows:

Particulars	No. of Equity Shares	% of Total Number of Shares		
		As a % of (A+B)	As a % of (A+B+C)	As a % of (A+B+C+D)
Promoter and promoter group (A)	**1,86,36,18,788**	**52.34%**	**50.14%**	**50.13%**
Public Shareholders (B)				
- Mutual funds	31,63,44,363	8.88%	8.51%	8.51%
- Alternative investment funds	14,85,154	0.04%	0.04%	0.04%
- Foreign portfolio investors	65,90,02,534	18.51%	17.73%	17.73%
- Financial institutions/ banks	20,98,39,041	5.89%	5.65%	5.64%
- Insurance companies	2,62,95,947	0.74%	0.71%	0.71%
- Qualified Institutional buyers	4,82,34,083	1.35%	1.30%	1.30%
- NBFCs registered with RBI	32,117	0.00%	0.00%	0.00%
- Individuals	26,91,62,210	7.56%	7.24%	7.24%
Others				
- Body corporates	10,17,57,369	2.86%	2.74%	2.74%
- Shares held by Employee Trust	1,34,33,176	0.38%	0.36%	0.36%
- Any Other (incl. Foreign bodies, clearing members, NRI, HUF, Foreign nationals, overseas corporate bodies, Trusts, IEPF)	5,14,95,821	1.45%	1.39%	1.39%
Total (A+B)	**3,56,07,00,603**	**100.00%**	**95.79%**	**95.78%**
Equity Shares held by custodian against which ADS have been issued (C)	**15,64,96,036**	**-**	**4.21%**	**4.21%**
Total ((A) + (B) + (C))	**3,71,71,96,639**	**-**	**100.00%**	**99.99%**
Shares held in Abeyance category (D)	**3,08,232**	**-**	**-**	**0.01%**
Total [(A)+(B)+(C)+(D)]	**3,71,75,04,871***	**-**	**-**	**100%**

** The total issued and paid-up equity share capital of the Company consists of 371,75,04,871 Equity Shares out of which, 308,232 Equity Shares are pending for allotment and not listed on the Stock Exchanges and hence, kept in abeyance since they are sub judice.*

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6 STOCK EXCHANGE FROM WHICH THE EQUITY SHARES ARE SOUGHT TO BE DELISTED

6.1 The Equity Shares are currently listed and traded on the Stock Exchanges. The Equity Shares are also 'permitted to trade' on MSE. The ADS issued by the Company are listed on NYSE.

6.2 The Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the Takeover Regulations.

6.3 The Acquirers are seeking to delist the Equity Shares from the Stock Exchanges and BSE and NSE, pursuant to their letters each dated September 28, 2020, have granted their "in-principle" approval to the Delisting Offer. If delisting of Equity Shares is successful, the 'permitted to trade' status given to Equity Shares by the MSE shall stand withdrawn and VRL (and/ or its subsidiaries, as may be applicable) will also delist the ADS from NYSE and deregister the Company from the SEC, subject to the requirements of the NYSE and the SEC.

6.4 No application for listing shall be made in respect of any Equity Shares which have been delisted pursuant to this Delisting Offer for a period of 5 years from the date of delisting except where a recommendation in this regard has been made by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985.

6.5 Any application for listing made in future by the Company after the aforementioned period in respect of delisted Equity Shares shall be deemed to be an application for fresh listing of such Equity Shares and shall be subject to the then prevailing laws relating to listing of equity shares of unlisted companies.

6.6 The Acquirers propose to acquire the Offer Shares pursuant to the reverse book building process through the Acquisition Window Facility, i.e., separate acquisition window in form of web based bidding platform provided by BSE, in accordance with the stock exchange mechanism (the "**Acquisition Window Facility**" or "**Offer to Buy (OTB)**"), conducted in accordance with the terms of the Delisting Regulations and the SEBI Circulars.

7 LIKELY POST SUCCESSFUL DELISTING OFFER SHAREHOLDING PATTERN OF THE COMPANY

7.1 The most likely post-delisting shareholding of the Company, pursuant to a successful completion of the Delisting Offer in terms of the Delisting Regulations will be as follows:

Particulars	No. of equity shares	% of total no. of shares excluding ADS (A+B)	% of total no. of shares including ADS (A+B+C)
Members of the Promoter Group (A)	**3,55,81,70,831**	**99.92**	**95.71**
Public shareholders (B)	**28,38,004**	**0.08**	**0.08**
- Vedanta Limited - unclaimed suspense account	7,21,527	0.02	0.02
- Others*	18,08,245	0.05	0.05
- Shares in abeyance category	3,08,232	0.01	0.01
Total (A+B)	**3,56,10,08,835****	**100.00**	**95.79**
Assuming full conversion of Equity Shares held by custodian against which ADS have been issued (C)	15,64,96,036		4.21
Total (A+B+C)	**3,71,75,04,871****		**100.00**

**This includes sub-judice and other categories.*

***The total issued and paid-up equity share capital of the Company consists of 3,71,75,04,871 Equity Shares out of which, 3,08,232 Equity Shares are pending for allotment and not listed on the Stock Exchanges and hence, kept in abeyance since they are sub judice.*

8 MANAGER TO THE DELISTING OFFER

8.1 The Acquirers have appointed J.P. Morgan India Private Limited having their registered office at J.P. Morgan Tower, Off. C.S.T. Road, Kalina Santacruz - East, Mumbai 400098 as "**Manager to the Offer**". Tel. no. +91 22 6157 3000; Fax no. +91 22 6157 3911; Email: vedanta_delist@jpmorgan.com; Contact person: Mr. Shagun Gupta.

9 REGISTRAR TO THE DELISTING OFFER

9.1 The Acquirers have appointed KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) having its registered office at Selenium Building, Tower B, Plot No. 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad, Rangareddi - 500032, Telangana, as "**Registrar to the Offer**". Tel. no.: +91 040 6716 2222/ 1-800-34-54001; Fax no.: +91 040 2343 1551; Email: vedanta.delisting@kfintech.com; and Contact person: Mr. Murali Krishna.

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10 DETAILS OF THE BUYER BROKER

10.1 VHML and VHML II have appointed DAM Capital Advisors Limited having its registered office at One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, as "**Buyer Broker**". Tel. no.: 91-22-4202 2584 ; Fax no.: 91-22-4202 2504; Email: rajesh@damcapital.in and Contact person: Mr. Rajesh Tekadiwala.

11 STOCK EXCHANGE DATA REGARDING THE COMPANY

11.1 The Equity Shares are frequently traded on NSE as per the definition of "frequently traded" under Regulation 2(1)(j) of the Takeover Regulations.

11.2 The high, low and average market prices in the preceding 3 financial years and the monthly high and low market prices for the 6 months preceding the date of the Letter of Offer and the corresponding volumes, on NSE (stock exchange where the Company's Equity Shares are most frequently traded) are as follows:

Preceding 3 financial years

Period	High[(1)] (INR)	Low[(1)] (INR)	Average Price[(1)] (INR)
April 1, 2017 - March 31, 2018	355.7	217.8	292.8
April 1, 2018 - March 31, 2019	313.5	145.8	219.0
April 1, 2019 - March 31, 2020	195.1	60.2	148.6

Source: *www.nseindia.com*

Notes*:*

(1) High and low price for the period are based on intra-day prices and average price is based on average of closing price.

(2) The aforesaid figures may be slightly different than the actual figures due to rounding off.

Preceding 6 months

Period	High[(1)] (INR)	Low[(1)] (INR)	Number of Equity Shares traded in the period
March 2020	122.2	60.2	66,66,60,020
April 2020	91.0	62.2	66,37,27,258
May 2020	98.0	77.1	80,52,07,271
June 2020	113.5	92.75	60,91,66,340
July 2020	117.9	103.65	48,18,14,702
August 2020	134.7	112.7	39,70,14,983

Source: *www.nseindia.com*

Notes:

(1) High and low price for the period are based on intra-day prices.

(2) The aforesaid figures may be slightly different than the actual figures due to rounding off.

11.3 The high, low and average market prices in the preceding 3 financial years and the monthly high and low market prices for the 6 months preceding the date of the Letter of Offer and the corresponding volumes, on BSE are as follows:

Preceding 3 financial years

Period	High[(1)] (INR)	Low[(1)] (INR)	Average Price[(1)] (INR)
April 1, 2017 - March 31, 2018	355.7	218.0	292.7
April 1, 2018 - March 31, 2019	313.5	145.9	219.0
April 1, 2019 - March 31, 2020	195.0	60.3	148.6

Source: *www.bseindia.com*

Notes*:*

(1) High and low price for the period are based on intra-day prices and average price is based on average of closing price.

(2) The aforesaid figures may be slightly different than the actual figures due to rounding off.

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Preceding 6 months

Period	High(1) (INR)	Low(1) (INR)	Number of Equity Shares traded in the period
March 2020	122.0	60.3	3,15,14,297
April 2020	90.8	62.4	2,65,32,387
May 2020	98.2	77.1	3,46,00,123
June 2020	113.5	92.8	4,51,86,624
July 2020	117.9	103.75	2,13,34,016
August 2020	134.7	112.5	2,19,36,358

Source: *www.bseindia.com*

Notes:

(1) High and low price for the period are based on intra-day prices.

(2) The aforesaid figures may be slightly different than the actual figures due to rounding off.

12 DETERMINATION OF THE FLOOR PRICE

12.1 The Acquirers propose to acquire the Equity Shares from the Public Shareholders pursuant to the reverse book building process established in terms of Schedule II of the Delisting Regulations.

12.2 The Equity Shares are currently listed and traded on the Stock Exchanges and have 'permitted to trade' status in the MSE. The scrip code and the security ID of the Company on BSE are "**500295**" and "**VEDL**", respectively. The Equity Shares are placed under **"A"** group and are also part of S&P BSE 100. The symbol of the Company on NSE is "**VEDL**" and is part of NIFTY 500.

12.3 The annualized trading turnover based on the trading volume of the Equity Shares on BSE and NSE during the period from May 2, 2019 to April 30, 2020 (i.e., 12 calendar months prior to the month of the Stock Exchanges Notification Date) is as under:

Stock Exchange	Total shares traded	Total listed shares	Trading (as a percentage of the total listed shares) (%)
NSE	3,92,55,21,328	3,71,71,96,639	105.6%
BSE	21,45,37,897	3,71,71,96,639	5.8%

Source: Certificate dated May 18, 2020 issued by Price Waterhouse & Co LLP.

12.4 As mentioned in paragraph 11.1 of this Letter of Offer, the Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the Takeover Regulations.

12.5 As required under Regulation 15(2) of the Delisting Regulations, the floor price of the Delisting Offer is required to be determined in terms of Regulation 8 of the Takeover Regulations, as may be applicable. As per the Explanation to Regulation 15(2) of the Delisting Regulations, the reference date for computing the floor price would be the date on which the recognized stock exchanges were notified of the board meeting in which the delisting proposal would be considered, i.e., May 12, 2020.

12.6 In terms of Regulation 8 of the Takeover Regulations, the floor price shall be the higher of the following:

(a)	the highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer.	Not Applicable
(b)	the volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement.	INR 64.89*
(c)	the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty six weeks immediately preceding the date of the public announcement.	INR 64.89*
(d)	the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded.	INR 87.25*

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(e)	where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.	Not Applicable
(f)	the per share value computed under sub-regulation (5), if applicable.	Not Applicable

** Based on certificate dated May 18, 2020 issued by Price Waterhouse & Co LLP.*

12.7 The Company, on May 18, 2020, received the Floor Price Letter from VRL, providing the details of the Floor Price along with a certificate issued by Price Waterhouse & Co LLP, certifying the Floor Price for the Delisting Offer to be INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) per Equity Share determined in accordance with the Delisting Regulations. The Floor Price was notified to the Stock Exchanges as part of the outcome of the meeting of the Board held on May 18, 2020.

13 DETERMINATION OF THE DISCOVERED PRICE AND EXIT PRICE

13.1 The Acquirers propose to acquire the Offer Shares pursuant to the reverse book building process through the Acquisition Window Facility or OTB, conducted in accordance with the terms of the Delisting Regulations and the SEBI Circulars.

13.2 All Public Shareholders can tender their Offer Shares during the Bid Period as set out in paragraphs 16 and 23 of this Letter of Offer.

13.3 The minimum price per Offer Share payable by the Acquirers pursuant to the Delisting Offer shall be determined in accordance with the Delisting Regulations and will be the price at which the shareholding of the members of the Promoter Group reaches 90% of the total issued and 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, pursuant to the reverse book building process specified in Schedule II of Delisting Regulations, which shall not be lower than the Floor Price ("**Discovered Price**").

13.4 The Acquirers indicated their willingness to accept Equity Shares tendered by the Public Shareholders in the Delisting Offer at a price of INR 87.50 (Indian Rupees Eighty Seven and Fifty Paise only) per Equity Share, i.e., the Indicative Offer Price. Indicative Offer Price should in no way be construed either as an obligation/ restriction on VRL and/ or its subsidiaries to accept the Equity Shares tendered in the Delisting Offer at a price lower than, equal to or higher than the Indicative Offer Price or as a restriction on the Public Shareholders to tender the Equity Shares at price higher than the Indicative Offer Price.

13.5 The Acquirers are under no obligation to accept the Discovered Price. The Acquirers may, at their discretion, subject to the terms and conditions as set out in the Public Announcement and this Letter of Offer:

a) accept the Discovered Price;

b) offer a price higher than the Discovered Price; or

c) offer a Counter Offer Price.

13.6 The "**Exit Price**" shall be:

a) the Discovered Price, if accepted by the Acquirers;

b) a price higher than the Discovered Price, if offered by the Acquirers at their discretion; or

c) the Counter Offer Price offered by the Acquirers at their sole and absolute discretion which, pursuant to acceptance and/ or rejection by Public Shareholders, results in the shareholding of the members of the Promoter Group reaching 90% of the total issued and 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.

13.7 The Acquirers shall announce the Discovered Price and their decision to accept or reject the Discovered Price/ offer a price higher than the Discovered Price/ offer a Counter Offer Price, as applicable, in the same newspapers in which the Public Announcement was published, in accordance with the timetable set out in paragraph 23 of this Letter of Offer.

13.8 Once the Acquirers announce the Exit Price, the Acquirers will acquire, subject to the terms and conditions set out in the Public Announcement and this Letter of Offer, all the Offer Shares validly tendered at a price not exceeding the Exit Price, for a cash consideration equal to the Exit Price for each such validly tendered Offer Share. The Acquirers will not accept Offer Shares offered at a price that exceeds the Exit Price.

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13.9 If the Acquirers do not accept the Discovered Price in terms of Regulation 16 of the Delisting Regulations or the Delisting Offer fails in terms of Regulation 17 of the Delisting Regulation:

a) the Acquirers will have no right or obligation to acquire the Offer Shares tendered in the Delisting Offer;

b) the Acquirers, through the Manager to the Offer, will within 5 working days of closure of the Bid Period announce such rejection of the Discovered Price or failure of the Delisting Offer, through an announcement in all newspapers where the Public Announcement was published;

c) No final application for delisting shall be made before the Stock Exchanges;

d) The lien on the Equity Shares tendered in the Delisting Offer will be released and such Equity Shares shall be returned to the respective Public Shareholders within 10 working days from the closure of the Bid Period in accordance with Regulation 19(2)(a) of the Delisting Regulations; and

e) The Escrow Accounts opened in accordance with Regulation 11 of the Delisting Regulations shall be closed.

14 MINIMUM ACCEPTANCE AND SUCCESS CONDITIONS TO THE DELISTING OFFER

The acquisition of Offer Shares by the Acquirers pursuant to the Delisting Offer and the successful delisting of the Company pursuant to the Delisting Offer are conditional upon:

14.1 The Acquirers deciding in their sole and absolute discretion to accept the Discovered Price or offer a price higher than the Discovered Price, or offer a Counter Offer Price which, pursuant to acceptance and/ or rejection by Public Shareholders, results in the shareholding of the members of the Promoter Group reaching 90% of the total issued and 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. It may be noted that notwithstanding anything contained in the Public Announcement and this Letter of Offer, the Acquirers reserve the right to accept or reject the Discovered Price if it is higher than the Floor Price;

14.2 A **minimum number of 1,34,12,89,164 Offer Shares being tendered at or below the Exit Price**, prior to the closure of Bid Period i.e., on the Bid Closing Date, so as to cause the cumulative number of Equity Shares held by the Acquirers together with other members of the Promoter Group (as on the Specified Date, taken together with the Equity Shares acquired through the Acquisition Window Facility or OTB) to be equal to or in excess of 3,20,49,07,952 Equity Shares or such higher or lower number of Equity Shares on account of conversion of ADS into Equity Shares (up to the Bid Closing Date) as stated in paragraphs 5.2 and 1.2 of this Letter of Offer, as the case may be, constituting 90% of the total issued and paid-up equity share capital of the Company as on the Bid Closing Date;

14.3 A minimum number of Public Shareholders (i.e., 25% of number of Public Shareholders) holding Equity Shares in dematerialized mode as on May 18, 2020 shall participate in the reverse book building process, in accordance with Regulation 17(b) of the Delisting Regulations, provided that if the Acquirers along with Manager to the Offer demonstrate to the Stock Exchanges that they have delivered the Letter of Offer to all the Public Shareholders either through registered post or speed post or courier or hand delivery with proof of delivery or through email as a text or as an attachment to email or as a notification providing electronic link or uniform resource locator including a read receipt (referred to as the "**Letter of Offer Delivery Requirement**"), then the mandatory participation of aforementioned number of Public Shareholders is not applicable.

Pursuant to Explanation I to Regulation 17(1)(b) of the Delisting Regulations, the Letter of Offer Delivery Requirement is deemed to have been complied with if: (a) the Acquirers or the Manager to the Offer dispatch the Letter of Offer to all the Public Shareholders by registered post or speed post through the India Post and is able to provide a detailed account regarding the status of delivery of the Letter of Offer (whether delivered or not) sent through India Post; (b) the Acquirers or the Manager to the Offer are/ is unable to deliver the Letter of Offer to certain Public Shareholders by modes other than speed post or registered post of India Post, efforts should have been made to dispatch the Letter of Offer to them by speed post or registered post of India Post and is able to provide a detailed account regarding the status of delivery of the Letter of Offer (whether delivered or not) sent through India Post;

14.4 The Acquirers will obtain requisite statutory approvals, if any, required for the delisting as stated in paragraph 24 of this Letter of Offer; and

14.5 There being no amendments to the Delisting Regulations or other applicable laws or regulations or conditions imposed by any regulatory/ statutory authority/ body or order from a court or competent authority which would in the sole opinion of the Acquirers, prejudice the Acquirers from proceeding with the Delisting Offer. Provided that withdrawal of the Delisting Offer on this count shall be subject to the receipt of regulatory approvals, if any, as may be required for the same.

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15 ACQUISITION WINDOW FACILITY

15.1 Pursuant to the Delisting Regulations, the Acquirers are required to facilitate tendering of the Equity Shares held by the Public Shareholders and the settlement of the same, through the stock exchange mechanism provided by SEBI. SEBI, *vide* SEBI Circular dated April 13, 2015 on 'Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting' and its circular dated December 9, 2016 on 'Streamlining the process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buyback and Delisting of Securities' (the "**SEBI Circulars**") sets out the procedure for tendering and settlement of Equity Shares through the Stock Exchanges (the "**Stock Exchange Mechanism**").

15.2 Further, the SEBI Circulars provide that the Stock Exchanges shall take necessary steps and put in place the necessary infrastructure and systems for implementation of the Stock Exchange Mechanism and to ensure compliance with requirements of the SEBI Circulars. Pursuant to the SEBI Circulars, the Stock Exchanges have issued guidelines detailing the mechanism for acquisition of shares through Stock Exchanges.

15.3 The Acquirers have chosen Acquisition Window Facility or OTB provided by BSE as the designated stock exchange.

15.4 The cumulative quantity tendered shall be displayed on the website of BSE at specific intervals during Bid Period.

16 DATES OF OPENING AND CLOSING OF BID PERIOD

16.1 All the Public Shareholders holding Equity Shares are eligible to participate in the reverse book building process by tendering the whole or part of the Equity Shares held by them through the Acquisition Window Facility or OTB at or above the Floor Price. Any holder of the ADS will not be entitled to participate in the reverse book building process unless it converts ADS into Equity Shares.

16.2 The period during which the Public Shareholders may tender their Equity Shares pursuant to the reverse book building process (the "**Bid Period**") shall commence on October 05, 2020 (the "**Bid Opening Date**") and close on October 09, 2020 (the "**Bid Closing Date**"). During the Bid Period, Bids will be placed in the Acquisition Window Facility by the Public Shareholders through their respective stock brokers registered with BSE during normal trading hours of secondary market on or before the Bid Closing Date. Any change to the Bid Period will be notified by way of a corrigendum/ addendum in the newspapers where the Public Announcement was published.

16.3 The Public Shareholders should note that the Bids are required to be uploaded in the Acquisition Window Facility or OTB on or before the Bid Closing Date for being eligible for participation in the Delisting Offer. Bids not uploaded in the Acquisition Window Facility or OTB will not be considered for delisting purposes and will be rejected.

16.4 The Public Shareholders should submit their Bids through their respective Seller Member. Thus, Public Shareholders should not send Bids to Company/ Acquirers/ Manager to the Offer/ Registrar to the Offer.

16.5 Bids received after close of trading hours on the Bid Closing Date may not be considered for the purpose of determining the Discovered Price payable for the Equity Shares by the Acquirers pursuant to the reverse book building process.

16.6 This Letter of Offer inviting the Public Shareholders (along with necessary forms and detailed instructions) to tender their Equity Shares by way of submission of "Bids" will be dispatched as indicated in paragraph 23 of this Letter of Offer.

17 PROCEDURE FOR TENDERING

17.1 During the Bid Period, the Bids shall be placed through the Acquisition Window Facility or OTB by the Public Shareholders through their respective Seller Member during normal trading hours of the secondary market. The Seller Members can enter orders for Equity Shares which are held in dematerialized form as well as physical form.

17.2 The Letter of Offer (along with necessary forms and instructions) inviting the Public Shareholders to tender their Equity Shares to the Acquirers will be dispatched to the Public Shareholders by the Acquirers whose names appear on the register of members of the Company and to the owner of the Equity Shares whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on the Specified Date (as indicated in paragraph 23 of this Letter of Offer).

17.3 For further details on the schedule of activities, please refer to paragraph 23 of this Letter of Offer.

17.4 In the event of an accidental omission to dispatch the Letter of Offer or non-receipt of the Letter of Offer by any Public Shareholder, such Public Shareholder may obtain a copy of the Letter of Offer by writing to the Registrar to the Offer at their address given in paragraph 9 of this Letter of Offer, clearly marking the envelope "Vedanta Limited - Delisting Offer 2020". Alternatively, the Public Shareholders may obtain copies of the Letter of Offer from the website of the Stock Exchanges i.e., www.bseindia.com and www.nseindia.com, or, from the website of the Registrar to the Offer, at www.kfintech.com.

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17.5 **Procedure to be followed by Public Shareholders holding Offer Shares in dematerialized form**

a) Public Shareholders who desire to tender their Offer Shares in the electronic form under the Delisting Offer would have to do so through their respective Seller Member by indicating the details of the Offer Shares they intend to tender under the Delisting Offer. The Public Shareholders should not send Bids to the Company/ Acquirers/ Manager to the Offer/ the Registrar to the Offer.

b) After the Bids have been placed by the Public Shareholders, the Bids will be transferred to the respective Seller Member's pool account, who will in-turn tender the Offer Shares to the early pay-in mechanism of the Clearing Corporation.

c) The details of settlement number shall be informed in the issue opening circular/ notice that will be issued by BSE/ Clearing Corporation before the Bid Opening Date.

d) For custodian participant orders for Equity Shares in dematerialized form, early pay-in is mandatory prior to confirmation of the relevant order by the custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Bid Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any modification to an order shall be deemed to revoke the custodian confirmation relating to such order and the revised order shall be sent to the custodian again for confirmation.

e) Upon placing the Bid, a Seller Member shall provide a TRS generated by the exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted such as Bid ID No., DP ID, Client ID, no. of Offer Shares tendered and price at which the Bid was placed.

f) Please note that submission of Bid Form and TRS is not mandatorily required in case of Equity Shares held in dematerialised form.

g) The Clearing Corporation will hold in trust the Offer Shares until the Acquirers complete their obligations under the Delisting Offer in accordance with the Delisting Regulations.

h) The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection. Further, Public Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Offer Shares tendered by them.

i) In case of non-receipt of the Letter of Offer/ Bid Form, Public Shareholders holding Equity Shares in dematerialized form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, Client ID, DP name/ ID, beneficiary account number and number of Equity Shares tendered for the Delisting Offer. Public Shareholders will be required to approach their respective Seller Member and have to ensure that their Bid is entered by their Seller Member in the electronic platform to be made available by BSE before the Bid Closing Date.

17.6 **Procedure to be followed by Public Shareholders holding Offer Shares in physical form**

a) The Public Shareholders who hold Offer Shares in physical form and intend to participate in the Delisting Offer will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including as below:

i. original share certificate(s);

ii. valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in the same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate/ notary public/ bank manager under their official seal;

iii. self-attested PAN card copy (in case of joint holders, PAN card copy of all transferors);

iv. Bid Form duly signed (by all Public Shareholders in cases where Offer Shares are held in joint names) in the same order in which they hold the Offer Shares;

v. any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Company, the Public Shareholder would be required to submit a self-attested copy of proof of address consisting of any one of the following documents: valid aadhar card, voter identity card or passport;

vi. Declaration by joint holders consenting to tender Offer Shares in the Delisting Offer, if applicable, and

vii. FATCA and CRS forms for individual/ non individual shareholders.

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b) Upon placing the Bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted such as folio no., certificate no., distinctive no., no. of Offer Shares tendered and the price at which the Bid was placed.

c) The Seller Member/ Public Shareholder should ensure the documents (as mentioned in this paragraph 17.6(a) of this Letter of Offer) above are delivered along with TRS either by registered post or courier or by hand delivery to the Registrar to the Offer (at the address mentioned in paragraph 9 of this Letter of Offer) within 2 days of bidding by the Seller Member. The envelope should be marked as "Vedanta Limited - Delisting Offer 2020".

d) Public Shareholders holding Offer Shares in physical form should note that the Offer Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Offer Shares by the Acquirers shall be subject to verification of documents. The Registrar to the Offer will verify such Bids based on the documents submitted on a daily basis and until such time as BSE shall display such Bids as 'unconfirmed physical bids'. Once, the Registrar to the Offer confirms the Bids, it will be treated as 'confirmed bids'. Bids of Public Shareholders whose original share certificate(s) and other documents (as mentioned in this paragraph 17.6(a) of this Letter of Offer) along with TRS are not received by the Registrar to the Offer 2 days after the Bid Closing date shall liable to be rejected.

e) In case of non-receipt of the Letter of Offer/ Bid Form, Public Shareholders holding Offer Shares in physical form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, folio no., share certificate no., no. of Offer Shares tendered for the Delisting Offer and the distinctive nos. thereof, enclosing the original share certificate(s) and other documents (as mentioned in this paragraph 17.6(a) of this Letter of Offer). Public Shareholders will be required to approach their respective Seller Member and have to ensure that their Bid is entered by their Seller Member in the electronic platform to be made available by BSE, before the Bid Closing Date.

f) The Registrar to the Offer will hold in trust the share certificate(s) and other documents (as mentioned in this paragraph 17.6(a) of this Letter of Offer) until the Acquirers complete their obligations under the Delisting Offer in accordance with the Delisting Regulations.

g) **Please note that submission of Bid Form and TRS along with original share certificate(s) is mandatorily required in case of Equity Shares held in physical form.**

17.7 If the Public Shareholders do not have any stock broker registered with BSE, then those Public Shareholders can approach any stock broker registered with BSE and can make a bid by using quick UCC facility through that stock broker registered with BSE after submitting the details as may be required by the stock broker in compliance with the applicable SEBI regulations.

17.8 Public Shareholders, who have tendered their Offer Shares by submitting Bids pursuant to the terms of the Public Announcement and this Letter of Offer, may withdraw or revise their Bids upwards not later than 1 day before the Bid Closing Date. Downward revision of Bids shall not be permitted. Any such request for revision or withdrawal of the Bids should be made by the Public Shareholder through their respective Seller Member, through whom the original Bid was placed, not later than 1 day before the Bid Closing Date. Any such request for revision or withdrawal of Bids received after normal trading hours of the secondary market 1 day before the Bid Closing Date will not be accepted. Any such request for withdrawal or upward revision should not be made to the Company/ Acquirers/ Registrar to the Offer/ Manager to the Offer.

17.9 The cumulative quantity tendered shall be made available on BSE's website i.e., www.bseindia.com throughout the trading session and will be updated at specific intervals during the Bid Period.

17.10 The Offer Shares to be acquired under the Delisting Offer are to be acquired free from all liens, charges, and encumbrances and together with all rights attached thereto. Offer Shares that are subject to any lien, charge or encumbrances are liable to be rejected.

17.11 Public Shareholders holding Offer Shares under multiple folios are eligible to participate in the Delisting Offer.

17.12 In terms of Regulation 16(1A) of the Delisting Regulations, the Acquirers are entitled (but not obligated) to make a counter offer at the Counter Offer Price (i.e., a price to be intimated by the Acquirers, which is lower than the Discovered Price but not less than the book value of the Company as certified by a merchant banker), at their sole and absolute discretion. The counter offer is required to be announced by issuing a public announcement of counter offer ("**Counter Offer PA**") within 2 working days of the Bid Closing Date. The Counter Offer PA will contain *inter alia* details of the Counter Offer Price, the book value per Equity Share, the revised schedule of activities and the procedure for participation and settlement in the counter offer. In this regard, Public Shareholders are requested to note that, if a counter offer is made:

a) All Offer Shares tendered by Public Shareholders during the Bid Period and not withdrawn as per paragraph 17.12(b) below, along with Offer Shares which are additionally tendered by them during the counter offer, will be considered as having been tendered in the counter offer at the Counter Offer Price.

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b) Public Shareholders who have tendered Offer Shares during the Bid Period and thereafter wish to withdraw from participating in the counter offer (in part or full) have the right to do so within 10 working days from the date of issuance of the Counter Offer PA. Any such request for withdrawal should be made by the Public Shareholder through their respective Seller Member through whom the original Bid was placed. Any such request for withdrawal received after normal trading hours of the secondary market on the 10th working day from the date of issuance of the Counter Offer PA will not be accepted.

c) Offer Shares which have not been tendered by Public Shareholder during the Bid Period can be tendered in the counter offer in accordance with the procedure for tendering that will be set out in the Counter Offer PA.

18 METHOD OF SETTLEMENT

Upon finalization of the basis of acceptance as per the Delisting Regulations:

18.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

18.2 The Acquirers shall pay the consideration payable towards purchase of the Offer Shares accepted during the Delisting Offer, to the Buyer Broker who in turn will transfer the funds to the Clearing Corporation, on or before the pay-in date for settlement as per the secondary market mechanism. For the Offer Shares acquired in dematerialised form, the Public Shareholders will receive the consideration in their bank account attached to the depository account from the Clearing Corporation. If bank account details of any Public Shareholder are not available or if the fund transfer instruction is rejected by the RBI or the relevant bank, due to any reason, then the amount payable to the relevant Public Shareholder will be transferred to the concerned Seller Members for onward transfer to such Public Shareholder. For the Offer Shares acquired in physical form, the Clearing Corporation will release the funds to the Seller Member as per the secondary market mechanism for onward transfer to Public Shareholders.

18.3 In case of certain client types viz. non-resident Indians, non-resident clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out will be given to their respective Seller Member's settlement accounts for releasing the same to their respective Public Shareholder's account onward. For this purpose, the client type details will be collected from the depositories whereas funds pay-out pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by BSE and the Clearing Corporation from time to time.

18.4 The Offer Shares acquired in dematerialised form would either be transferred directly to the account of either of the Acquirers provided it is indicated by the Buyer Broker or it will be transferred by the Buyer Broker to the account of either of the Acquirers on receipt of the Offer Shares pursuant to the clearing and settlement mechanism of BSE. Offer Shares acquired in physical form will be transferred directly to VHML by the Registrar to the Offer.

18.5 In case of rejected dematerialised Offer Shares, if any, tendered by the Public Shareholders, the same would be transferred by the Clearing Corporation directly to the respective Public Shareholder's DP account, as part of the exchange pay-out process. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the eligible shareholder. The Seller Member/ custodian participants would return these unaccepted Offer Shares to their respective clients (i.e., the relevant Public Shareholder(s)) on whose behalf the Bids have been placed. Offer Shares tendered in physical form will be returned to the respective Public Shareholders directly by Registrar to the Offer.

18.6 The Seller Member would issue a contract note and pay the consideration to the respective Public Shareholder whose Offer Shares are accepted under the Delisting Offer. The Buyer Broker would also issue a contract note to the Acquirers for the Offer Shares accepted under the Delisting Offer.

18.7 Public Shareholders who intend to participate in the Delisting Offer should consult their respective Seller Member for payment of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Public Shareholders for tendering their Offer Shares in the Delisting Offer (secondary market transaction). The consideration received by the Public Shareholders from their respective Seller Member, in respect of accepted Offer Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers, the Company, the Manager to the Offer and the Registrar to the Offer accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred by the Public Shareholders.

19 PERIOD FOR WHICH THE DELISTING OFFER SHALL BE VALID

19.1 The Public Shareholders may submit their Bids to the Seller Member during the Bid Period. Additionally, once the Equity Shares have been delisted from the Stock Exchanges, the Public Shareholders who either do not tender their Equity Shares in the Delisting Offer or whose Offer Shares have not been acquired by the Acquirers because the price quoted by them was

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higher than the Exit Price (the "**Residual Public Shareholders**") may offer their Offer Shares for sale to the Acquirers at the Exit Price for a period of 1 year following the date of the delisting of the Equity Shares from the Stock Exchanges ("**Exit Window**"). A separate offer letter in this regard will be sent to these Residual Public Shareholders explaining the procedure for tendering their Offer Shares. Such Residual Public Shareholders may tender their Offer Shares by submitting the required documents to the Registrar to the Offer during the Exit Window.

20 PROCESS FOR ADS HOLDERS

20.1 In accordance with the Delisting Regulations, the holders of ADS (and ADRs evidencing the ADS, if applicable) will not be entitled to participate in the Delisting Offer, unless they covert their ADS into Equity Shares.

20.2 ADS holders who present their ADS (or ADRs, if applicable) for cancellation to the depositary (i.e., Citibank, N.A., ("**Depositary**")) will be able to take possession of the corresponding Equity Shares in book-entry form only and, as a result, they must have, or must establish, a custodian or brokerage (demat) account in India to receive such Equity Shares prior to presenting their ADS to the Depositary for cancellation. Establishing such custodian or brokerage (demat) account may be subject to delay as a result of operational procedures and as the opening of such account may be subject to regulatory approvals in India.

20.3 Please be advised that if any ADS holder converts its ADS into Equity Shares, and the Delisting Offer fails for any reason, there is no assurance that such holder would be able to deposit its Equity Shares and obtain ADS. Issuance of ADS against deposit of Equity Shares is subject to various requirements as set forth in the ADR Deposit Agreement. In particular, in accordance with applicable regulations of the RBI and the Ministry of Finance, the Depositary will only be able to accept Equity Shares for deposit into the ADS facility to the extent that there have previously been withdrawals of Equity Shares.

21 DELISTING AMERICAN DEPOSITARY SHARES FROM NYSE AND TERMINATION OF ADR PROGRAMME

21.1 If the Delisting Offer is successful, the Company intends to delist its ADS from NYSE and terminate its ADR programme and the ADR Deposit Agreement. The Company will continue to be subject to reporting obligations under the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") until such time as it can terminate its registration under the Exchange Act.

21.2 Upon the determination and / or acceptance of the Exit Price by the Acquirers, the Company intends to provide a notice to the NYSE announcing its intention to delist its ADS from the NYSE. On or about the 10th day after giving the delisting notice, the Company intends to file a Form 25 with the SEC to effect the delisting from the NYSE. The delisting will become effective 10 days after such filing.

21.3 Simultaneously with giving delisting notice to the NYSE, the Company intends to give a notice to the Depositary of the termination of the ADR programme and the ADR Deposit Agreement. Depositary shall thereafter distribute notice of such termination to the ADS holders at least 30 days prior to the date of such termination. The termination of the ADR Deposit Agreement will become effective 30 days from the date of distribution of such notice ("**Programme Termination Date**").

21.4 As a result of such termination, ADS holders will have until 30 days from the Programme Termination Date to decide whether to retain their interest in the Equity Shares. At any time until 30 days from the Programme Termination Date, each ADS holder shall be entitled, subject to the terms and conditions of the ADR Deposit Agreement, to surrender its ADS and to obtain the delivery of the Equity Shares relative to each ADS held by it, upon payment by the holder of any sums payable to the Depositary or to the custodian in connection therewith for such delivery of Equity Shares. As described above under paragraph 20.2 of this Letter of Offer, ADS holders who present their ADS (or ADRs, if applicable) for cancellation will be able to take possession of the corresponding Equity Shares in book-entry form only and, as a result, they must have, or establish, a custodian or brokerage (demat) account in India to receive such Equity Shares prior to presenting their ADS to the Depositary for cancellation. As each ADS represents 4 Equity Shares, an ADS holder will receive 4 Equity Shares for each ADS which is surrendered by the holder to the Depositary for cancellation. Further, as described above in paragraph 19.1 of this Public Announcement, ADS holders who present their ADS (or ADRs if applicable) for cancellation and receive Equity Shares at any time prior to the 30th day after the Program Termination Date may offer their Equity Shares for sale to the Acquirers at the Exit Price for a period of 1 year following the date of the delisting of the Equity Shares from BSE and NSE.

21.5 In the case of ADS holders who do not present their ADS (or ADRs if applicable) for cancellation prior to the 30th day after the Program Termination Date, starting on or about 30 days after the Programme Termination Date, the Depositary may arrange for the sale of the Equity Shares and shall after such sale hold un-vested net proceeds of such sale, together with any other cash then held by it under the ADR Deposit Agreement, in an un-segregated account and without liability for interest for the pro-rata benefit of the holders whose ADS have not theretofore been surrendered. The Depositary will promptly remit the net proceeds to the holders of ADS then outstanding the payment mechanism of DTC. The ADS (and the ADRs, if applicable) will be deemed cancelled and terminated from the date of the cancellation of the ADS resulting from the sale of the Equity Shares represented by the ADS.

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21.6 Failure to present ADS for cancellation within 30 days after the Programme Termination Date will have significant adverse Indian tax consequences as a result of the forced sale of the Equity Shares on deposit after that date. Please be advised that the proceeds from the sale of the Equity Shares by the Depositary will be subject to Indian withholding taxes of up to 43.68%. ADS holders should consult their tax advisors about the application of the U.S. federal tax rules to their particular circumstances as well as the state and local, foreign and other tax consequences to them of the ownership and disposition of ADS or Equity Shares.

21.7 Holders of ADRs will be required to present and surrender their physical certificates to the Depositary in order to receive payment.

21.8 After remitting the net proceeds to the holders of ADS, the Depositary shall be discharged from all obligations under the ADR Deposit Agreement except as may be required at law in connection with the termination of the ADR Deposit Agreement.

21.9 For the delisting from the NYSE and termination of the ADR programme, the schedule of activity is expected be as set out below:

Activity	Date
Notice of delisting to NYSE	T-3
Notice of termination of ADR Deposit Agreement to the Depositary	T-3
Press release announcing the delisting notice and termination notice	T-3
Notice of termination of ADR Deposit Agreement is distributed by the Depositary to ADS holders	T
File Form 25 with SEC	T+7
Effective Date of delisting of ADRs from NYSE	T+17
Effective Date of termination of ADR Deposit Agreement	T+30
Last Date for ADS holders to convert ADRs into Equity Shares	T+60
Depositary to sell Equity Shares underlying the ADS that have not been surrendered	T+61 or soon thereafter
Depositary to remit net proceeds to ADS holders	Expected to be approximately 4 weeks following the sale described in the immediately preceding row

21.10 In summary, ADS holders may

21.10.1 sell their ADS in the market on the NYSE until they are delisted;

21.10.2 sell their ADS in over-the-counter trading following delisting and prior to the 30th day after the Programme Termination Date;

21.10.3 surrender their ADS (or their ADRs, as applicable) to the Depositary for cancellation and receive 4 Equity Shares for every ADS surrendered, either (a) prior to the Bid Closing Date for being eligible to participate in the Delisting Offer; or (b) after the Bid Closing Date but at any point until 30 days after the Programme Termination Date, in which case if the Delisting Offer is successful then as described above in paragraph 19.1 of this Letter of Offer, such ADS holder may offer its Equity Shares for sale to the Acquirers at the Exit Price for a period of 1 year following the date of the delisting of the Equity Shares from BSE and NSE, or

21.10.4 take no action or otherwise still hold ADS after 30 days after the Programme Termination Date, in which case the Depositary will attempt to sell underlying Equity Shares that it still holds and distribute the cash proceeds pro-rata to the remaining ADS holders, less fees and taxes as described in paragraph 21.5 of this Letter of Offer.

21.11 The Company's ADR programme is a sponsored level III listing which grants the holders voting rights and pays dividends to the ADS holders equivalent to the exchange-rate and ADR-ratio adjusted dividend paid to the underlying Equity Shares holders. Following termination, if an ADS holder chooses to hold the underlying Equity Shares instead of the ADR then they will continue to receive dividends and maintain their voting rights on each Equity Share held.

21.12 In order to deregister the Equity Shares with the SEC, following the delisting of the Equity Shares from the BSE and NSE and the delisting of the ADS from NYSE, the Company must have less than 300 shareholders. The Company believes that terminating its ADR programme and delisting its Equity Shares from Stock Exchanges will result in a decrease in the number of shareholders such that it can deregister at a later date. There is a minimum 12 month waiting period between termination of the ADR programme and deregistering from the SEC, after which the Company will still need to prove that the Company has less than 300 shareholders in order to deregister.

21.13 Following deregistration of the Equity Shares with the SEC, the Company's SEC reporting obligations (including the requirements of the Sarbanes-Oxley Act) would cease. Reporting obligations currently include filing of Form 20-F annually and Form 6-Ks for material announcements.

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22 DETAILS OF THE ESCROW ACCOUNTS

22.1 The estimated consideration payable under the Delisting Regulations, being the Floor Price of INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) per Equity Share multiplied by the number of the Equity Shares held by the Public Shareholders as on the Specified Date, i.e., September 25, 2020, is INR 14,809.73 Crore ("**Escrow Amount**"). The Escrow Amount has been deposited by VHML and VHML II in the manner set out below..

22.2 In accordance with Regulation 11 of the Delisting Regulations VRL, VHML, VHML II, Axis Bank Limited, a scheduled commercial bank and a banker to an issue registered with SEBI ("**Escrow Bank**"), and the Manager to the Offer have entered into an escrow agreement dated September 19, 2020 pursuant to which (a) VHML has opened an escrow account in the name of "Vedanta Holdings Mauritius Limited-Escrow Account" with the Escrow Bank at their branch at Gurgaon ("**Escrow Account 1**"); and (b) VHML II has opened an escrow account in the name of "Vedanta Holdings Mauritius II Limited-Escrow Account" with the Escrow Bank at their branch at Gurgaon ("**Escrow Account 2**") (collectively "**Escrow Accounts**").

22.3 VHML has provided a bank guarantee of INR 4,550 Crore issued by Standard Chartered Bank pursuant to the bank guarantee letter dated September 28, 2020 ("**Bank Guarantee**"), in favour of the Manager to the Offer and VHML II has deposited an amount of INR 10,299.80 Crore in Escrow Account 2 in cash, which together with the Bank Guarantee is for an aggregate amount of INR 14,849.80 Crore which covers 100% of the Escrow Amount.

22.4 On determination of the Exit Price and making of the public announcement under Regulation 18 of the Delisting Regulations, the Acquirers shall ensure compliance with Regulation 11(2) of the Delisting Regulations. In the event that the ADS holders choose to convert the ADS into Equity Shares, the Acquirers shall forthwith deposit additional sum in the Escrow Accounts to the extent necessary to pay the consideration payable to such ADS holders.

22.5 In the event that the Acquirers accept the Discovered Price or offers a price higher than the Discovered Price or the Counter Offer Price is accepted in accordance with the Delisting Regulations, the Acquirers shall forthwith deposit additional sum in the Escrow Accounts to the extent necessary to pay Public Shareholders at the Exit Price. In such a case, the Acquirers shall also ensure that either (i) the Bank Guarantee remains valid until the expiry of the Exit Window; or (ii) deposit additional sum in the Escrow Accounts to the extent necessary to pay balance Public Shareholders at the Exit Price.

22.6 Further, the Escrow Bank will open special accounts ("**Special Accounts**") on the instructions of VHML, VHML II and the Manager to the Offer, which shall be used for payment to the Public Shareholders who have validly tendered Offer Shares in the Delisting Offer. The Manager to the Offer shall instruct the Escrow Bank to transfer the requisite amount to the Special Accounts.

23 SCHEDULE OF ACTIVITIES

For the process of the Delisting Offer, the schedule of activity will be set out below:

Activity	Date	Day
Specified Date for determining the names of shareholders to whom the Letter of Offer shall be sent@	September 25, 2020	Friday
Date of receipt of BSE in-principle approval	September 28, 2020	Monday
Date of receipt of NSE in-principle approval	September 28, 2020	Monday
Date of publication of the Public Announcement	September 29, 2020	Tuesday
Last date for dispatch of Letter of Offer/ Bid Forms to Public Shareholders as of Specified Date	October 01, 2020	Thursday
Bid Opening Date (bid starts at market hours)	October 05, 2020	Monday
Last Date for upward revision or withdrawal of bids	October 08, 2020	Thursday
Bid Closing Date (bid closes at market hours)	October 09, 2020	Friday
Last date for announcement of counter offer	October 13, 2020	Tuesday
Last date for announcement of Discovered Price/ Exit Price and the Acquirers' acceptance/ non-acceptance of Discovered Price/ Exit Price*	October 16, 2020	Friday
Proposed date for payment of consideration to Public Shareholders and/ or return of Equity Shares to Public Shareholders** in case of Bids not being accepted/ failure of the Delisting Offer	October 23, 2020	Friday

@ *The Specified Date is only for the purpose of determining the names of the Public Shareholders to whom the Letter of Offer will be sent. However, all Public Shareholders, who are eligible to participate in the Delisting Offer, can submit their Bids in Acquisition Window Facility or OTB through their respective Seller Member during the Bid Period. Changes to the proposed timeline, if any, will be notified to Public Shareholders by way of a public announcement in the same newspapers where the Public Announcement is published.*

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* *This is an indicative date and the announcement may be made on or before October 16, 2020, being the fifth working day from the Bid Closing Date.*

** *Subject to the acceptance of the Discovered Price or offer of an Exit Price higher than the Discovered Price by the Acquirers*

***Notes**: **(1)** All dates are subject to change and depend on obtaining the requisite statutory and regulatory approvals, as may be applicable. Changes to the proposed timetable, if any, will be notified to the Public Shareholders by way of corrigendum/ addendum in all the newspapers in which the Public Announcement has appeared; and **(2)** Last date of payment is subject to the acceptance of the Discovered Price by the Acquirer.*

24 STATUTORY APPROVALS

24.1 The Public Shareholders have accorded their consent by way of a special resolution passed through postal ballot on June 24, 2020, i.e., the last date specified for remote e-voting. The results of the postal ballot were announced on June 25, 2020 and the same were intimated to the Stock Exchanges.

24.2 BSE and NSE have given their in-principle approval for delisting of the Equity Shares pursuant to their letters each dated September 28, 2020.

24.3 To the best of the Acquirers' knowledge, as of the date of this Letter of Offer, there are no other statutory or regulatory approvals required to acquire the Offer Shares and implement the Delisting Offer, other than as indicated above. If any statutory or regulatory approvals become applicable, the acquisition of Offer Shares by the Acquirers and the Delisting Offer will be subject to receipt of such statutory or regulatory approvals.

24.4 If the shareholders who are not persons resident in India (including non-resident Indians, overseas corporate bodies and foreign portfolio investors) had required any approvals (including from the RBI or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Delisting Offer, along with the other documents required to be submitted to along with the Bid. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in the Delisting Offer.

24.5 It shall be the responsibility of the Public Shareholders tendering Offer Shares in the Delisting Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering the Offer Shares held by them in the Delisting Offer, and the Company/ Acquirers/ Manager to the Offer/ Registrar to the Offer shall take no responsibility for the same. The Public Shareholders should attach a copy of any such approval(s) to the Bid Form, wherever applicable.

24.6 The Acquirers reserve the right not to proceed with or withdraw the Delisting Offer in the event the conditions mentioned in paragraph 14 of this Letter of Offer are not fulfilled or if the approvals indicated above are not obtained or conditions which the Acquirers consider in their sole discretion to be onerous, are imposed in respect of such approvals.

24.7 In the event that receipt of the statutory or regulatory approvals are delayed, changes to the proposed timetable, if any, will be notified to the Public Shareholders by way of a corrigendum/ addendum to this Letter of Offer in the same newspapers in which the Public Announcement was made.

25 NOTES ON TAXATION

25.1 Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Capital gain arising from sale of listed equity shares in a company made on a recognized stock exchange on or after October 1, 2004 and on which STT was paid at the time of sale, was earlier exempt from tax provided that the shares were held for more than 12 months. The Finance Act 2017 had amended the IT Act to provide that the said exemption was available only if STT is paid both at the time of purchase and sale of such shares, subject to certain exceptions notified by the central government.

25.2 The Finance Act, 2018 has withdrawn the above capital gains tax exemption with effect from April 1, 2018 for any transfer of listed equity shares in a company, held for more than 12 months, on a recognized stock exchange occurring on or after April 1, 2018, the capital gains exceeding INR 1,00,000 (Indian Rupees One Lakh only) are now taxable at a rate of 10%, subject to satisfaction of certain conditions. Further, if investments were made on or before January 31, 2018, a method of determining the cost of acquisition of such investments has been specifically laid down.

25.3 STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold, will be subject to short term capital gains tax @ 15% provided the transaction is chargeable to STT.

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25.4 Tax deduction at source:

25.4.1 *In case of resident shareholders*: In absence of any specific provision under the IT Act, the Acquirer(s) shall not deduct tax on the consideration payable to resident shareholders pursuant to the Delisting Offer.

25.4.2 *In case of non-resident shareholders*: Under the existing Indian tax laws, any sum paid to a non- resident which is chargeable to tax under the provisions of IT Act is subject to deduction of tax at source, except for capital gains realized by the foreign portfolio investors or such gains/ income which are exempt from tax. Since the acquisition of Offer Shares pursuant to the delisting process is through the stock exchange mechanism, the Acquirers will not be able to withhold any taxes, and thus, the Acquirers believe that the responsibility of withholding/ discharge of the taxes due on such gains (if any) is solely on the custodians/ authorized dealers/ non-resident shareholders – with no recourse to the Acquirers and/ or persons acting in concert with them.

25.4.3 It is therefore important that the non-resident shareholders consult their custodians/ authorized dealers/ tax advisors appropriately and immediately pay taxes in India (either through deduction at source or otherwise). In the event the Acquirers and/ or persons acting in concert with them are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirers and/ or persons acting in concert with them are entitled to be indemnified.

25.5 Post delisting, the Equity Shares would be treated as unlisted shares and therefore, capital gain on sale of such unlisted Equity Shares (held for more than 24 months) would be taxable at 20% for residents in India and at 10% for non-resident in India. For Offer Shares held for 24 months or less, capital gain would be taxable at ordinary rate applicable for the shareholder. The provision of gains up to January 31, 2018 being grandfathered would not be applicable and therefore the cost of acquisition for Residual Public Shareholders would be price paid by Residual Public Shareholder for acquisition of Offer Shares. Please note while the resident shareholders are allowed the benefit of indexation on their original cost of acquisition, no such benefit is applicable for non-resident shareholders.

25.6 On purchase of Offer Shares from non-resident Residual Public Shareholders, the Acquirers would be required to deduct tax at source from the sale consideration unless the Residual Public Shareholder obtains a nil deduction certificate from the tax authorities and furnish the same to the payor prior to the remittance of the sale consideration. The amount of taxes deducted and deposited by the Acquirers can be claimed as credit by the Residual Public Shareholder against its final tax liability.

25.7 The above tax rates are subject to applicable rate of surcharge, health and education cess. The tax rate and other provisions may undergo changes.

25.8 **SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE INCOME TAX ASSESSING AUTHORITIES IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. THE ACQUIRERS NEITHER ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY SHAREHOLDER AS A REASON OF THIS DELISTING OFFER.**

26 CERTIFICATION BY BOARD OF DIRECTORS OF THE COMPANY

26.1 The Board has certified that:

a) there are no material deviations in utilization of the proceeds of the issues (as compared to the stated objects in such issues) of securities made by the Company during the 5 years immediately preceding the date of the Public Announcement from the stated object of the issue;

b) all material information which is required to be disclosed under the provisions of the continuous listing requirements under the relevant equity listing agreement entered into between the Company and the Stock Exchanges or the provisions of the Listing Regulations, as applicable from time to time have been disclosed to the Stock Exchanges, as applicable;

c) The Company is in compliance with applicable provisions of securities law;

d) The members of Promoter Group or their related entities have not carried out any transaction during the aforesaid period to facilitate the success of the Delisting Offer which is not in compliance with the provisions of Regulation 4(5) of the Delisting Regulations; and

e) The delisting of Equity Shares is in the interest of the shareholders.

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27 COMPANY SECRETARY AND COMPLIANCE OFFICER OF THE COMPANY

27.1 The details of Company Secretary and the Compliance Officer of the Company are as follow:

Name:	Ms. Prerna Halwasiya
Designation:	Company Secretary & Compliance Officer
Address:	ASF Center, 1st Floor, ASF Center, Tower B, 362-363, Jwala Mill Road, Udyog Vihar, Phase IV, Gurgaon-122 016, Haryana, India
Email:	Prerna.Halwasiya@vedanta.co.in; comp.sect@vedanta.co.in
Tel. No.:	+91 22 6643 4500
Fax No.:	+91 22 6643 4530

27.2 In case the Public Shareholders have any queries concerning the non-receipt of credit or payment for Offer Shares or on delisting process and procedure, they may address the same to Registrar to the Offer or Manager to the Offer.

28 OTHERS

The Company has informed the Acquirers that the following litigations or actions pending against the Company pertaining to its activities in the securities market or any other matter may have a material bearing on the interests of its equity shareholders: (1) show cause notice ("**SCN"**) issued by the SEBI to Cairn India Limited ("**CIL**") (since merged with the Company with effect from April 11, 2017 through a Scheme of Arrangement which was approved by the National Company Law Tribunal, Mumbai Bench vide order dated March 23, 2017). The SCN (bearing number EAD-2/DSR / RG / 16430 /2017 / 2 dated July, 13, 2017) was in connection with the buy-back of equity shares by CIL during 2014. Replies to the SCN were submitted to SEBI vide letters dated January 19, 2018 and February 6, 2019. There has been no further communication from SEBI in the said matter; and (2) proceedings before the Hon'ble High Court of Bombay bearing number SAPP/1/2002 ("**First Proceeding**") and Criminal Application No. 3609 of 2005 ("**Second Proceeding**"), both linked to the same underlying subject matter. The First Proceeding is linked to an order passed by SEBI on April 19, 2001 prohibiting Sterlite Industries (India) Ltd (now the Company) from accessing the capital market for a period of 2 (two) years and other actions for violation of certain provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 1995, against Sterlite Industries (India) Ltd (now the Company), through its directors namely Mr. Anil Agarwal, Mr. Tarun Jain and Mr. Shashikant ("**SEBI Order**"). On appeal, the SEBI Order was overruled by the Securities Appellate Tribunal ("**SAT**") by way of an order dated October 22, 2001 ("**SAT Order**"). On November 9, 2001, SEBI appealed to the High Court of Bombay. The next date of hearing has not yet been fixed. The Second Proceeding is also linked to the SEBI Order and resultant criminal proceedings initiated by SEBI in 2001 before the Court of the Metropolitan Magistrate, Mumbai, against Sterlite Industries (India) Ltd (now the Company), Mr. Anil Agarwal and Mr. Tarun Jain. When the SEBI Order was overruled by the SAT Order, a petition was filed before the High Court of Bombay to stay the criminal proceedings on the ground that the SEBI Order had been overruled by the SAT Order. On December 2, 2005, an order was passed by the High Court of Bombay in favor of Sterlite Industries (India) Ltd (now the Company), Mr. Anil Agarwal and Mr. Tarun Jain granting an interim stay of the criminal proceedings.

29 GENERAL DISCLAIMER

EVERY PERSON WHO DESIRES TO AVAIL OF THE DELISTING OFFER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE ACQUIRERS (INCLUDING ITS DIRECTORS), THE MANAGER TO THE OFFER OR THE COMPANY (INCLUDING ITS DIRECTORS) WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH OFFER AND TENDER OF SECURITIES THROUGH THE REVERSE BOOK BUILDING PROCESS THROUGH ACQUISITION WINDOW FACILITY OR OTB OR OTHERWISE WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

UNITED STATES OF AMERICA

THE DELISTING OFFER IS BEING MADE FOR SECURITIES OF AN INDIAN COMPANY AND SHAREHOLDERS OF THE COMPANY IN THE U.S. SHOULD BE AWARE THAT THIS LETTER OF OFFER AND ANY OTHER DOCUMENTS RELATING TO THE DELISTING OFFER HAVE BEEN OR WILL BE PREPARED IN ACCORDANCE WITH INDIAN PROCEDURAL AND DISCLOSURE REQUIREMENTS, INCLUDING REQUIREMENTS REGARDING THE DELISTING OFFER TIMETABLE AND TIMING OF PAYMENTS, ALL OF WHICH DIFFER FROM THOSE IN THE U.S.

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THE RECEIPT OF CASH PURSUANT TO THE DELISTING OFFER BY A SHAREHOLDER OF THE COMPANY MAY BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND UNDER APPLICABLE U.S. STATE AND LOCAL, AS WELL AS FOREIGN AND OTHER, TAX LAWS. EACH SHAREHOLDER OF THE COMPANY IS URGED TO CONSULT HIS INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY REGARDING THE TAX CONSEQUENCES OF ACCEPTING THE DELISTING OFFER.

IT MAY BE DIFFICULT FOR U.S. HOLDERS OF EQUITY SHARES TO ENFORCE THEIR RIGHTS AND ANY CLAIMS THEY MAY HAVE ARISING UNDER THE U.S. FEDERAL SECURITIES LAWS IN CONNECTION WITH THE DELISTING OFFER, SINCE THE COMPANY AND THE ACQUIRERS ARE INCORPORATED IN COUNTRIES OTHER THAN THE U.S., AND SOME OR ALL OF THEIR OFFICERS AND DIRECTORS MAY BE RESIDENTS OF COUNTRIES OTHER THAN THE U.S. U.S. HOLDERS OF EQUITY SHARES IN THE COMPANY MAY NOT BE ABLE TO SUE THE COMPANY, THE ACQUIRERS OR THEIR RESPECTIVE OFFICERS OR DIRECTORS IN A NON-U.S. COURT FOR VIOLATIONS OF U.S. SECURITIES LAWS. FURTHER, IT MAY BE DIFFICULT TO COMPEL THE COMPANY, THE ACQUIRERS OR THEIR RESPECTIVE AFFILIATES TO SUBJECT THEMSELVES TO THE JURISDICTION OR JUDGMENT OF A U.S. COURT.

NEITHER THE U.S. SECURITIES EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE DELISTING OFFER OR PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS LETTER OF OFFER. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE U.S.

GENERAL

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS DELISTING OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THIS LETTER OF OFFER SHALL BE DISPATCHED TO ALL PUBLIC SHAREHOLDERS HOLDING THE EQUITY SHARES WHOSE NAMES APPEAR ON THE REGISTER OF MEMBERS OF THE COMPANY AND TO THE OWNER OF THE EQUITY SHARES WHOSE NAMES APPEAR AS BENEFICIARIES ON THE RECORDS OF THE RESPECTIVE DEPOSITORIES AT THE CLOSE OF BUSINESS HOURS ON THE SPECIFIED DATE (AS INDICATED IN THIS LETTER OF OFFER). HOWEVER, RECEIPT OF THIS LETTER OF OFFER BY ANY PUBLIC SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS DELISTING OFFER, OR WHERE MAKING THIS DELISTING OFFER WOULD REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THE LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS OF SUCH JURISDICTION), SHALL NOT BE TREATED BY SUCH PUBLIC SHAREHOLDER AS AN DELISTING OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY.

PERSONS IN POSSESSION OF THIS LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY PUBLIC SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS DELISTING OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS DELISTING OFFER.

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MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
J.P.Morgan **J.P. Morgan India Private Limited** **CIN:** U67120MH1992FTC068724 **Address:** J.P. Morgan Tower, Off C. S. T. Road, Kalina, Santacruz (East), Mumbai – 400 098 **Tel. no.:** +91 22 6157 3000 **Fax no.:** +91 22 6157 3911 **Email:** vedanta_delist@jpmorgan.com **Contact person:** Mr. Shagun Gupta **SEBI registration no.:** INM000002970 **Validity period:** Permanent	KFINTECH **KFin Technologies Private Limited** (*formerly known as Karvy Fintech Private Limited*) **CIN:** U72400TG2017PTC117649 **Address:** Selenium Building, Tower- B, Plot No 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad Rangareddi – 500032, Telangana **Tel. no.:** +91 40 6716 2222/ 1-800-34-54001 **Fax no.:** +91 40 2343 1551 **Email:** vedanta.delisting@kfintech.com **Contact person:** Mr. Murali Krishna **SEBI registration no.:** INR000000221 **Validity period:** Permanent

ADVISOR TO THE ACQUIRERS FOR THE DELISTING PROCESS	
DAM CAPITAL **DAM Capital Advisors Limited**	**CIN:** U99999MH1993PLC071865 **Address:** One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

For and on behalf of Board of Directors of the Acquirers
For and on behalf of **VEDANTA RESOURCES LIMITED**

Sd/-
Name: Ravi Rajagopal
Designation: Director

Sd/-
Name: Geoffrey Green
Designation: Director

Sd/-
Name: Deepak Kumar
Designation: Company Secretary

Date: September 28, 2020
Place: London

For and on behalf of **VEDANTA HOLDINGS MAURITIUS LIMITED**

Sd/-
Name: Ashwanee Ramsurrun
Designation: Director

Sd/-
Name: Shakill Ahmad Toorabally
Designation: Director

Date: September 28, 2020
Place: Mauritius

For and on behalf of **VEDANTA HOLDINGS MAURITIUS II LIMITED**

Sd/-
Name: Rajiv Mangar
Designation: Director

Sd/-
Name: Shakill Ahmad Toorabally
Designation: Director

Date: September 28, 2020
Place: Mauritius

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BID CUM ACCEEPTANCE FORM/ BID FORM

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(In respect of the Equity Shares of the Vedanta Limited pursuant to the Delisting Offer by the Acquirers)

Please read this document along with the Public Announcement published on September 29, 2020 and the Letter of Offer dated September 28, 2020 issued by the Acquirers viz. Vedanta Resources Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited.

We also request you to read "**Operational Guidelines for Offer to Buy (OTB) Window**" issued by the Stock Exchanges in relation to stock exchange traded mechanism introduced by SEBI vide its circular dated April 12, 2015 on "Mechanism for acquisition of shares through Stock Exchange" and its circular dated December 9, 2016 on 'Streamlining the process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buyback and Delisting of Securities'. The terms and conditions of the Public Announcement and the Letter of Offer are deemed to have been incorporated in and form part of this document.

Unless otherwise defined, capitalized terms used in this Bid cum Acceptance Form/ Bid Form have the same meaning as defined in the Public Announcement and the Letter of Offer.

Note: The Public Shareholders should note that this Bid Form should not be sent to the Manager to the Offer or the Registrar to the Offer or to the Acquirers or to the Company or the Stock Exchanges. The Public Shareholders should further note that they should have a trading account with their broker i.e., a Seller Member, as the Bids can be entered in the reverse book building window of BSE, only through their respective Seller Member. The Seller Member would issue contract note and pay the consideration to the respective Public Shareholder whose Offer Shares are accepted under the Delisting Offer. Please note that submission of Bid Form and TRS is not mandatorily required in case of Offer Shares held in dematerialized form. However, please note that submission of Bid Form and TRS along with original share certificate(s) is mandatorily required in case of Equity Shares held in physical form.

DELISTING OFFER*		
Bid Opening Date	October 05, 2020	Bids can be placed only during normal trading hours of secondary market
Last Date for Revision (upwards) or Withdrawal	October 08, 2020	
Bid Closing Date	October 09, 2020	
Floor Price per Offer Share	INR 87.25/-	
Discovered Price	The price at which the shareholding of the Acquirers and the members of the Promoter Group reaches 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.	
Exit Price	(a) The Discovered Price, if accepted by the Acquirers; (b) a price higher than the Discovered Price, if offered by the Acquirers at their discretion; or (c) the Counter Offer Price offered by the Acquirers at their discretion which, pursuant to acceptance and/ or rejection by Public Shareholders, results in the shareholding of the Acquirers and the members of the Promoter Group reaching 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.	

**The dates are subject to, among other things, the Acquirers obtaining the necessary approvals, if any, prior to the Bid Opening Date*

(To be filled in by the Seller Member(s))

Name of Seller Member			
Address of Seller Member			
UCC			
Application Number		**Date**	

VEDANTA LIMITED

(In respect of the Equity Shares of the Vedanta Limited pursuant to the Delisting Offer by the Acquirers)

Dear Sir(s),

Re: Delisting Offer to acquire the Offer Shares by the Acquirers in accordance with the Delisting Regulations.

1. I/ We, having read and understood the terms and conditions set out below, in the Public Announcement and in the Letter of Offer, hereby tender my/ our Offer Shares in response to the Delisting Offer.
2. I/ We understand that the Seller Member to whom this Bid Form is sent, is authorized to tender the Offer Shares on my/ our behalf and the Offer Shares.
3. I/ We understand that the Offer Shares tendered under the Delisting Offer shall be held in trust by the Registrar to the Offer and the Clearing Corporation, as applicable, until the time of the dispatch of payment of consideration calculated at the Discovered Price/ Exit Price and/ or the unaccepted Offer Shares are returned.
4. I/ We hereby acknowledge and agree that, in terms of paragraph 17.12 of the Letter of Offer, if the Acquirers decide to make a counter offer (at their sole and absolute discretion and without any obligation to do so), the Offer Shares tendered by me/ us and not withdrawn within 10 working days from the date of issuance of the Counter Offer PA, shall be considered as having been tendered in the counter offer at the Counter Offer Price.
5. I/ We hereby undertake the responsibility for the Bid Form and the Offer Shares tendered under the Delisting Offer and I/ we hereby confirm that the Acquirers, the Company, Manager to the Offer and the Registrar to the Offer shall not be liable for any delay/ loss in transit resulting in delayed receipt or non-receipt of the Bid Form along with all requisite documents, by the Seller Member, due to inaccurate/ incomplete particulars/ instructions or any reason whatsoever.

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6. I/ We understand that this Bid is in accordance with the Delisting Regulations and all other applicable laws, by way of reverse book building process and that the Acquirers are not bound to accept the Discovered Price.
7. I/ We also understand that the payment of consideration will be done by the Acquirers after due verification of Bids, documents and signatures and the Acquirers will pay the consideration as per secondary market mechanism.
8. I/ We hereby confirm that the Offer Shares tendered under the Delisting Offer are free from any lien, equitable interest, charges and encumbrances.
9. I/ We hereby declare that there are no restraints/ injunctions, or other orders of any nature which limits/ restricts my/ our rights to tender these Offer Shares and I/ we are the absolute and only owner of these Offer Shares and are legally entitled to tender the Offer Shares under the Delisting Offer.
10. I/ We hereby confirm that to participate in the Delisting offer, I/ we will be solely responsible for payment to my/ our Seller Member for any cost, charges and expenses (including brokerage) that may be levied by the Seller Member on me/ us for tendering the Offer Shares in the Delisting Offer. The consideration to be received by me/ us from my/ our respective Seller Member, in respect of accepted Offer Shares, may be net of such costs, charges and expenses (including brokerage). The Acquirers, Company, Buyer Broker, Registrar to the Offer or Manager to the Offer have no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by me/ us.
11. I/ We authorize BSE, Acquirers, Manager to the Offer, Buyer Broker and the Registrar to the Offer to send the payment of consideration by NECS/ RTGS/ NEFT/ Direct Credit as per SEBI Circulars.
12. I/ We undertake to immediately return the amount received by me/ us inadvertently.
13. I/ We agree that upon due acceptance by the Acquirers of the Offer Shares tendered by me/ us under the Delisting Offer, I/ we would cease to enjoy all right, title, claim and interest whatsoever, in respect of the Offer Shares.
14. I/ We authorize the Acquirers to duly accept the Offer Shares so offered, which they may decide to accept in consultation with the Manager to the Offer and Registrar to the Offer and in terms of the Letter of Offer.
15. I/ We further authorize the Buyer Broker and/ or the Registrar to the Offer to return to me/ us, the Offer Shares to the extent not accepted to my/ our depository account at my/ our sole risk.
16. I/ We hereby undertake to execute any further documents, give assurance and provide assistance, which may be required in connection of the Delisting Offer and agree to abide by the decisions taken in accordance with the applicable laws, rules and regulations.
17. I/ We acknowledge and confirm that all the particulars / statements given herein are true and correct.

Holder's details (Please use BLOCK CAPITALS)						
Complete this box with the full name, signature and address of the holder of the Offer Shares. In case of joint holdings, full name of all the joint holders must appear in the same order as appearing in the share certificate(s)/ demat account.	**Holder**	**Name**				**PAN**
	First / Sole					
	Second					
	Third					
Contact details	Tel. No.:					
	Mobile No.:					
	Email ID:					
Address of the First / Sole holder (with pin code)						
Type of investor (**Please tick** (✓) the box to the right of the appropriate category)	Individual		NRI (non-repatriable)			
	Hindu Undivided Family		NRI (repatriable)			
	Body Corporate		FPI			
	Mutual Fund		Insurance Company			
	Banks/ Financial Institution		Other (please specify)			
Date and place of incorporation of the holder (if applicable)						

Details of Offer Shares held in physical form (applicable if Offer Shares are held in PHYSICAL FORM) Details of original share certificate(s) along with duly filled, signed transfer deed(s), as enclosed					
Sr. No.	**Folio No.**	**Share Certificate(s) No.**	**Distinctive Nos.**		**No. of Offer Shares**
			From	**To**	
1					
2					
3					
(If the space provided is inadequate, please attach a separate continuation sheet)				Total	



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Bank account details (applicable to the Public Shareholders holding Offer Shares in PHYSICAL FORM)	
Please fill the following details of the sole shareholder's bank account (or in the case of joint holders, the first-named holder's bank account) and any consideration payable will be paid by electronic transfer carrying the details of the bank account as per the banking account details and as provided in this Bid Form	
Particulars	**Details**
Name of the sole/ first holder's bank	
Branch address	
City and PIN code of the branch	
Bank account no.	
Savings/ Current/ Others (Please Specify)	
MICR Code (for electronic payment)	
IFSC Code/ MICR/ Swift Code (for electronic payment)	
Note: *The fund transfer in electronic mode would be done at your risk based on the data provided as above by you*	

Depository participant's details (applicable to Public Shareholders holding Offer Shares in DEMATERIALISED FORM)	
I/ We confirm that I/ we hold my/ our Offer Shares in dematerialised form. The details of my/ our depository account and my/ our depository participant are as follows:	
DP Name	
DP ID No.:	
Client ID No.	
No. of Offer Shares	

Other enclosures, if any applicable				
Please tick (✓) the box to the right of the appropriate category	Power of attorney		Corporate authorization	
	Death certificate		Others (please specify)	

Details of Bid and Offer Shares tendered in pursuant to the Delisting Offer

You should insert the number of Offer Shares you wish to tender and the price per Offer Share at which you are tendering the same (your "**Bid Price**") in the space provided below. If your Bid Price is less than the Floor Price which INR 87.25/- per Offer Share, you will be deemed to have tendered your Offer Shares at INR 87.25/- per Offer Share. If the number of Offer Shares inserted is inconsistent with the number of Offer Shares tendered through your broker i.e., Seller Member, the number of Offer Shares tendered through Seller Member will be the number of Offer Shared tendered by you.

I/ We hereby tender to the Acquirers the number of Offer Shares at the Bid Price as specified below, at the Bid Price specified below:

	Figures in Numbers	**Figures in Words**	
No. of Offer Shares			
Bid Price Per Offer Share (in INR)			
Signature			
	Sole/ First Holder	**Second Holder**	**Second Holder**

Note: In case of joint holdings, all holders must sign. In case of bodies corporate the Bid Form is to be signed by the authorized signatory under the stamp of the company and necessary board resolution authorizing the submission of this Bid Form should be attached.

TEAR ALONG THIS LINE

For any queries, please contact

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
J.P.Morgan	KFINTECH
J.P. Morgan India Private Limited **CIN:** U67120MH1992FTC068724 **Address:** J.P. Morgan Tower, Off C. S. T. Road, Kalina, Santacruz (East), Mumbai – 400 098 **Tel. no.:** +91 22 6157 3000 **Fax no.:** +91 22 6157 3911 **Email:** vedanta_delist@jpmorgan.com **Contact person:** Mr. Shagun Gupta **SEBI registration no.:** INM000002970 **Validity period:** Permanent	**KFin Technologies Private Limited** (*formerly known as Karvy Fintech Private Limited*) **CIN:** U72400TG2017PTC117649 **Address:** Selenium Tower- B, Plot No 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad Rangareddi – 500032, Telangana **Tel. no.:** +91 40 6716 2222/ 1-800-34-54001 **Fax no.:** +91 40 2343 1551 **Email:** vedanta.delisting@kfintech.com **Contact person:** Mr. Murali Krishna **SEBI registration no.:** INR000000221 **Validity period:** Permanent

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CHECKLIST (Please tick (✓))

DEMAT SHAREHOLDERS			PHYSICAL SHAREHOLDERS		
1	BID FORM		1	BID FORM	
2	OTHER DOCUMENTS, AS APPLICABLE		2	ORIGINAL SHARE CERTIFICATE OF THE COMPANY	
			3	VALID SHARE TRANSFER DEED	
			4	SELF ATTESTED COPY OF PAN CARD	
			5	OTHER DOCUMENTS, AS APPLICABLE	

Notes:

1. All documents / remittances sent by / to the Public Shareholders will be at their risk and the Public Shareholders are advised to adequately safeguard their interests in this regard.
2. Please read these notes along with the entire contents of the Public Announcement and Letter of Offer.
3. In the case of Public Shareholder(s) other than individuals, any documents, such as a copy of a power of attorney, board resolution, authorization, etc., as applicable and required in respect of support / verification of this Bid Form shall also be provided, otherwise, the Bid shall be liable for rejection.
4. Please refer to the Letter of Offer for details of the documents.
5. The number of Offer Shares tendered under the Delisting Offer should match with the number of Offer Shares held under the respective client ID number. In case of mismatch, the acceptance or partial acceptance of the Bid will be at the sole discretion of the Registrar to the Offer/ Manager to the Offer.
6. In case, the Bid Price is less than the Floor Price of INR 87.25/- per Offer Share, it will be deemed that the Offer Shares have been tendered at the Floor Price of INR 87.25/-.
7. The consideration shall be paid to the Public Shareholder(s) by their respective Seller Member in the name of sole/ first holder only.
8. **Public Shareholders, holding Offer Shares in physical form, post bidding, should send the Bid Form along with the share transfer deed, share certificates, TRS and other documents, as applicable, to the Registrar to Offer. It is the sole responsibility of Public Shareholders/ Seller Member(s) to ensure that their Offer Shares held in physical form reaches the Registrar to the Offer within 2 days after the Bid Closing Date.**
9. **It is the sole responsibility of the Public Shareholders/ Seller Member(s) to ensure that their Offer Shares shall be transferred by using the settlement number and the procedure prescribed by the Clearing Corporation on or before the Bid Closing Date.**
10. In case, the Bid Form sent to the Registrar to the Offer is not complete in all respects, the same may be liable for rejection
11. The Bid Forms received / tendered before the commencement of the Bidding Period shall remain valid.
12. In case, the sole/ any joint holder has died, please enclose the requisite documents, i.e., copies of death certificate/ will/ probate/ succession certificate and other relevant papers, as applicable.
13. **FOR OFFER SHARES HELD IN PHYSICAL FORM**: Before submitting this Bid Form to the Seller Member(s), you must execute valid share transfer deed(s) in respect of the Offer Shares intended to be tendered under the Delisting Offer and attach thereto all the relevant **original physical share certificate(s).** The share transfer deed(s) shall be signed by the Public Shareholder (or in case of joint holdings by all the joint holders in the same order) in accordance with the specimen signature(s) recorded with the Company and shall also be duly witnessed. A copy of any signature proof may be attached to avoid any inconvenience.
14. **FOR UNREGISTERED PUBLIC SHAREHOLDERS:** Unregistered Public Shareholders should enclose, as applicable, (a) this Bid Form, duly completed and signed in accordance with the instructions contained therein, (b) original share certificate(s), (c) original broker contract note, (d) valid share transfer form(s) as received from the market, duly stamped and executed as the transferee(s) along with blank transfer form duly signed as transferor(s) and witnessed at the appropriate place. All other requirements for valid transfer will be preconditions for acceptance.
15. **FOR SUBMITTING THE BID FORM BY HAND DELIVERY**: Please submit this Bid Form together with other necessary documents referred to above by hand delivery to the Seller Member.

---------- ✂ ---------- **TEAR ALONG THIS LINE** ---------- ✂ ----------

ACKNOWLEDGEMENT SLIP

Received from Mr./ Ms./ M/s _____ a Bid Cum Acceptance

Form for _____ Offer Shares at a Bid Price of INR _____ per Offer Share and the details of which are given as under.

DEMAT SHAREHOLDER		PHYSICAL SHAREHOLDER	
UNIQUE CLIENT CODE (UCC)		UNIQUE CLIENT CODE (UCC)	
DP ID NO.		FOLIO NUMBER	
CLIENT ID NO.		SHARE CERTIFICATE NO.	
NO. OF OFFER SHARES		NO. OF OFFER SHARES	
BID PRICE PER OFFER SHARE (IN INR)		BID PRICE PER OFFER SHARE (IN INR)	
Note: *Received but not verified share certificate(s) and share transfer deeds*			

ACKNOWLEDGEMENT	
UNIQUE CLIENT CODE (UCC)	
APPLICATION NUMBER	
DATE OF RECEIPT	
SIGNATURE OF OFFICIAL	

Signature of Official: _____ Date of receipt: _____

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BID REVISION CUM WITHDRAWAL FORM

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(In respect of the Equity Shares of the Vedanta Limited pursuant to the Delisting Offer by the Acquirers)

Please read this document along with the Public Announcement published on September 29, 2020 and the Letter of Offer dated September 28, 2020 issued by the Acquirers viz. Vedanta Resources Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited.

We also request you to read "**Operational Guidelines for Offer to Buy (OTB) Window**" issued by the Stock Exchanges in relation to stock exchange traded mechanism introduced by SEBI vide its circular dated April 12, 2015 on "Mechanism for acquisition of shares through Stock Exchange" and its circular dated December 9, 2016 on 'Streamlining the process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buyback and Delisting of Securities'. The terms and conditions of the Public Announcement and the Letter of Offer are deemed to have been incorporated in and form part of this document.

Unless otherwise defined, capitalized terms used in this Bid cum Acceptance Form/ Bid Form have the same meaning as defined in the Public Announcement and the Letter of Offer.

Note: The Public Shareholders should note that this Bid Form should not be sent to the Manager to the Offer or the Registrar to the Offer or to the Acquirers or to the Company or the Stock Exchanges. The Public Shareholders should further note that they should have a trading account with their broker i.e., a Seller Member, as the Bids can be entered in the reverse book building window of BSE, only through their respective Seller Member. The Seller Member would issue contract note and pay the consideration to the respective Public Shareholder whose Offer Shares are accepted under the Delisting Offer. Please note that submission of Bid Form and TRS is not mandatorily required in case of equity shares held in dematerialized form. However, please note that submission of Bid Form and TRS along with original share certificate(s) is mandatorily required in case of Equity Shares held in physical form.

DELISTING OFFER*		
Bid Opening Date	October 05, 2020	Bids can be placed only during normal trading hours of secondary market
Last Date for Revision (upwards) or Withdrawal	October 08, 2020	
Bid Closing Date	October 09, 2020	
Floor Price per Offer Share	INR 87.25/-	
Discovered Price	The price at which the shareholding of the Acquirers and the members of the Promoter Group reaches 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.	
Exit Price	(a) The Discovered Price, if accepted by the Acquirers; (b) a price higher than the Discovered Price, if offered by the Acquirers at their discretion; or (c) the Counter Offer Price offered by the Acquirers at their discretion which, pursuant to acceptance and/ or rejection by Public Shareholders, results in the shareholding of the Acquirers and the members of the Promoter Group reaching 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.	

**The dates are subject to, among other things, the Acquirers obtaining the necessary approvals, if any, prior to the Bid Opening Date*

(To be filled in by the Seller Member(s))

Name of Seller Member			
Address of Seller Member			
UCC			
Application Number		**Date**	

VEDANTA LIMITED

(In respect of the Equity Shares of the Vedanta Limited pursuant to the Delisting Offer by the Acquirers)

Dear Sir(s),

Re: Delisting Offer to acquire the Offer Shares by the Acquirers in accordance with the Delisting Regulations.

I/We hereby revoke any offer made in any Bid Form submitted prior to the date of this Bid Revision/ Withdrawal Form in respect of the Offer Shares. I / We hereby make a new Bid to tender the number of Offer Shares set out or deemed to be set out herein and on and subject to the terms and conditions specified in the Public Announcement, Letter of Offer and the Bid Form, as applicable.

Holder's details (Please use BLOCK CAPITALS)			
Complete this box with the full name, signature and address of the holder of the Offer Shares. In case of joint holdings, full name of all the joint holders must appear in the same order as appearing in the share certificate(s)/ demat account.	**Holder**	**Name**	**PAN**
	First / Sole		
	Second		
	Third		
Contact details	Tel. No.:		
	Mobile No.:		
	Email ID:		



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Address of the First / Sole holder (with pin code)				
Type of investor (**Please tick** (✓) the box to the right of the appropriate category)	Individual		NRI (non-repatriable)	
	Hindu Undivided Family		NRI (repatriable)	
	Body Corporate		FPI	
	Mutual Fund		Insurance Company	
	Banks/ Financial Institution		Other (please specify)	
Date and place of incorporation of the holder (if applicable)				

TO BE FILLED IN ONLY IF THE NUMBER OF THE EQUITY SHARES HAVE BEEN INCREASED AS COMPARED TO NUMBER OF THE EQUITY SHARES TENDERED IN THE PREVIOUS BID FOR SHAREHOLDERS HOLDING THE EQUITY SHARES IN PHYSICAL FORM.

Details of original share certificate(s) along with duly filled, signed transfer deed(s), as enclosed. The Details are applicable only for additional Offer Shares tendered with a view to increase the number of Offer Shares tendered.

Sr. No.	Folio No.	Share Certificate(s) No.	Distinctive Nos.		No. of Offer Shares
			From	To	
1					
2					
3					
(If the space provided is inadequate, please attach a separate continuation sheet)				**Total**	

TO BE FILLED IN ONLY IF THE NUMBER OF THE EQUITY SHARES HAVE BEEN INCREASED AS COMPARED TO NUMBER OF THE EQUITY SHARES TENDERED IN THE PREVIOUS BID FOR SHAREHOLDERS HOLDING THE EQUITY SHARES IN DEMATERIALISED FORM)

Following details are applicable only for additional Offer Shares tendered with a view to increase the number of Offer Shares

DP Name	
DP ID No.	
Client ID No.	
No. of Offer Shares	

Other enclosures, if any applicable

Please tick (✓) the box to the right of the appropriate category	**Power of attorney**		**Corporate authorization**	
	Death certificate		**Others (please specify)**	

Details of Previous Bid and the Offer Shares tendered pursuant to the Delisting Offer

	Figures in Numbers	**Figures in Words**
No. of Offer Shares		
Bid Price Per Offer Share (in INR)		

Details of Revised Bid and the Offer Shares tendered pursuant to the Delisting Offer

	Figures in Numbers	**Figures in Words**
No. of Offer Shares		
Bid Price Per Offer Share (in INR)		

Withdrawal of Bid

I/We hereby confirm that I/we would like to withdraw the earlier Bid made by me/us as detailed above and would like to treat the bid as null and void.

Please tick (✓) in the appropriate box	**Yes:**		**No:**	

Signature			
	Sole / First Holder	**Second Holder**	**Third Holder**

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CHECKLIST (Please tick (✓))

DEMAT SHAREHOLDERS			PHYSICAL SHAREHOLDERS		
1	BID FORM		1	BID FORM	
2	OTHER DOCUMENTS, AS APPLICABLE		2	ORIGINAL SHARE CERTIFICATE OF THE COMPANY	
			3	VALID SHARE TRANSFER DEED	
			4	SELF ATTESTED COPY OF PAN CARD	
			5	OTHER DOCUMENTS, AS APPLICABLE	

Notes:

1. **All documents sent by/to the Public Shareholders will be at their risk and the Public Shareholders are advised to adequately safeguard their interests in this regard**.
2. The Public Shareholders may withdraw or revise their Bids upwards not later than 1 day before the Bid Closing Date.
3. **Downward revision of Bids shall not be permitted.**
4. You must submit this Bid Revision/Withdrawal Form to the same Seller Member through whom your original Bid Form was submitted. **Please ensure that you enclose a copy of the acknowledgement slip relating to your previous Bid**.
5. Please note that all the information, terms and conditions contained in the original Bid Form shall remain valid, except which has been revised under Bid Revision/ Withdrawal Form.
6. In case you wish to tender additional dematerialized Offer Shares, please ensure that you have instructed your Seller Member to transfer your additional Offer Shares. In case you wish to tender additional physical Offer Shares, please ensure that you attach the additional share certificate(s) and the transfer deed along with the Bid Revision/Withdrawal Form. Please ensure that the number of the Offer Shares tendered under the Bid Revision/Withdrawal Form is equal to the number indicated in the share certificate(s) attached and the transfer deed executed, if any.
7. In case of the Public Shareholder(s) other than individuals, copy of power of attorney, board resolution, authorization etc., as applicable and required in respect of support/verification of this Bid Revision/Withdrawal Form, shall also be provided, otherwise, the same shall be liable for rejection.
8. The consideration shall be paid to the Public Shareholder(s) by their respective Seller Member in the name of sole/first holder only.
9. The Public Shareholders, holding the Offer Shares in physical form, post bidding, should send the Bid Form along with share transfer deed, share certificates, TRS and other documents, as applicable, to the Registrar to the Offer. It is the sole responsibility of the Public Shareholders/ Seller Member(s) to ensure that their Offer Shares held in physical form reaches the Registrar to the Offer within 2 days of bidding by the Seller Member.
10. In case, the Bid Form sent to the Registrar to the Offer is not complete in all respects, the same may be liable for rejection.

✂ **TEAR ALONG THIS LINE** ✂

For any queries, please contact

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
J.P.Morgan	KFINTECH
J.P. Morgan India Private Limited **CIN:** U67120MH1992FTC068724 **Address:** J.P. Morgan Tower, Off C. S. T. Road, Kalina, Santacruz (East), Mumbai – 400 098 **Tel. no.:** +91 22 6157 3000 **Fax no.:** +91 22 6157 3911 **Email:** vedanta_delist@jpmorgan.com **Contact person:** Mr. Shagun Gupta **SEBI registration no.:** INM000002970 **Validity period:** Permanent	**KFin Technologies Private Limited** (*formerly known as Karvy Fintech Private Limited*) **CIN:** U72400TG2017PTC117649 **Address:** Selenium Tower- B, Plot No 31 & 32, Gachibowli, Financial District Nanakramguda, Serilingampally, Hyderabad Rangareddi – 500032, Telangana **Tel. no.:** +91 40 6716 2222/ 1-800-34-54001 **Fax no.:** +91 40 2343 1551 **Email:** vedanta.delisting@kfintech.com **Contact person:** Mr. Murali Krishna **SEBI registration no.:** INR000000221 **Validity period:** Permanent

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TEAR ALONG THIS LINE

ACKNOWLEDGEMENT SLIP

Received from Mr./ Ms./ M/s _____ a Bid Cum Acceptance

Form for _____ Offer Shares at a Bid Price of INR _____ per Offer Share and the details of which are given as under.

DEMAT SHAREHOLDER		**PHYSICAL SHAREHOLDER**	
UNIQUE CLIENT CODE (UCC)		UNIQUE CLIENT CODE (UCC)	
DP ID NO.		FOLIO NUMBER	
CLIENT ID NO.		SHARE CERTIFICATE NO.	
NO. OF OFFER SHARES		NO. OF OFFER SHARES	
BID PRICE PER OFFER SHARE (IN INR)		BID PRICE PER OFFER SHARE (IN INR)	
Note: *Received but not verified share certificate(s) and share transfer deeds*			

ACKNOWLEDGEMENT	
UNIQUE CLIENT CODE (UCC)	
APPLICATION NUMBER	
DATE OF RECEIPT	
SIGNATURE OF OFFICIAL	

Signature of Official: _____ Date of receipt: _____

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Form No. SH-4 - Securities Transfer Form

[Pursuant to Section 56 of the Companies Act, 2013 and Sub-Rule (1) of Rule 11* of the Companies (Share Capital and Debentures) Rules 2014*]

Date of execution: _____/ _____/ _____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN:	L	1	3	2	0	9	M	H	1	9	6	5	P	L	C	2	9	1	3	9	4

Name of the company (in full): **Vedanta Limited**

Name of the Stock Exchange where the company is listed, (if any): **BSE Limited and National Stock Exchange of India Limited**

DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	₹ 1/-	₹ 1/-	₹ 1/-

No. of Securities being Transferred		Consideration received (₹)	
In figures	In words	In words	In figures

Distinctive Number	**From**			
	To			

Corresponding Certificate Nos.			

Transferor's Particulars

Registered Folio Number:

Name(s) in full	PAN No.	Signature(s)
1._____	_____	_____
2._____	_____	_____
3._____	_____	_____

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: _____

Name of the Witness: _____

Address of the Witness: _____

Pincode: _____

TRUE COPY

Transferee's Particulars		
Name in full (1)	Father's/ Mother's / Spouse's Name (2)	Address & E-mail ID (3)
Vedanta Holdings Mauritius Limited	N.A.	C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, NexTeracom Building, Ebene, Mauritius
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
		1. _____ 2. _____ 3. _____

Folio No. of Transferee	Specimen Signature of Transferee(s)
_____ _____	1. _____ 2. _____ 3. _____

Value of Stamp affixed: ₹_____

Enclosures: **Stamps**

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify,_____

For Office Use Only

Checked by_____

Signature Tallied by_____

Entered in the Register of Transfer on_____

_____ vide Transfer no_____

Approval Date _____

Power of attorney / Probate / Death certificate / Letter of Administration

Registered on _____ at

No _____

On the reverse page of the certificate

Name of Transferor	Name of Transferee	No. of Shares	Date of Transfer
_____	_____	_____	_____

_____
Signature of authorised signatory

TRUE COPY

ANNEXURE P-38

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
CIRCLE INT TAX 3(1)(1)DEL

To, VEDANTA HOLDINGS MAURITIUS II LIMITED 6th Floor Tower 1 Nexteracom building, Mauritius Ebene,FOREIGN Mauritius	

PAN: **AAHCV4933B**	AY: **2022-23**	Dated: **06/12/2024**	DIN & Notice No : **ITBA/AST/F/142(1)/2024-25/1070977722(1)**

आयकर अधिनियम**, 1961** की धारा **142** की उप-धारा **(1)** केतहत सूचना
Notice under sub-section (1) of Section 142 of the Income Tax Act, 1961

महोदय/महोदया/मैसर्स
Sir/ Madam/ M/s,

निर्धारण वर्ष **2022-23** के लिए निर्धारण के संबंध में, आपको निम्न करने की आवश्यकता है:
In connection with the assessment for the assessment year **2022-23,** you are required to:

क**)** **09/12/2024 01:00 PM** को या उससे पहले अनुलग्नक के अनुसार मांगे गए खातों और दस्तावेजों को प्रस्तुत करें, अथवा प्रस्तुत कराएं। या

a) Produce, or cause to be produced, the accounts and documents called for as per annexure on or before **09/12/2024 01:00 PM** or

ख) अनुलग्नक के अनुसार और उसमें निर्दिष्ट बिंदुओं या मामलों पर मांगी गई जानकारी जो कि आयकर नियम, 1962 के नियम 14 के तहत निर्धारित तरीके से सत्यापित हो **09/12/2024 01:00 PM** को या उससे पहले प्रस्तुत करें ।

b) Furnish the information called for as per annexure and on the points or matters specified therein and verified in the prescribed manner under Rule 14 of Income-tax Rules, 1962 on or before **09/12/2024 01:00 PM.**

ग) उपरोक्त साक्ष्य/सूचना आयकर विभाग की 'ई-फाइलिंग' वेबसाइट (www.incometax.gov.in) में आपके खाते के माध्यम से 'ई-प्रोसीडिंग्स' सुविधा में इलेक्ट्रॉनिक रूप से प्रस्तुत की जानी है। ई-फाइलिंग वेबसाइट (www.incometax.gov.in) पर 'ई-प्रोसीडिंग्स'/ 'पहचान विहीन निर्धारण' पर संक्षिप्त नोट उपलब्ध हैं।

c) The above-mentioned evidence/information is to be furnished electronically in 'e-Proceedings' facility through your account in 'e-Filing' website of Income Tax Department (www.incometax.gov.in). Brief note on 'e-Proceedings'/'Faceless Assessment' are available on the e-Filing website (www.incometax.gov.in).

Yours faithfully,

PRIYAMVAD .
CIRCLE INT TAX 3(1)(1)DEL

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अनुलग्नक **ANNEXURE**

1. आयकर अधिनियम**, 1961** की धारा **142(1)** के तहत निम्नलिखित खाते या दस्तावेज या जानकारी मांगी गई है**:**
1. **The following accounts or documents or information is/are sought under section 142(1) of the Income-tax Act, 1961:**

In page 9 of assessee's response dated December 4, 2024, assessee stated that out of USD 1 billion loan facility with Oak Tree, assessee took a loan of USD 750 million, please furnish details of the amount utilised towards purchase of shares and details as to where the amount which was not used for purchase of shares, was put to use.

PRIYAMVAD .
CIRCLE INT TAX 3(1)(1)DEL

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

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This document is digitally signed
Signer: PRIYAMVAD
Date: Friday, Decem 6, 2024 5:30 PM
Location: DIRECTR ATE, India

VAISH ASSOCIATES ADVOCATES ESTD. 1971
Corporate, Tax and Business Advisory Law Firm

ANNEXURE P-39

1st, 9th & 11th Floor, Mohan Dev Building,
13, Tolstoy Marg, New Delhi - 110001, India
Tel: +91 11 4249 2525
Fax: +91 11 2332 0484
Email: delhi@vaishlaw.com

December 09, 2024

The Deputy Commissioner of Income Tax
The Income Tax Department,
Circle Int Tax 3(1)(1),
Civic Centre
New Delhi - 110002

Dear Sir,

Sub: Assessment proceedings initiated under section 142(1) of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23, PAN: AAHCV4933B [Ref: DIN & Notice No. – ITBA/AST/F/142(1)/2024-25/1070977722(1) dated 06.12.2024]

This is with reference to the ongoing proceedings in the case of the assessee and the notice dated 06.12.2024 issued by your goodself requiring the assessee to furnish in relation to the loan facility of USD 750 million extended by Oak Tree, details of the amount utilised towards purchase of shares and details as to where the amount which was not used for purchase of shares, was put to use. In this regard, it is respectfully submitted as under:

In December 2020, assessee executed a secured loan facility agreement with OCM VERDE XI INVESTMENTS PTE. LTD. ('Oak Tree') for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum. Assessee has drawn/ taken a loan of USD 750 million out of the aforesaid facility amount. In terms of clause 3 – *Purpose*, of the Agreement, the loan amount was to be used by assessee for (i) acquiring the shares of VEDL, (ii) payment of any fees, costs and expenses in connection with the transaction of acquisition of shares; and (iii) any other purpose expressly agreed by the parties. Relevant extracts of the said Agreement are reproduced below:

"PURPOSE

3.1 Purpose

The Issuer must apply the proceeds of the Notes towards:

(a) funding the consideration payable for the Acquisition;

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(b) payment of any fees, costs and expenses in connection with the transactions contemplated under the Finance Documents (including under Clauses 11 (Fees) and 15 (Costs and Expenses)); and

(c) any other purpose expressly agreed by the Agent (acting on the instructions of the Holders)"

It is respectfully submitted that the loans were utilized by the assessee in accordance with the terms and conditions of the Agreement. A summary of the utilization of the loans by the assessee is as follows:

Date	**Loan Amount (USD million)**	**Utilization**
Dec-20	400	Loan amount utilised towards acquisition of shares of VEDL and incidental costs thereto.
Jan-21	27	
Apr-21	73	
Jul-21	125	Refinancing and servicing of any existing financial indebtedness of its group companies and for general corporate purpose of the assessee.
Aug-21	50	
Sep-21	75	
Total	**750**	

We trust the aforesaid sufficiently clarifies. Should your goodself require any further clarification, we shall be pleased to provide the same.

Thanking you,

Yours faithfully,

For **Vaish Associates**

Advocates

Neeraj Jain/ Ansuri Sachar

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Acknowledgement Number : 746850621091224

e-Proceedings Response Acknowledgement	
INCOME TAX DEPARTMENT	
PROCEEDING DETAILS	
PAN/TAN	AAHCV4933B
Name	VEDANTA HOLDINGS MAURITIUS II LIMITED
Financial Year	2021-22
Assessment Year	2022-23
Proceeding Name	Assessment Proceeding u/s 143(3)
Notice/Communication Reference ID	100088166252
Notice Section	142(1)
Description	[ITBA]Notice u/s 142(1)of Income Tax Act 1961.
Notice Issue Date	06-Dec-2024
Due Date for Submission	09-Dec-2024
Communication Sent date	
Document Reference ID	ITBA/AST/F/142(1)/2024-25/1070977722(1)
RESPONSE SUBMITTED	
Remarks	Dear Sir, Please find attached reply.
Hash * Value Of Remarks	4437bc459ede2dc3aa157f384cb686cd6f4343d52e0310d86d04c06d749fc067

Sl No	Attachment Name	Description	Size(bytes)	Hash * value of Attachment
1	VHM2L_Reply 09.12.2024.pdf	Reply	260201	32ad7ee8577946ff72b0b4694858e84173048ae760eabad7bdf82f9c24c1ed9f

This is a system generated acknowledgement and does not require signature

* Hash : This value will uniquely identify the uploaded files and remarks.

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
CIRCLE INT TAX 3(1)(1)DEL

To, VEDANTA HOLDINGS MAURITIUS II LIMITED 6th Floor Tower 1 Nexteracom building, Mauritius Ebene,FOREIGN Mauritius	

PAN: **AAHCV4933B**	Assessment Year: **2022-23**	Dated: **09/12/2024**	DIN & Letter No : **ITBA/AST/F/17/2024-25/1071035561(1)**

Sir/ Madam/ M/s,

Subject: Reference made under section 144BA for the purpose of determination of the arrangement being an impermissible avoidance arrangement: Reg.

In connection with the captioned subject, it is hereby reported that the assessment proceedings in your case for AY 2022-23 have been referred for seeking determination if the transactions constitute to be an impermissible avoidance arrangement within the meaning of Chapter X-A of the Act. The reference has been made under section 144BA of the Act (attahced herewith), in the requisite format as per GAAR proceedings. A copy of the letter making reference to the Commissioner of Income Tax, (International Taxation)-03, New Delhi has been made by this office. Accordingly, the time-barring in your case stands extended in terms of section 153 of the Act.

PRIYAMVAD .
CIRCLE INT TAX 3(1)(1)DEL

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

Enclosed: Refer to attachment AAHCV4933B_2022_ATTACHMENT_100088250537.pdf

This document is digitally signed
Signer: PRIYAMVAD
Date: Monday, December 9, 2024 6:49 PM
Location: DIRECTORATE, India

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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
INCOME TAX DEPARTMENT
CIT (IT), DELHI-3

To, VEDANTA HOLDINGS MAURITIUS II LIMITED 6th Floor Tower 1 Nexteracom building, Mauritius Ebene,FOREIGN Mauritius	

PAN: **AAHCV4933B**	Assessment Year: **2022-23**	Dated: **10/01/2025**	DIN & Letter No : **ITBA/COM/F/17/2024-25/1072089860(1)**

Sir/ Madam/ M/s,

Subject: Online service of Orders - Letter

Sub.: Reference u/s 144BA of the IT Act, received in your case for the AY 2022-23 - Show Cause Notice under sub-section (2) of the Section 144BA of the IT Act - Reg.

Whereas a reference u/s 144BA(1) of the I T Act, 1961 (the Act) was received in your case for the Asst. Year 2022-23 from Circle 3(1)(1), International Taxation, New Delhi.

2. On careful consideration of the proposal and examination of the relevant records, it is noted that the AO has brought on record the following points as enumerated in the report dated 06.12.2024.

2.1 As reported by the AO, the company was incorporated on June 29, 2020 in Mauritius, and your primary activity is investment holding in India and you do not have any other business operation in any other jurisdiction. By virtue of your have investment holding during the year, you have received dividend income of Rs. 1543,74,85,072/- from Vedanta Limited (hereafter known as 'VEDL'), an Indian listed company.

2.2 The dividend income was received as per the following schedule in AY 2022-23 :

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S. No.	Dividend amount (in Rs.)	TDS on the dividend amount remitted (in Rs.)	Rate of TDS deduction (u/s 195)
1	389,32,38,809	58,39,85,821	15%
2	513,75,80,804	25,68,79,040	5%
3	640,66,65,460	32,03,33,273	5%
Total	**1543,74,85,073**	**116,11,98,134**	

2.3 M/s. Vedanta Holding Mauritius II Limited filed return for AY 2022-23, offering total dividend income of Rs. 1543,74,85,072/- for tax amounting to Rs. 116,11,98,134/-. It is seen that in the financial year relevant to the AY 2022-23, you have offered dividend income for tax at varying rates, following the shareholding pattern in Vedanta Limited, India (VEDL) in the FY 2021-22:

Period of FY 2021-22	Shareholding in 'VEDL'
April-June 2021	5.66%
July-August 2021	5.66%
September-December 2021	13.26%
December-March 2022	13.26%

Thus, it is noted that you increased your shareholding in VEDL from 5.66% to 13.26% in the period September-December 2021. Due to the increased shareholding, youbecame eligible to pay 5% tax on the dividend income (instead of the earlier 15%, since it crossed the 10% shareholding threshold) in terms of Article 10(2) of the India-Mauritius DTAA. It is noteworthy that Vedanta Group had a pre-

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existing company in Mauritius, namely Twin Star Holdings Limited (hereafter known as 'TSH').

2.4 In the report dated 06.12.2024 of the AO, the following facts are also observed :-

"a. Change in the taxation regime of dividend income by Finance Act, 2020

b. Incorporation of assessee company post abolition of DDT regime (DDT abolished in Finance Act, 2020) on 29.06.2020 in Mauritius,

c. Granting of loans by associated enterprises (majorly by parent company Finsider granting a loan of USD 1313 million to the assessee company on December 15, 2021) to the assessee company to enable it to buy shares of VEDL on December 16, December 18 and December 24.

d. Transfer of shareholding from UK parent company Finsider to Vedanta Holdings Mauritius II Limited in the following manner:

i. Promoter holding staying unchanged by way of transfer of shares, since the acquirer and the seller (for transactions on December 16, 2021, December 21, 2021) were companies which are a part of the Group structure.

ii. By transfer of shareholding from UK to Mauritius, the parent company Finsider lowered its tax liability in India under India-UK DTAA (since dividend is taxable at the rate of 10% as per India-UK DTAA) and by acquiring 6.41% shareholding of VEDL (4.58% acquired on December 16, 2021 when Finsider sold the same percentage of shareholding on the same day and 1.83% acquired on December 21, 2021 when Finsider sold the same percentage of shareholding in the same day) the assessee company offers dividend for taxation at lower rate of 5% (as per India-Mauritius DTAA), as against the 15% tax rate where the shareholding is less than 10%.

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iii. The instructions regarding purchase of shares on behalf of the assessee company were given by Mr. Deepak Kumar, who is neither an employee nor a director nor a shareholder in the assessee company. Mr. Deepak Kumar is a Director of Finsider International Company Limited and he gave the instruction for the sale of shares of VEDL on the same dates as the purchase of shares by the assessee company.

e. Subsequent to sale of shares by Finsider, another Vedanta entity, namely Westglobe Limited (hereafter referred to as 'WL' or 'Westglobe') which held 1.19% shareholding in VEDL carried out sale of its entire shareholding on December 24, 2024 on the stock market, through the broker Standard Chartered Securities India. The instructions regarding sale of shares on behalf of WL were given by Mr. Deepak Kumar, who is neither an employee nor a director nor a shareholder in WL. The sale was made through the afternoon block deal window for 4,43,43,139 shares (1.19% shareholding of VEDL). At the same time, instructions for purchase of 4,43,43,139 shares of VEDL in the afternoon block deal window were issued to the broker by Mr. Deepak Kumar.

f. Had Westglobe not transferred its shareholding, it would have to pay tax at 15% on the dividend income, as per India-Mauritius DTAA. However, post transfer of shares, the Vedanta group's tax liability stands drastically reduced by 10% (from 15% to 5%) since the assessee company's acquisition of the 1.19% shares (held earlier by Westglobe) would also now stand taxable at 5% as per India-Mauritius DTAA.

g. Herein, it is important to note that during the proceedings, vide response dated November 8, 2024, you had stated that the purpose of incorporation and consequent investment holding through SPV (i.e. Vedanta Holdings Mauritius II Limited) was on account of restrictions on the company Twin Star Holdings Limited. However, upon perusal of the assessee's letter to the Bombay Stock Exchange dated December 22, 2024, the assessee stated the purpose of transactions on December 21, 2024 to be transfer of shareholding among members of the promoter and promoter group of the target company, as part of an internal re-structuring exercise. Juxtaposed with the assessee's own submissions to this office and the reasoning provided for transactions to the Stock Exchange, it is seen that the reasoning is not in sync."

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3. Based on the report of the AO and facts of the case, this office takes of the following points in the light Section 96 of the IT Act.

3.1 The arrangement creates rights, or obligations which are not ordinarily created between persons dealing at arm's length :

3.1.1 First, it is seen that the instruction for sale of shares (of VEDL) by Finsider (as well as Westglobe Limited) and for purchase of shares (of VEDL) by VHM is given to the broker by the same person, i.e., Deepak Kumar on the same day for the same quantity of shares. Deepak Kumar is neither an employee, nor a director, nor a shareholder in the assessee company (similar the case being for Westglobe Limited). Between persons dealing at arm's length, instruction for a transaction on behalf an entity would not ordinarily be given by a person who is not a part of the entity.

3.1.2 Second, it is interesting to note that your vide response dated November 8, 2024, in complete contradiction to its earlier responses, have stated that in the administrative tasks, group's employees employed in different entities of the group, both downstream and upstream of the Assessee company are involved. From your financial statements, it is observed that no such element of compensation/remuneration is involved for intra group services(IGS). This aspect points to obligations, tasks being carried out by upstream, downstream entities which are not ordinarily created between persons dealing at arm's length.

3.1.3 Third, the granting of administrative rights to employees of downstream entity (i.e. Vedanta Limited) to your bank account maintained in Standard Chartered Bank, Mauritius also highlights applicability of provisions of section 96(1)(a) in your case. Ordinarily, no entity would grand administrator, user rights to a person who is not a part of the entity's own setup.

3.1.4 Fourth, you have high interest cost, interest income from related entities which is without any interest-rate benchmarking as per transfer pricing norms. The financial statements furnished by you do not point to any such arm's length benchmarking of interest expense, interest income.

3.2 The arrangement results, directly or indirectly, in the misuse, or abuse, of the provisions of the Act :

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3.2.1 At the outset, it is noted that you took recourse to Circular 789 dated April 13, 2000 by reiterating that the TRC being sacrosanct, thus denying the relevance of questions issued vide point number 4,10,12, 14 to 17 of the notice under section 142(1) dated 20.08.2024.You have suo-moto decided that the response to the questions posed by the Assessing Officer in the said notice were not germane to the assessment proceedings. By taking recourse to Circular 789, you have avoided furnishing satisfactory response to the queries.

3.2.2 The entities of the Vedanta group undertook a pre-planned transfer of shareholding in VEDL on the stock market. Though the shareholding at the group level stayed constant at 69.69%, the transfer of shareholding from Finsider to VHM enabled lowering of tax liability in the UK jurisdiction while enabling you to take benefit of a lower tax rate of 5% as per India-Mauritius DTAA. Had the transfer of shares not taken place between Finsider and VHM, the dividend income would still have been taxable at 15% since the 10% thresholding of shareholding in VEDL would not have been crossed in your case. As stated before, the purchase of shares was instructed to the broker by Deepak Kumar, who is neither an employee nor a shareholder nor a director. Further, the commercial rationale in your case itself is full of contradictions. Vide response dated September 5, you had stated that "*The Group strategically decided to increase its stake in Vedanta Ltd. and for the same created the Assessee company…"* However, seeing the transactions undertaken in December, 2021, it is seen that the transactions undertaken on December 16 and December 21 did not have the effect of increasing the group's shareholding in Vedanta Limited, India.

3.2.3 By transfer of shareholding from UK to Mauritius, even while the incorporation in your case lacks commercial rationale, you took benefit of India-Mauritius DTAA by way of tax arbitrage. This points to misuse, abuse of the benefits of DTAA as granted under section 90 of the Act. By taking recourse to more advantageous Treaty (in this case, India-Mauritius DTAA) even while lacking commercial substance, it appear to be a case of the assessee was indulging in treaty shopping.

3.2.4 Using the India-Mauritius DTAA, the group's tax liability on the same percentage of shareholding stood reduced by way of transfer of Westglobe's 1.19% shareholding in VEDL to you (which was already holding more than 10% shares of Vedanta Limited). Westglobe would have had to pay 15% tax on the dividend income, had it held on to the shares it sold. By selling the shares to your, the group's tax liability benefitted by an arbitrage of 10% on the transfer of 1.19% shareholding within Mauritius entities. Other than providing tax benefit, the transaction between the Mauritian entities held no commercial purpose. This points to misuse, abuse of the benefits of DTAA as granted under section 90 of the Act.

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3.3 Reasons why the arrangement lacks commercial substance or is deemed to lack commercial substance under section 97, in whole or in part

3.3.1 "it involves or includes round trip financing"

3.3.1.1 For ease of reference, section 97(2) detailing round trip financing is reproduced hereunder:

> *"**round trip financing includes any arrangement** in which, through a series of transactions-*
>
> *(a) funds are transferred among the parties to the arrangement; and*
>
> *(b) such transactions do not have any substantial commercial purpose other than obtaining the tax benefit (but for the provisions of this Chapter),*
>
> *without having any regard to-*
>
> *(A) whether or not the funds involved in the round trip financing can be traced to any funds transferred to, or received by, any party in connection with the arrangement;*
>
> *(B) the time, or sequence, in which the funds involved in the round trip financing are transferred or received; or*
>
> *(C) the means by, or manner in, or mode through, which funds involved in the round trip financing are transferred or received."*

It is seen that immediately preceding the purchase of shares by the assessee, you were granted a loan of USD 1313 million by its parent company Finsider International, which in turn was used to purchase the shares. This falls squarely in the category of funds being transferred among the parties to the arrangement. The source of purchase of shares has been the proceeds from borrowing, as evidenced from your financial statements and its submissions in the course of proceedings. A brief summary is as below:

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Date of transaction	Nature of transaction	% shareholding of Finsider after the transaction	% shareholding of VHM after the transaction
December 15, 2021	Loan of USD 1313 million from FIL to VHM	10.80%	5.66%
December 16, 2021	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	6.22% (decrease of 4.58%)	10.24% (increase of 4.58%)
December 21, 2021	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	4.40% (decrease of 1.82%)	12.06% (increase of 1.82%)

From the above details, it is clear that the transactions resulting from the loaned funds served no other purpose other than shifting the jurisdiction of 6.40% of the shareholding of Vedanta group from UK to Mauritius, thus enabling it to obtain tax benefit of lower tax rate of 5% on dividend income as per India-Mauritius DTAA.

3.3.2 "it involves or includes an accommodating party"

3.3.2.1 For ease of reference, section 97(3) detailing what constitutes an accommodating party is reproduced hereunder:

> *"a party to an arrangement shall be an accommodating party, if the main purpose of the direct or indirect participation of that party in the arrangement, in whole or in part, is to obtain, directly or indirectly, a tax benefit (but for the provisions of this Chapter) for the assessee whether or not the party is a connected person in relation to any party to the arrangement."*

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In your case, as highlighted vide paragraph 5(c)(ii) and paragraph 5(c)(iii) of this notice, the pre-planned sale and purchase of shares of VEDL over the Indian stock exchanges achieved no purpose other than providing heavy tax benefit in the Vedanta's group structure. The participation of Finsider International (as 'seller') and Mr. Deepak Kumar, Director, Finsider International (as the person issuing instructions to the broker on behalf of the seller company as well as the buyer company) while keeping shareholding unchanged (the group level shareholding stood unchanged at 69.69%), was a crucial factor in you availing benefit of 5% taxation of dividend income as per India-Mauritius DTAA. Thus, through their participation in the transactions, Finsider International Company Limited and Deepak Kumar are accommodating parties to the transaction in terms of section 97(3)

3.3.3 "it involves or includes elements that have the effect of offsetting or cancelling each other"

3.3.1 Post-sanction of loan by Finsider and the transaction of purchase, sale of shares of VEDL on December 16, 2021 and December 21, 2021, and December 24, 2021 it is seen that while the group level shareholding stood unchanged, the only benefit that accrued to the group entities and the group on the whole was reduced tax liability on account of tax benefit on two accounts. The sale, purchase of VEDL shares was such that the individual increase and individual decrease in shareholding in VEDL of each group entity had the effect of offsetting each other, leaving the group level shareholding unchanged at 69.69%.

Date of share purchase of VEDL	**VHM's shareholding in VEDL post-purchase (in %)**	**Vedanta entity selling shares**	**Change in shareholding% of seller**	**Group shareholding after the transaction**
December 16, 2021	10.24% (increase of 4.58%)	Finsider International Company Limited, UK	6.22% (decrease of 4.58%)	69.69%
December 21, 2021	12.04% (increase of 1.82%)	Finsider International Company Limited, UK	4.40% (decrease of 1.82%)	69.69%

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December 24, 2021	13.26% (including increase of 1.19%)	Westglobe Limited, Mauritius	0% (sold entire shareholding of 1.19%)	69.69%
Source: Assessee company's letters to the Bombay Stock Exchange dated December 18, 2021, December 22, 2021 and December 27, 2021				

3.3.4 "it involves or includes a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction"

3.3.4.1 Vide notice under section 142(1) dated October 18, you were asked as to which user executed the debit transactions from the Standard Chartered Bank account in Mauritius, to which you have not give any specific response. As highlighted earlier, there were several signatories to your Mauritius bank account who were different from your Board of Directors and were not your own employees. Add to that the fact that your directors are essentially employees of Amicorp (Mauritius), did not have administrator's rights nor had access to the accounts, it is well beyond reasonable doubt that the you are disguising the control of funds.

3.3.4.2 Also noteworthy are the instructions (vide letters dated December 16, 2021 and December 21, 2021, as sourced from Annexure F of the response received from Standard Chartered Securities India Limited) to the broker Standard Chartered Securities India Limited wherein the instructions for operating your demat account with Axis Bank are being given by a person who is neither a director nor an employee nor a shareholder of the assessee company.

2.3.4.3 Further, you did not furnish any due-diligence report for the i) purpose of investment (sought vide 142(1) notice dated February 5, 2024), ii) any explanation with regard to the flow of decision making as to how the quantum of purchase/sale of shares is decided upon (sought vide 142(1) notice dated August 20, 2024 and 142(1) notice dated February 5, 2024), and iii) any instance where the Mauritius company rejected any proposed investment and divestment in Indian companies (sought vide 142(1) notice dated August 20, 2024). Considered conjointly with the fact that the loan received from Finsider International Company Limited was just a day before the purchase of shares, it is not far-fetched to gather that you had little control, ownership of the funds it put to use.

3.3.5 "it involves the location of an asset or of a transaction or of the place of

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residence of any party which is without any commercial purpose other than obtaining a tax benefit"

3.3.5.1 As discussed in paragraph 2 of this notice, you incorporation of the was without a commercial rationale. The only tangible benefit that accrued by way of incorporation of the company and the transactions conducted on December 16, 2021, December 21, 2021 and December 24, 2021, was tax benefit of 5% taxation of dividend income as per India-Mauritius DTAA. This enabled the group to take benefit of tax arbitrage, thus benefitting by a difference of 5% tax on the 6.4% shares of VEDL transferred from Finsider to VHM. Similarly, by way of transfer of VEDL shares from Westglobe Limited to you, you taxed to benefit of 10% arbitrage within the India-Mauritius DTAA.

3.3.5.2 The transactions by themselves serve no purpose other than providing tax benefit, since there is no change in shareholding at the group level and there is no commercial purpose being served by this transfer of shares within the group.

Date of share purchase of VEDL	**VHM's shareholding in VEDL post-purchase (in %)**	**Vedanta entity selling shares**	**Change in shareholding% of seller**	**Group shareholding after the transaction**
December 16, 2021	10.24% (increase of 4.58%)	Finsider International Company Limited, UK	6.22% (decrease of 4.58%)	69.69%
December 21, 2021	12.04% (increase of 1.82%)	Finsider International Company Limited, UK	4.40% (decrease of 1.82%)	69.69%
December 24, 2021	13.26% (including increase of 1.19%)	Westglobe Limited, Mauritius	0% (sold entire shareholding of 1.19%)	69.69%

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Source: Assessee company's letters to the Bombay Stock Exchange dated December 18, 2021, December 22, 2021 and December 27, 2021

The entities of the Vedanta group undertook a pre-planned transfer of shareholding in VEDL on the stock market. Though the shareholding at the group level stayed constant at 69.69%, the transfer of shareholding from Finsider to VHM enabled lowering of tax liability in the UK jurisdiction while enabling you to take benefit of a lower tax rate of 5% as per India-Mauritius DTAA. Had the transfer of shares not taken place between Finsider and VHM, the dividend income would still have been taxable at 15% since the 10% thresholding of shareholding in VEDL would not have been crossed in case of the assesses company. As stated before, the purchase of shares was instructed to the broker by Deepak Kumar, who is neither an employee nor a shareholder nor a director in the assessee company. Further, the commercial rationale for assessee's company itself is full of contradictions. Vide response dated September 5, the assessee had stated that "*The Group strategically decided to increase its stake in Vedanta Ltd. and for the same created the Assessee company…"* However, seeing the transactions undertaken in December, 2021, it is seen that the transactions undertaken on December 16 and December 21 did not have the effect of increasing the group's shareholding in Vedanta Limited, India.

Using the India-Mauritius DTAA, the group's tax liability on the same percentage of shareholding stood reduced by way of transfer of Westglobe's 1.19% shareholding in VEDL to the assessee company (which was already holding more than 10% shares of Vedanta Limited). Westglobe would have had to pay 15% tax on the dividend income had it held on to the shares it sold. By selling the shares to the assessee company, the group's tax liability benefitted by an arbitrage of 10% on the transfer of 1.19% shareholding within Mauritius entities. Other than providing tax benefit, the transaction between the Mauritian entities held no commercial purpose.

3.3.6 "it does not have any significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the benefit that would be obtained"

3.3.6.1 At group level, it is seen that by way of incorporation of the assessee company in Mauritius and the transactions conducted on December 16, December 21, December 24 (collectively referred to as **"the arranged transactions"**), there is no change in group shareholding, thus no change in cash flow accruing out of dividend. The changes on account of interest cost and borrowings have the effect of

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offsetting each other since almost all the transactions are within the group entities. Further, without any benefit accruing, it is common business sense that no entity would increase its business risks.

3.3.6.2 By the above syllogism and the impact of transactions conducted, it is safe to conclude that the transactions were arranged to lower tax liability for the same shareholding (69.69%) at the group level, and had no other impact on business risks or net cash flows.

3.4 The arrangement is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes

3.4.1 Since the incorporation of the assessee company and the arranged transactions does not appear to have any business purpose which could lead to additional business income, growth of new asset, reduction of liability, increase in sales, new business opportunities, the transactions do not seem to serve any bona fide purpose. The grant of USD 1313 million by Finsider to enable you to buy shares from Finsider the next day also points to a manner of transaction which would not ordinarily be employed by persons dealing at arms length since it first makes the lender part with its own cash and then with its own assets, thus multiplying the business risk manifold. Further, the only tangible benefit of internal restructuring appears by way of tax arbitrage.

4.0In view of the above points, it is seen that the Assessing Officer has put up a case for invoking GAAR provisions in your case. Hence, you are being provided with this opportunity to consider the factual and legal position as submitted by the AO and submit your reply to this office. You are also required to furnish a reply on the following matter to bring in further clarity on the issue :

1. Please furnish a detailed explanation (amount-wise) of the utilisation of the loan proceeds of USD 1313 million from Finsider International Company Limited.
2. Upon perusal of documents, it is observed that initially in your case, the parent company was Vedanta Holdings Jersey Limited, which later on changed on Finsider International Company Limited. Please explain the rationale behind the change of parent company in your case. Also furnish the relevant documentation evidencing the above. You are also requested to furnished shareholding structure and details of the director for Vedanta Holding Jersey Limited.

5.0 As discussed in the above paragraphs, e your incorporation and the arranged

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transactions appear to fall within the ambit of lacking commercial substance, inter-action other provisions of section 96 deeming the arrangement to be an impermissible avoidance arrangement, there are strong reasons for denial of Treaty benefit in your case. Reference is also drawn to section 98(1) which states that *"If an arrangement is declared to be an impermissible avoidance arrangement, then, the consequences in relation tax, of the arrangement, including denial of tax benefit or a benefit under a tax treaty, shall be determined, in such manner as is deemed appropriate, in the circumstances of the case…"*

5.1 Upon denial of treaty benefit, the dividend income would be taxable at 21.84% (including cess, surcharge). The working of tax benefit for AY 2022-23 is as under:

Particulars	Amount (in Rs.)
Total Dividend Income	1543,74,85,073
Tax liability admitted by the assessee in the ITR	116,11,98,134
Tax Liability under the Act under GAAR (20% plus surcharge and cess), i.e. 21.84%	337,15,46,740
Tax Benefit (liability under GAAR *less* admitted tax liability)	**221,03,48,606**

Through maintaining shareholding in Vedanta Limited, India by way of arranged transactions, you have claimed undue benefit of 5% rate of taxation of dividend income as per India - Mauritius DTAA.

5.2 The Assessing Officer in his reference in Form 3CEG dated 06.12.2024 has submitted that the same arrangement exists for the AY 2023-24 and AY 2024-25 as well and hence, treating this arrangement as an "Impermissible avoidance arrangement" may be made applicable to AY 2023-24 and AY 2024-25 as well, especially since there is no change in factual and legal position.

5.2.1 As a consequence, for AY 2023-24, you have shown total income to be Rs. 3991,84,54,020/-, which has been offered to tax at 5% (i.e. Rs. 199,59,22,701/-).

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Upon denial of treaty benefit and application of domestic tax rate of 21.84%, the due tax would stand at Rs. 871,81,90,358/-. Thus, the tax benefit arising in AY 2023-24 out of the 'arrangement' stands at Rs. 672,22,67,657/-.

5.2.2 Similarly, for AY 2024-25, you have shown total income to be Rs. 2464,10,21,000/-, which has been offered to tax at 5% (i.e. Rs. 123,20,51,050/-). Upon denial of treaty benefit and application of domestic tax rate of 21.84%, the due tax would stand at Rs. 538,15,98,986/-. Thus, the tax benefit arising in AY 2024-25 out of the 'arrangement' stands at Rs. 414,95,47,936/-.

5.3 In view of the above, it is seen that the arrangement in your case appears to have contours of an 'impermissible avoidance arrangement' under the provisions of Chapter X-A of the Act. Hence, you are requested to please show cause as to why they may not be treated as such under the Act.

you are hereby why post denial of treaty benefit under GAAR proceedings, the following tax liability should not be ascertained in your case as per the below mentioned table :-

AY	Dividend Income	Tax liability admitted	Liability under the Act	Tax benefit
2022-23	1543,74,85,073	116,11,98,134	337,15,46,740	221,03,48,606
2023-24	3991,84,54,020	199,59,22,701	871,81,90,358	672,22,67,657
2024-25	2464,10,21,000	123,20,51,050	538,15,98,986	414,95,47,936

6. You are requested to submit the above information / details by 15.02.2025 at 11:30 AM.

PRAJNA PARAMITA
CIT (IT), DELHI-3

(In case the document is digitally signed please refer Digital Signature at the bottom of the page)

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This document is digitally signed
Signer: PRAJNA PARAMITA
Date: Friday, January 10, 2025 6:53 PM
Location: CENTRAL India

VAISH ASSOCIATES ADVOCATES
ESTD. 1971
Corporate, Tax and Business Advisory Law Firm

1st, 9th & 11th Floor, Mohan Dev Building
13, Tolstoy Marg, New Delhi - 110001, India
Tel: +91 11 4249 2525
delhi@vaishlaw.com

March 6, 2025

कार्यालय आयकर आयुक्त-3
अन्तर्राष्ट्रीय कराधान, नई दिल्ली
06 MAR 2025
प्राप्त हुआ

The Commissioner of Income Tax
International Taxation – 3
New Delhi - 110002

Dear Ma'am,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B [DIN: ITBA/COM/F/17/2024-25/1072089860(1)

This is with reference to the notice dated 10.01.2025 issued by your Honour under section 144BA of the Act requiring the assessee to showcause as to why the arrangement as described in the Notice as an 'Impermissible Avoidance Arrangement' under the provisions of Chapter X-A of the Act.

In this regard, a summary of the following detailed submission is made for your reference.

The assessee was set up as SPV for genuine commercial reason –

- The fact that the group needed SPV to comply with the conditions of borrowing (Refer pages 4,57) and Mauritius is a proper jurisdiction and the group has more than for two decades held its Vedanta Inda holding through entities based in Mauritius is not doubted nor controveried.

- The incorporation of the SPV and the first acquisition –5% shares was from unrelated parties – 4.98% in December, 2020. The shares were acquired from market under bulk deal and 0.68% shares were acquired in April,

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2021 through open offer. Further, the acquisition was primarily funded by loan from Oaktree and consequently, has an impact of increasing the overall group shareholding in Vedanta Ltd. and also increased exposure of the group to third party debt (Refer page 67). The third party debt was clearly an obligation of the assessee company. Thus the assessee company was set up as an SPV for commercial purpose of increasing the groups shareholding in Vedanta India through the assessee company. The assessee company actually fulfilled this commercial purpose. No allegation of tax avoidance can arise from an SPV being set-up for acquiring shares and actually acquiring shares the legal position of such SPV structure being used for the commercial purpose of ring fencing acquisition is explained and illustrated through reported cases. The Supreme Court has accepted this structures as bona fide.

- However, the show cause notice alleges to incorporation without commercial rationale (para 3.2.3, 3.3.5, 3.3.3.6.1, 3.4.1 and 5.0) – without bringing out why the incorporation of the assessee as an SPV had no commercial rationale. The show cause notice does not contradict or deny the above facts which establishes the genuineness of the assessee company being incorporated in Mauritius for commercial reasons and tax efficiency not being the main purpose. The notice is based on erroneous understanding the incorporation and acquisition didn't change financial position of the group. As stated above, 5.66% additional shares were acquired. This fact has been lost sight of while making observations about the purpose served by incorporation of the assessee company. It is

respectfully submitted that, the notice is based on misunderstanding of the factual position.

- As far as the further acquisition is concerned, the continuing process of group simplification is an on-going process (Refer pages 1,3 & 95). The tax benefit which arose from the consolidation of the reduced rate was not the main purpose of acquisition by the Assessee, the main purpose was simplification to reduce the number of entities holding shares.

- At para 5.1 the notice assumes and computes the tax benefit. The lower tax is arising from direct benefit of the treaty to which the Assessee is rightly entitled. It does not arise from any abuse or misuse of the treaty. In as much as the existence of the company in Mauritius for the commercial purpose of increasing group shareholding is not doubted, the question of alleging the misuse of the Mauritius treaty does not arise. The fact that the assessee is a SPV and is part of a group and administrative function are partly performed by its officers and party by the officers of the group is not a relevant consideration in as much as notwithstanding the administrative function performed by the group entities and persons not located in Mauritius, the existence of the assessee company in Mauritius and TRC are not doubted.

- It is also not doubted that money has actually moved from Finsider to the Company and the Company has used the funds for purchase of shares. It establishes that the commercial risk of the shareholding and price fluctuation movement is shifted from Finsider UK to the Assessee in

Mauritius. The assessee accepts the finding at para 4.0(2) that the parent of assessee company changed from Finsider to Vedanta Holdings Jersey Limited.

- The computation of the tax benefit at para 5.1 is incorrect. There is no tax benefit. In fact by buying more shares, the assessee has received higher dividend income and consequently has paid tax. Further, group is not a person under Income Tax Act, assessee is a person and the assessee has paid higher taxes due to acquisition of shares during the relevant previous year. Thus, in the absence of any "tax benefit" GAAR cannot be invoked against the Assessee.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

Neeraj Jain/ Anshul Sachar

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March 6, 2025
The Commissioner of Income Tax
International Taxation – 3
New Delhi – 110002
Dear Ma'am,

Sub: **Notice issued under section 144B of the Act in the Case of Vedanta Holdings Maurities II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B DIN: ITBA/COM/F/17/2024-25/1072089860(1)**

This is with reference to the notice dated 10.01.2025 issued by your Honour under section 144B of the Act requiring the assessee to showcase as to why the arrangement as described in the Notice as an Impermissible Avoidance Arrangement under the provisions of Chapter X-A of the Act.

In this regard, a summary of the following detailed submission is made for your reference.

The assessee was set up as SPV for genuine commercial reason –

- The fact that the group needed SPV to comply with the conditions of borrowing (Refer pages 4,57) and Mauritius is a proper jurisdiction and the group has more than for two decades held its Vendata Inda holding through entities based in Mauritius is not doubted nor controverted.

- The incorporation of the SPV and the first acquisition 5% shares was from unrelated parties – 4.98% in December, 2020. The shares were acquired from market under bulk deal and 0.68% shares were acquired in April, 2021 through open offer. Further, the acquisition was primarily funded by loan from Oaktree and consequently, has an impact of increasing the overall group shareholding in Vedanta Ltd. and also increased exposure of the group to third party debt (Refer page 67). The party debt was clearly an obligation of the assessee company. Thus, the assessee company was set as an SPV for commercial purpose of increasing the groups shareholdings in

Vendata India through the assessee company. The assessee company actually fulfilled this commercial purpose. No allegation of tax avoidance can arise from an SPV being set-up for acquiring shares and actually acquiring share the legal position of such SPV structure being used for the commercial purpose of ring-fencing acquisition is explained and illustrated through reported cases. The Supreme Court has accepted this structure as bona fide.

- However, the show cause notice alleges to incorporation without commercial rationale (para 3.2.3.,3,3,5,3.3.6.1, 3.4.1 and 5.0) – without bringing out why the incorporation of the assessee as an SPV had no commercial rational. The show cause notice does not contradict or deny the above facts which establishes the genuineness of the assessee company being incorporated in Mauritius for commercial reasons and tax efficiency not being the main purpose. The notice is based on erroneous understanding the incorporation and acquisition didn't change financial position of the group. As stated above, 5.66% additional shares were acquired. This fact has been lost sight of while making observations about the purpose served by incorporation of the assessee company. It is respectfully submitted that, the notice is based on misunderstanding of the factual position.
- As far the further acquisition is concerned, the continuing process of group simplification is an on-going process (Refer pages 1,3 & 95). The tax benefit which arose from the consolidation of the reduced rate was not the main purpose of acquisition by the Assessee, the main purpose was simplification to reduce the number of entities holding shares.
- At para 5.1 the notice assumes and computes the tax benefit. The lower tax is arising from direct benefit of the treaty to which the Assessee is rightly entitled. It does not arise from any abuse or misuse of the treaty. In as much as the existence of the company in Maurities for the commercial purpose

of increasing group shareholding is not doubted, the question of alleging the misuse of the Mauritius treaty does not arise. The fact that the assessee is a SPV and is part of a group and administrative function are partly performed by its officers and party by the officers of the group is not a relevant consideration in as much as notwithstanding the administrative function performed by the group entities and persons not located in Mauritius, the existence of the assessee company in Mauritius and TRC are not doubted.

- It is also not doubted that money has actually moved from Finsider to the Company and the Company has used the funds for purchase of shares. It established that the commercial risk of the shareholding and price fluctuation movement is shifted from Finsider UK to the Assessee in Mauritius. The assessee accepts the finding at para4.0(2) that the parent of assessee company changed from Finsider to Vedanta Holding Jersey Limited.

- The computation of the tax benefit at para 5.1 is incorrect. There is no tax benefit. In fact, by buying more shares, the assessee has received higher dividend income and consequently has paid tax. Further, group is not a person under Income Tax Act, assessee is a person and the assessee has paid higher taxes due to acquisition of shares during the relevant previous year. Thus, in the absence of any "tax benefit" GAAR cannot be invoked against the Assessee.

Thanking You,
Yours faithfully,
For Vaish Associates
Advocates
Neeraj Jain/Anshul Sachar

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March 6, 2025

The Commissioner of Income Tax
International Taxation – 3
New Delhi - 110002

Dear Ma'am,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B [DIN: ITBA/COM/F/17/2024-25/1072089860(1)

This is with reference to the notice dated 10.01.2025 issued by your Honour under section 144BA of the Act requiring the assessee to show cause as to why the arrangement as described in the Notice as an 'Impermissible Avoidance Arrangement' under the provisions of Chapter X-A of the Act.

In this regard, it is respectfully submitted a under:

Facts of the case

Vedanta Group, a global conglomerate headquartered in United Kingdom is primarily engaged in the business of exploration, mining, processing, and exporting of natural resources, power, and oil and gas.

In UK, the group established Vedanta Resources Limited (VRL), a company incorporated under the laws of UK and listed on the London stock exchange since

2003. Subsequently, in the year 2018, VRL was delisted from the London stock exchange pursuant to corporate simplification process.

In India, the group established Vedanta Limited (VEDL), (in the year 1965) a company incorporated under the erstwhile Companies Act, 1956 and listed on the Indian stock exchange. VEDL is working with primary interests in aluminium, zinc-lead-silver, oil and gas, iron ore, steel, copper, power, ferro alloys, nickel, semiconductor and glass.

For the past 2 decades, the majority shareholding of the group in VEDL has been held through Twin Star Holding Ltd, (TSH) a company incorporated under the laws of Mauritius and having its registered office at IQEQ 33, Edith Cavell Street Port Louis, 11324, Mauritius. At the time of establishing TSH, a detailed feasibility analysis/ study was undertaken and the commercial reason for establishing the company in Mauritius is hereunder:

- Mauritius is a business friendly jurisdiction and has a stable regulatory and financial environment that makes investing and conducting business relatively simple and easy
- Mauritius has a large pool of highly literate, comparatively low-cost and multi-lingual workforce as compared to some other jurisdictions;
- Mauritius provides ease of doing business and state-of-the-art infrastructure;
- Mauritius has good and stable banking system and availability of finance at lower rates

TSH is being controlled and managed in Mauritius and is the legal and beneficial owner of 43.60% of the shareholding in VEDL (post acquisition of 6.49% stake in Voluntary Open Offer explained infra). Further, TSH holds valid tax residency

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certificate ('TRC') issued by the tax authorities in Mauritius and Category 1 Global Business Company (GBC) licence issued by the Financial Services Commission in Mauritius.

The Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018. The group aimed to attain leadership in diversified natural resources, underpinned by growth, while maintaining a flexible capital structure. Accordingly, the group wished to delist VEDL in order to gain enhanced operational and financial flexibility in a capital intensive business.

At the onset of COVID-19 Pandemic in March 2020, the share price of VEDL fell to Rs. 60 per share which was far below the fair value/ intrinsic value of the shares of the company. Accordingly, in April 2020, VRL decided to float/issue a letter for voluntary delisting of the

equity shares of VEDL from the Indian stock exchange in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations).

Accordingly, on 12.05.2020, VRL issued a delisting letter to VEDL wherein it inter-alia informed its willingness to purchase the shares of VEDL @ 87.5 per share in accordance with the Delisting Regulations. The said delisting offer was approved by the board of directors of VEDL during its board meeting held on 18.05.2020.

Thereafter, on 24.06.2020, the shareholders of VEDL approved the Delisting Offer by way of a special resolution in accordance with the Delisting Regulations.

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Once the delisting officer of VEDL was also approved by its shareholders, for undertaking the aforesaid delisting/ purchase of shares from the public in accordance with the Delisting Regulations, Vedanta group was required to raise funds by way of loans/ issuing of bonds. The Vedanta group had already taken loans/ created a pledge/ charge in TSH.

Accordingly, to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a Special Purpose Vehicle (SPV). The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan.

Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish two companies in Mauritius viz, Vedanta Holdings Mauritius Ltd (Vedanta Mauritius 1) and Vedanta Holdings Mauritius II Ltd (Vedanta Mauritius 2) on 29.06.2020.

It may be noted that the assessee holds valid TRC for the relevant assessment year issued by the tax authorities in Mauritius and Category 1 GBC licence issued by the Financial Services Commission in Mauritius. **Copy of the TRC is enclosed at Page 1 and copy of the GBC licence is enclosed at Pages 2-3**

It is respectfully pointed out that even though there existed other tax efficient jurisdictions, the commercial rationale for establishing two new companies in Mauritius was the long-standing presence of Vedanta group (TSH) in Mauritius for the past 2 decades which offers better business synergies in case the group decides to simplify its holding structure and consolidate its holdings in one country i.e. Mauritius in future. **Copy of the holding structure as on 31.03.2022 is enclosed at Page 4.**

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Thereafter, for the specific purpose of delisting of VEDL shares, Assessee was required to raise funds by way of issuance of bonds. Accordingly, on 17.08.2020, Assessee issued bonds amounting to USD 1.4 billion. The said amount received pursuant to issue of the bonds was deposited in an Escrow account (as per SEBI regulations) opened for the purposes of the delisting of VEDL shares (explained infra).

Subsequently, on 25.09.2020, Vedanta Resources Limited, UK, Vedanta Mauritius 1 and Assessee invited the public to tender their equity shares (at Rs. 87.5 per share) pursuant to reverse book building process in accordance with the Delisting Regulations. Relevant extracts of the invitation by Vedanta group to tender equity shares in voluntary delisting of shares of VEDL are reproduced below: Copy of the same is enclosed at **Pages 5-47** of the paperbook

> *"1.4 VRL, pursuant to the Delisting Letter, expressed its intention to the Board to acquire the Offer Shares and consequently voluntarily delist the Equity Shares from the Stock Exchanges by making a Delisting Offer in accordance with the Delisting Regulations and if such delisting is successful, then to also delist the ADS from NYSE and deregister the Company from the SEC, subject to the requirements of the NYSE and the SEC. Further, VRL, inter alia, requested the Board to: (a) take all such other actions as may be required to be undertaken by the Company under the Delisting Regulations in order to give effect to the Delisting Offer, including appointment of a merchant banker to undertake due diligence, provide all relevant information necessary for the due diligence, make relevant applications to Stock Exchanges and/ or to any other regulatory authorities, as may be required in connection to the Delisting Proposal; (b) consider and approve the Delisting Offer under Regulation 8 of the Delisting Regulations; and (c) take necessary steps to: (i) seek approval of the shareholders of the Company through postal ballot; (ii) seek approval of the Stock Exchanges for the proposed delisting of the Equity Shares in accordance with the Delisting Regulations; and (iii) obtain consent/ waivers from the lenders in connection with the proposed delisting*

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*of the Equity shares, as may be required. The receipt of the Delisting Letter was intimated by the Company to the Stock Exchanges on May 12, 2020 ("**Stock Exchanges Notification Date**").*

1.6 *On May 12, 2020, the Company intimated the Stock Exchanges that a meeting of the Board is scheduled to be held on May 18, 2020 in order to: (i) take on record and review the Due Diligence Report in terms of Regulations 8(1A)(ii) and 8(1E) of the Delisting Regulations; (ii) approve/ reject the proposal of voluntary delisting of the Equity Shares; and (iii) any other matters incidental thereto or required in terms of the Delisting Regulations.*

1.7 *Further, in the Delisting Letter, after considering the prevailing market conditions and with a view to provide the Public Shareholders with a fair exit price, VRL informed the Company of its willingness to accept Equity Shares tendered by the Public Shareholders in the Delisting Offer at a price of INR 87.50 (Indian Rupees Eighty Seven and Fifty Paise only) per Equity Share ("**Indicative Offer Price**"). VRL further informed the Company that the Indicative Offer Price should in no way be construed either as an obligation/ restriction on VRL and/ or its subsidiaries to accept the Equity Shares tendered in the Delisting Offer at a price lower than, equal to or higher than the Indicative Offer Price or as a restriction on the Public Shareholders to tender the Equity Shares at price higher than the Indicative Offer Price. The Indicative Offer Price was intimated to Stock Exchanges on May 12, 2020.*

1.8 *On May 18, 2020, the Company received a letter from VRL, providing the details of the floor price for the Delisting Offer, along with a certificate issued by Price Waterhouse & Co LLP, certifying the Floor Price for the Delisting Offer to be INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) determined in accordance with the Delisting Regulations ("**Floor Price Letter**").*

1.9 *The Board, in its meeting held on May 18, 2020, inter-alia, took the following decisions:*

a) The Due Diligence Report, as tabled before them, issued and submitted by the Merchant Banker, was taken on record.

b) Based on the Due Diligence Report and information available with the Company, the Board, in accordance with Regulation 8(1B) of the Delisting Regulations, certified that:

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i. The Company is in compliance with the applicable provisions of securities laws;

ii. The members of the Promoter Group or their related entities are in compliance with Regulation 4(5) of the Delisting Regulations; and

iii. The Delisting Offer is in the interest of the shareholders of the Company.

c) In accordance with Regulation 8(1)(a) of the Delisting Regulations, the Board has approved the Delisting Offer, after having discussed and considered various factors including the Due Diligence Report.

d) The Board granted its approval to the Company to seek shareholders' approval by way of special resolution through postal ballot and e-voting, and thereby approved the draft of the postal ballot notice and the explanatory statement thereto. The Company was authorized to: (i) dispatch the said postal ballot notice and the explanatory statement to the shareholders in accordance with applicable laws; and (ii) obtain approval of the Stock Exchanges in accordance with the provisions under the Delisting Regulations and/ or any other regulatory/ government authority in India and/ or abroad (including the SEC and NYSE), as may be required, in relation to the Delisting Offer.

1.10 The dispatch of the notice of postal ballot dated May 18, 2020 for seeking the approval of the shareholders, through postal ballot and remote e-voting for the Delisting Offer, as required under the Delisting Regulations and the Companies Act, 2013 and the rules made thereunder read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, was completed on May 25, 2020.

……

1.11 The shareholders of the Company approved the Delisting Offer by way of a special resolution in accordance with the Delisting Regulations on June 24, 2020 i.e., the last date specified for remote e-voting……

2 NECESSITY AND OBJECTIVE OF THE DELISTING OFFER

2.1 In the Delisting Letter, VRL specified the following as the rationale for the Delisting Offer:

*a) The Vedanta Group (the "**Group**") has been pursuing a process of corporate simplification for several years, including the merger*

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of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with the Company in 2016, and the delisting of Vedanta Resources Plc (subsequently renamed Vedanta Resources Ltd) in 2018.

b) The Group believes that a delisting of the Company is the next logical step in this simplification process and will provide the Group with enhanced operational and financial flexibility in a capital intensive business. Vedanta Group maintains its strategic priority of attaining leadership in diversified natural resources, underpinned by growth, while maintaining a flexible capital structure.

c) The proposed delisting offer will provide public shareholders of the Company an opportunity to realize immediate and certain value for their shares at a time of elevated market volatility. The price will be determined in accordance with the reverse book building mechanism set out in the Delisting Regulations.

d) The proposed delisting will align the Group's capital and operational structures, streamline the process of servicing the Group's financing obligations and significantly improve a range of important credit metrics. As a result, the transaction is expected to support an accelerated debt reduction program in the medium term and, in turn, support the Group's highly attractive longer-term growth pipeline.

3 BACKGROUND OF THE ACQUIRERS

……

3.3 ***Vedanta Holdings Mauritius II Limited***

3.3.1 VHML II was incorporated on June 29, 2020 as a private limited company under the laws of Mauritius (company registration number 172884 GBC). The registered address of VHML II is situated at C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.

***3.3.2 The principal activity of VHML II is to carry on the business of holding investments**.*

3.3.3 Mr. Rajiv Mangar and Mr. Shakill Ahmad Toorabally are the directors of VHML. As on the date of this Letter of Offer, the issued and

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paid-up share capital of VHML II is USD 1,000 (U.S. Dollars One Thousand only) comprising of 1,000 ordinary shares of USD 1 (U.S. Dollar One only) each. VHML II is a wholly owned subsidiary of Vedanta Holdings Jersey Limited, which in turn is a wholly owned subsidiary of VRL.

……

3.7 The Acquirers have, as detailed in paragraph 22 of this Letter of Offer, made available all the requisite funds necessary to fulfil the obligations of the Acquirers under the Delisting Offer.

……

22 DETAILS OF THE ESCROW ACCOUNTS

*22.1 The estimated consideration payable under the Delisting Regulations, being the Floor Price of INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) per Equity Share multiplied by the number of the Equity Shares held by the Public Shareholders as on the Specified Date, i.e., September 25, 2020, is INR 14,809.73 Crore ("**Escrow Amount**"). The Escrow Amount has been deposited by VHML and VHML II in the manner set out below..*

*22.2 In accordance with Regulation 11 of the Delisting Regulations VRL, VHML, VHML II, Axis Bank Limited, a scheduled commercial bank and a banker to an issue registered with SEBI ("**Escrow Bank**"), and the Manager to the Offer have entered into an escrow agreement dated September 19, 2020 pursuant to which (a) VHML has opened an escrow account in the name of "Vedanta Holdings Mauritius Limited-Escrow Account" with the Escrow Bank at their branch at Gurgaon ("**Escrow Account 1**"); and (b) VHML II has opened an escrow account in the name of "Vedanta Holdings Mauritius II Limited-Escrow Account" with the Escrow Bank at their branch at Gurgaon ("**Escrow Account 2**") (collectively "**Escrow Accounts**").*

*22.3 VHML has provided a bank guarantee of INR 4,550 Crore issued by Standard Chartered Bank pursuant to the bank guarantee letter dated September 28, 2020 ("**Bank Guarantee**"), in favour of the Manager to the Offer and **VHML II has deposited an amount of INR 10,299.80 Crore in Escrow Account 2 in cash**, which together with the Bank Guarantee is for an aggregate amount of INR 14,849.80 Crore which covers 100% of the Escrow Amount."*

The delisting offer (of VEDL shares) was unsuccessful. Accordingly, the bonds issued by the assessee, were redeemed along with interest in October 2020.

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On 09.12.2020, VRL announced Bond offering of US$ 1 billion 13.875% Bonds due for maturity in January 2024 and TSHL being one of the guarantors, of the Bond issue c*lause 3 – Covenants* of the Bond issue, covenants were attached restricted the guarantor (TSHL) from availing any additional borrowings, creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness. In other words, TSHL was restricted from taking any additional borrowings, creating any mortgage, charge, pledge lien or any other form of encumbrance. Relevant extracts of *Clause 3 – Covenants* of the Bond issue are reproduced below:

"***3. Covenants***

(a) Negative pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon any assets directly held by the Issuer or any Guarantor, present or future, to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (x) are secured equally and rateably therewith in substantially identical terms thereto, in each case to the satisfaction of the Trustee*; or (y) have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the Bondholders; provided that this clause (a) shall not apply to Security (x) arising by operation of law or (y) created in respect of Indebtedness (which for this purpose shall exclude Relevant Debt) in an aggregate principal amount not exceeding 10% of Total Assets. For the avoidance of doubt, the foregoing restriction shall not apply to Security upon assets held by any Subsidiary (other than the Issuer or any Subsidiary Guarantor) (other than assets that are jointly held with the Issuer or any Guarantor).*

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Covenants . . . . . .
Each of the Parent Guarantor, each Subsidiary Guarantor and the Issuer has agreed to comply with certain covenants limiting its ability and the ability of certain of the Parent Guarantor's subsidiaries to, among other things, create any security interests over assets, create any restrictions on the ability of certain subsidiaries to pay dividends, incur additional borrowings, distribute proceeds from certain asset sales or sell its ownership interest in certain subsidiaries and has agreed to certain other covenants. These covenants are subject to important exceptions and qualifications. See the section entitled "Terms and Conditions of the Bonds — Covenants"."

It is important to point out that since TSH had already borrowed funds and was also a guarantor (explained supra) of different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from OCM VERDE XI INVESTMENTS PTE. LTD ('Oak Tree') for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender. **Copy of the loan agreement is enclosed at Pages 48-244 of the paperbook.**

In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum. Assessee has drawn/ taken a loan of USD 750 million out of the aforesaid facility amount. Salient features of the said agreement are as under:

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- The loan facility has been guaranteed by (i) Finsider International Company Limited (FICL), a company incorporated in UK holding the entire share capital of Assessee; (ii) VRL; and (iii) Westglobe Limited, a company incorporated under the laws of Mauritius since the year 2007. (Page 134 of the agreement)
- The loan amount is to be used by Assessee solely for acquiring the shares of VEDL. (Clause 3, Page 24 of the agreement)
- On receipt of the first instalment of the loan facility, Assessee to acquire at least 4.65 per cent but not more than 5 per cent of the shares of VEDL. (Clause 5.3, Page 27 of the agreement).
- On receipt of subsequent loan instalment, Assessee to ensure that at least 11.5 percent (or such other percentage as agreed between Oak Tree and Assessee) of the shares of VEDL are acquired by the assessee and/or FICL. (Clause 5.3, Page 27 of the Agreement)
- Assessee will be the sole legal and beneficial owner of its assets including the shares of VEDL acquired by it (Clause 17.20, Page 54 of the Agreement)

Relevant extracts of the loan facility agreement with Oak Tree is as under:

> *(3) THE ENTITIES listed in Part II Schedule 1 (The Original Parties) as original holders (each an "Original Holder");*
>
> *(4) OCM Verde XI Investments Pte. Ltd. as agent for the Finance Parties (in such capacity, the "Agent") and as calculation agent (in such capacity, the "Calculation Agent"); and*
>
> *(5) OCM Verde XI Investments Pte. Ltd. as security agent and trustee for the Secured Parties (in such capacity, the "Security Agent").*
>
> ***5.3Conditions precedent to issuance of Notes***
>
> *(a)A Holder will only be obliged to subscribe for Notes if:*

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i. on or prior to the first Issue Date:

(A) the Agent has received (or, acting on the instructions of the Holders, waived the receipt of) all of the documents and other evidence listed in Schedule 2 (Conditions Precedent) in form and substance satisfactory to it; and

(B) such Holder has received all necessary information to enable it to make payment in accordance with Clause 5.1 (Selection of Issue Date);

ii. on the relevant Issue Date:

(A)no Default is continuing or would result from the issuance of the Notes; and

(B)the Repeating Representations are true, accurate and not misleading in all material respects;

iii. on the first Issue Date, the Financed Shares is at least 4.65 per cent. (but not more than 5 per cent.) of the issued shares of VEDL;

iv. on each Issue Date following the first Issue Date (other than an Issue Date that is an Issue Date Exception), the Financed Shares is at least the pro rata percentage of the issued shares of VEDL that ensures that at least 11.5 per cent. (or such other percentage as agreed between the Holders and the Issuer) of the issued shares of VEDL are acquired by the Issuer and/or FICL using the proceeds of all the Notes issued on or before that Issue Date to the extent that the aggregate principal amount of all the Notes is equal to US$1,000,000,000; and……

…….

9 Interest

9.1 Calculation of Interest

The rate of interest applicable to the Notes for each interest period is 13.20 per cent per annum.

……

17.20 Legal and beneficial ownership

It is the sole legal and beneficial owner of its assets free from all Security, except for the Security created under the Security Documents or expressly permitted by this Agreement."

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Thereafter, on 24.12.2020, a portion of the aforesaid loan proceeds were utilised by the assessee for purchasing 18.5 crore shares of VEDL @ Rs. 160 per share through a bulk deal from the open market.

The aforesaid purchase of shares was also approved by the board of directors of the assessee vide Board Meeting dated 24.12.2020

Subsequently, the assessee had also entered into an unsecured loan facility agreement with effect from 24.12.2020 with VRL in terms of which VRL granted a loan of USD 120 million to the assessee with interest rate @ 13.2 percent per annum. The tenure of the loan was till 21.01.2024. **Copy of the loan agreement is enclosed at Pages 245-431 of the paperbook.**

Thereafter, on 23.03.2021 the Vedanta group through TSH, Vedanta Mauritius 1 and the assessee launched an open offer to purchase upto 65.1 crore shares of VEDL @ Rs. 235 per share. The said open offer was completed on 16.04.2021 in which 37.42 crore shares were tendered by the public which were purchased by the aforesaid companies in following manner:

Acquirer/ purchaser in open offer	**Shareholding prior to the open offer**	**Number of shares acquired**	**Shareholding post the open offer**
Twin Star Holdings Limited	**1,379,377,457 (37.11%)**	**24,14,43,115 (6.49%)**	**1,620,820,572 (43.60%)**
Vedanta Holdings Mauritius Limited	**Nil (0%)**	**10,73,42,705 (2.89%)**	**107,342,705 (2.89%)**

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Vedanta Holdings Mauritius II Limited (Assessee)	**185,000,000 (4.98%)**	**2,54,45,341 (0.68%)**	**210,445,341 (5.66%)**
Total	**1,564,377,457 (42.09%)**	**374,231,161 (10.07%)**	**1,938,608,618 (52.15%)**

Screenshot of the open offer floated by the Vedanta group is as under (Copy of the same is enclosed at **Page 432**) :

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1	**Name of the Target Company:**	Vedanta Limited
2	**Name of the Acquirer and the PAC:**	Vedanta Resources Limited (**Acquirer**); Twin Star Holdings Limited (**PAC 1**); Vedanta Holdings Mauritius Limited (**PAC 2**); and Vedanta Holdings Mauritius II Limited (**PAC 3**)
3	**Name of the Manager to the Offer:**	J.P. Morgan India Private Limited
4	**Name of the Registrar to the Offer:**	KFin Technologies Private Limited
5	**Offer Details:**	
	a. Date of Opening of the Offer:	Tuesday, March 23, 2021
	b. Date of Closure of the Offer:	Wednesday, April 07, 2021
6	**Date of Payment of Consideration:**	Friday, April 16, 2021
7	**Details of Acquisition:**	

Sl. No	Particulars	Proposed in offer Document	Actuals
7.1	Offer Price (per Equity Share)	INR 235	INR 235
7.2	Aggregate number of Equity Shares tendered in the Offer	651,000,000[1]	374,231,161
7.3	Aggregate number of Equity Shares accepted in the Offer	651,000,000[1]	374,231,161
7.4	Size of the Offer (Number of Equity Shares multiplied by Offer Price)	INR 152,985,000,000[1]	INR 87,944,322,835
7.5	Shareholding of the Acquirer and the PACs before agreements/ public announcement • Number • % of fully diluted voting share capital	**Acquirer:** Nil (0%)[2] **PAC 1:** 1,379,377,457 (37.11%) **PAC 2:** Nil (0%) **PAC 3:** 185,000,000 (4.98%) **Total:** 1,564,377,457 (42.09%)[3]	**Acquirer:** Nil (0%)[2] **PAC 1:** 1,379,377,457 (37.11%) **PAC 2:** Nil (0%) **PAC 3:** 185,000,000 (4.98%) **Total:** 1,564,377,457 (42.09%)[3]
7.6	Equity Shares acquired by way of agreements • Number • % of fully diluted voting share capital	Not Applicable Not Applicable	Not Applicable Not Applicable
7.7	Equity Shares acquired by way of Open Offer • Number • % of fully diluted voting share capital	651,000,000[1] (17.51%)[1]	374,231,161 (10.07%)
7.8	Equity Shares acquired after Detailed Public Statement • Number of Equity Shares acquired • Price of the Equity Shares acquired • % of fully diluted voting share capital	Nil Not Applicable (0.00%)	Nil Not Applicable (0.00%)
7.9	Post Offer shareholding of the Acquirer and the PACs • Number • % of fully diluted voting share capital	2,215,377,457 (59.60%)[1][3][4]	**Acquirer:** Nil (0%) **PAC 1:** 1,620,820,572 (43.60%) **PAC 2:** 107,342,705 (2.89%) **PAC 3:** 210,445,341 (5.66%) **Total:** 1,938,608,618 (52.15%)[5]

The aforesaid purchase of shares of VEDL through open offer was also approved by the board of directors of the assessee vide Board Meeting dated 16.04.2021.

Further, the assessee had also entered into an unsecured loan facility agreement dated 09.09.2020 with TSH in terms of which TSH granted a loan of USD 100 million to the assessee

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with interest rate @ 8.03 percent per annum. TSH vide Assignment Agreement dated 15.07.2021, assigned the receivables and obligations under the said agreement to VRL being the parent company of the assessee and TSH. **Copy of the loan agreement is enclosed at Pages 461-469**

The aforesaid loan agreement was also approved by the board of directors of the assessee vide Board Meeting dated 15.12.2021

Subsequently, the assessee also entered into a loan agreement dated 15.12.2021 with FICL in terms of which FICL granted a loan of USD 1.313 billion to the assessee with interest rate @ LIBOR plus 3.75 percent per annum. As per the terms of the Agreement, the loan granted by FICL shall be used by the assessee *"only for inter se share transfer of Vedanta Limited and to settle expenses incidental thereto".* Copy of the loan agreement was attached as Annexure K vide response dated 03.10.2024.

The aforesaid loan agreement was also approved by the board of directors of the assessee vide Board Meeting dated 15.12.2021.

The loans received by the assessee were utilised for purchasing the shares of VEDL from FICL and Westglobe through bulk deal on the Indian stock exchange the detail of which as under:

Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Remarks
16.12.2021	17,01,16,200	4.58	352.7	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Acquired from FICL

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23.12.2021	4,43,43,139	1.19	340.4	Acquired from Westglobe

Consequently, the total shareholding of the assessee in VEDL as on date is as under:

Date	**No. of shares acquired**	**% shares acquired**	**Purchase price per share (Rs.)**	**Source of investment**	**Remarks**
24.12.2020	18,50,00,000	4.98	160	Loan form Oaktree	Acquired from market under bulk deal
15.04.2021	2,54,45,341	0.68	235	Loan form Oaktree	Acquired through open offer
16.12.2021	17,01,16,200	4.58	352.7	Loan form FCIL	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Loan form FCIL	Acquired from FICL
23.12.2021	4,43,43,139	1.19	340.4	Loan form FCIL	Acquired from Westglobe
Total	**49,28,20,420**	**13.26**			

It is respectfully submitted that the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. In support of the same, the following may be noted:

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- The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber.
- All the board meetings of the assessee are held in Mauritius only. Copy of the board meeting / resolutions relevant to FY 2021-22 was attached as Annexure L vide response dated 03.10.2024.
- The assessee maintains office premises and the same is also mentioned in its official website.
- Control and management of the assessee is situated and shall continue to be situated in Mauritius
- The assessee is the legal and beneficial owner of shares of VEDL
- The assessee has been subject to enquiry/ scrutiny from the tax authorities in Mauritius and has been regularly depositing taxes (including applicable withholding taxes).
- The assessee maintains a bank account in Mauritius and all income (including dividend income from VEDL) has been received in its bank account in Mauritius. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies. Copy of relevant extract of bank account statement was attached as Annexure B vide response dated 12.01.2024.
- The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius.
- The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius. Copy of audited financial statements for FY 2021-22 were attached as Annexure D vide response dated 08.08.2023.



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- The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis.
- The assessee continues to hold the shares in VEDL till date.

Dividends received by the assessee

During the assessment year 2022-23, the assessee received the following dividends from VEDL:

Date of dividend	Amount of dividend per share	Total dividend	Tax paid on the dividend	Rate of deduction of TDS
08.09.2021	18.5	389,32,38,809	58,39,85,821	15%
20.12.2021	13.5	513,75,80,804	25,68,79,040	5%
10.03.2022	13	640,66,65,460	32,03,33,273	5%

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Submission

Section 4 of the Act provides for levy of tax in respect of the total income of the previous year of every person. The scope of total income is defined in section 5 of the Act. Sub-section (2) of the said section dealing with scope of total income of a person who is a non-resident reads as under:

> *"(2) Subject to the provisions of this Act, the total income of any previous year of a person who is a non-resident includes all income from whatever source derived which—*
> *(a) is received or is deemed to be received in India in such year by or on behalf of such person ; or*
> *(b) accrues or arises or is deemed to accrue or arise to him in India during such year."*

In terms of the charging provisions of section 4 read with section 5, which defines the scope of total income in case of a person resident outside India, only income received or deemed to be received in India or income accruing or arising or deemed to accrue or arise in India is taxable in India in the hands of the non-resident under the provisions of the Act.

Taxability of dividend income (relevant in the present case) is determined in terms of section 115A of the Act. The said section provides that income by way of dividend is taxable in the hands of the non-resident @ 20 percent.

Pertinently, provisions of section 90(2) of the Act provides that where India has entered into Double Tax Avoidance Agreement ('DTAA') with the country of residence of the non-resident recipient country, then, in relation to the (non-resident) assessee to whom such agreement applies, the provisions of the Act shall apply to the extent the same are more beneficial to that assessee.

The benefit of the Indo-Mauritius DTAA is available to "persons who are resident of one or both of the contracting States". [Refer: Article 1 of the Tax Treaty]

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Paragraph 1(e) of Article 3 of the Tax Treaty defines the term 'person' to include, inter alia, "a company and any other entity, corporate or non-corporate, which is treated as a taxable unit under the taxation laws in force in the respective Contracting States".

Article 4(1) of the Tax Treaty provides that the term "resident of a Contracting State" means any person who, under the laws of that State, "is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of similar nature".

The assessee is a GBC domiciled in Mauritius, holding valid tax residency certificate. The control and management of the assessee is in Mauritius and the assessee is liable to tax in Mauritius on its worldwide income. Having regard to the aforesaid, the assessee, is, in our respectful submission, tax resident of Mauritius and, therefore, entitled to the benefits under the Tax Treaty.

The taxability of dividend income arising to a resident of Mauritius is governed by Article 10 of the Tax Treaty, which reads as under:

"ARTICLE 10

DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed—

(a) ***five per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends*** *;*

(b) *fifteen per cent of the gross amount of the dividends in all other cases.*

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This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. Notwithstanding the provisions of paragraph (2), dividends paid by a company which is a resident of Mauritius to a resident of India may be taxed in Mauritius and according to the laws of Mauritius, as long as dividends paid by companies which are residents of Mauritius are allowed as deductible expenses for determining their taxable profits. However, the tax charged shall not exceed the rate of the Mauritius tax on profit of the company paying the dividends.

4. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting State of which the company making the distribution is a resident.

5. The provisions of paragraphs (1), (2) and (3) shall not apply if the beneficial owner of the dividends, being a resident of the Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein or performs in that other State independent personal services from a fixed base situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of article 7 or article 14, as the case may be, shall apply.

In terms of Article 10 of the India-Mauritius DTAA, tax in India on dividends in the hands of the recipient Mauritian shareholders would not exceed 5% of the gross amount of the dividend if the beneficial owner is a company which holds directly at least 10 per cent of the share capital of the Indian company paying the dividends. In all other cases, the dividend income is taxable @ 15% of such dividend income.

In the present case, the assessee is a tax resident of Mauritius. Till November 2021, the assessee held 5.66% shares in VEDL and with effect from 16.12.2021, the assessee held more than 10% shareholding in VEDL which it continues to

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hold till date. Accordingly, the dividends received by the assessee after 16.12 2021 have been offered to tax in India @5 percent in terms of Article 10 of the DTAA.

In order that benefit of the concessional rate of tax (5%) under the DTAA is available to the recipient, it needs to be established that – (i) the recipient is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA and (ii) the recipient is the beneficial owner of the dividend income.

Re: The assessee is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA

Re: TRC being sufficient evidence to claim benefit under the DTAA

Section 90 and section 90A of the Act have been amended vide Finance Act, 2012 to make submission of TRC containing prescribed particulars, as a necessary condition for availing benefits under the DTAA. Accordingly, in view of provision of section 90(4) and section 90A(4) read with Rule 21AB of the Income Tax Rules, 1962 (" **Rules**") wherever the benefit of the Tax Treaty is sought to be obtained, it will be imperative for the deductor payer to obtain TRC and declaration in Form 10F from the non-resident before making payment.

It is respectfully submitted that, in case of a non-resident, TRC is a sufficient evidence to claim tax residency and benefits (if any) under the applicable DTAA.

The Central Board of Direct Taxes ("CBDT") issued **Circular No. 789 dated 13 April 2000**, wherein it was clarified that TRC issued by the Government of Mauritius is sufficient evidence of the residential status of a person and, consequently, the Revenue cannot require a Mauritian resident to adduce further



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evidence to justify control and management of the Mauritian company. The said Circular reads as under:

> ***"734. Clarification regarding taxation of income from dividends and capital gains under the Indo-Mauritius Double Tax Avoidance Convention (DTAC)***
>
> ***1.*** *The provisions of the Indo-Mauritius DTAC of 1983 apply to 'residents' of both India and Mauritius. Article 4 of the DTAC defines a resident of one State to mean "any person who, under the laws of that State is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of a similar nature." Foreign Institutional Investors and other investment funds, etc., which are operating from Mauritius are invariably incorporated in that country. These entities are 'liable to tax' under the Mauritius Tax law and are, therefore, to be considered as residents of Mauritius in accordance with the DTAC.*
>
> ***2.*** *Prior to 1-6-1997, dividends distributed by domestic companies were taxable in the hands of the shareholder and tax was deductible at source under the Income-tax Act, 1961. Under the DTAC, tax was deductible at source on the gross dividend paid out at the rate of 5% or 15% depending upon the extent of shareholding of the Mauritius resident. Under the Income-tax Act, 1961, tax was deductible at source at the rates specified under section 115A, etc. Doubts have been raised regarding the taxation of dividends in the hands of investors from Mauritius.* ***It is hereby clarified that wherever a Certificate of Residence is issued by the Mauritian Authorities, such Certificate will constitute sufficient evidence for accepting the status of residence as well as beneficial ownership for applying the DTAC accordingly.***
>
> ***3. The test of residence mentioned above would also apply in respect of income from capital gains on sale of shares. Accordingly, FIIs, etc., which are resident in Mauritius would not be taxable in India on income from capital gains arising in India on sale of shares as per paragraph 4 of article 13."***

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The Delhi High Court on a writ petition challenging Circular No. 789 dated 13th April, 2000 by way of public interest litigation, quashed the Circular as ultra vires on numerous grounds.

On further appeal, the Supreme Court in the case reported as **Union of India and Another vs. Azadi Bachao Andolan and Another : 263 ITR 706** reversing the order of the Delhi High Court upheld the validity of Circular No. 789 observing as under:

> "… …. … *As early as on March 30, 1994, the CBDT had issued circular no.682 in which it had been emphasised that any resident of Mauritius deriving income from alienation of shares of an Indian company would be liable to capital gains tax only in Mauritius as per Mauritius tax law and would not have any capital gains tax liability in India. This circular was a clear enunciation of the provisions contained in the DTAC, which would have overriding effect over the provisions of sections 4 and 5 of the Income-tax Act, 1961 by virtue of section 90(1) of the Act.* ***If, in the teeth of this clarification, the assessing officers chose to ignore the guidelines and spent their time, talent and energy on inconsequtial matters, we think that the CBDT was justified in issuing 'appropriate' directions vide circular no.789, under its powers under section 119, to set things on course by eliminating avoidable wastage of time, talent and energy of the assessing officers discharging the onerous public duty of collection of revenue***.

The Supreme Court further observed that:

> *"Many developed countries tolerate or encourage treaty shopping, even if it is unintended, improper or unjustified, for other non-tax reasons, unless it leads to a significant loss of tax revenues. Moreover, several of them allow the use of their treaty network to attract foreign enterprises and offshore activities. Some of them favour treaty shopping for outbound investment to reduce the foreign taxes of their tax residents but dislike their own loss of tax revenues on inbound investment or trade of non-residents. In developing countries, treaty shopping is often regarded as a tax incentive to attract scarce foreign capital or technology. They are able to grant tax concessions exclusively to foreign investors over*

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and above the domestic tax law provisions. In this respect, it does not differ much from other similar tax incentives given by them, such as tax holidays, grants, etc.

Developing countries need foreign investments, and the treaty shopping opportunities can be an additional factor to attract them. The use of Cyprus as a treaty haven has helped capital inflows into eastern Europe. Madeira (Portugal) is attractive for investments into the European Union. Singapore is developing itself as a base for investments in South East Asia and China. Mauritius today provides a suitable treaty conduit for South Asia and South Africa. In recent years, India has been the beneficiary of significant foreign funds through the "Mauritius conduit". Although the Indian economic reforms since 1991 permitted such capital transfers, the amount would have been much lower without the India-Mauritius tax treaty. 124. Overall, countries need to take, and do take, a holistic view. The developing countries allow treaty shopping to encourage capital and technology inflows, which developed countries are keen to provide to them. The loss of tax revenues could be insignificant compared to the other non-tax benefits to their economy. Many of them do not appear to be too concerned unless the revenue losses are significant compared to the other tax and non-tax benefits from the treaty, or the treaty shopping leads to other tax abuses.

.....

If the Court finds that notwithstanding a series of legal steps taken by an assessee, the intended legal result has not been achieved, the Court might be justified in overlooking the intermediate steps, but it would not be permissible for the Court to treat the intervening legal steps as non-est based upon some hypothetical assessment of the 'real motive' of the assessee. In our view, the court must deal with what is tangible in an objective manner and cannot afford to chase a will-o'-the-wisp."



Repelling the contention that the decision in the case of Azadi Bachao Andolan (supra) required reconsideration, the apex Court in the case of **Vodafone Holdings BV vs. UOI: 341 ITR 1 (SC)** held that the dictum laid down in the said judgement was still good law. The Court further observed that it is a common practice for foreign investors to invest in Indian companies through foreign subsidiaries set up in Cayman Islands or Mauritius for both tax and business purposes; in doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. Relevant extracts of the decision are as under:

> *"68. The common law jurisdictions do invariably impose taxation against a corporation based on the legal principle that the corporation is "a person" that is separate from its members. It is the decision of the House of Lords in Salomon v. Salomon (1897) A.C. 22 that opened the door to the formation of a corporate group. If a "one man" corporation could be incorporated, then it would follow that one corporation could be a subsidiary of another. This legal principle is the basis of Holding Structures. It is a common practice in international law, which is the basis of international taxation, for foreign investors to invest in Indian companies through an interposed foreign holding or operating company, such as Cayman Islands or Mauritius based company for both tax and business purposes. In doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. However, taxation of such Holding Structures very often gives rise to issues such as double taxation, tax deferrals and tax avoidance. In this case, we are concerned with the concept of GAAR. In this case, we are not concerned with treatyshopping but with the anti-avoidance rules. The concept of GAAR is not new to India since India already has a judicial anti-avoidance rule, like some other jurisdictions. Lack of clarity and absence of appropriate provisions in the statute and/or in the treaty regarding the circumstances in which judicial anti-avoidance rules would apply has generated litigation in India.*

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Holding Structures are recognized in corporate as well as tax laws. Special Purpose Vehicles (SPVs) and Holding Companies have a place in legal structures in India, be it in company law, takeover code under SEBI or even under the income tax law.

…….

79. When it comes to taxation of a holding structure, at the threshold, the burden is on the Revenue to allege and establish abuse, in the sense of tax avoidance in the creation and/or use of such structure(s). In the application of a judicial anti avoidance rule, the Revenue may invoke the "substance over form" principle or "piercing the corporate veil" test only after it is able to establish on the basis of the facts and circumstances surrounding the transaction that the impugned transaction is a sham or tax avoidant. To give an example, if a structure is used for circular trading or round tripping or to pay bribes then such transactions, though having a legal form, should be discarded by applying the test of fiscal nullity. Similarly, in a case where the Revenue finds that in a holding structure an entity which has no commercial/business substance has been interposed only to avoid tax then in such cases applying the test of fiscal nullity it would be open to the Revenue to discard such interpositioning of that entity. However, this has to be done at the threshold.

80. In this connection, we may reiterate the "look at" principle enunciated in Ramsay [1982 AC 300 : (1981) 2 WLR 449 : (1981) 1 All ER 865 (HL)] in which it was held that the Revenue or the Court must look at a document or a transaction in a context to which it properly belongs to. It is the task of the Revenue/Court to ascertain the legal nature of the transaction and while doing so it has to look at the entire transaction as a whole and not to adopt a dissecting approach. The Revenue cannot start with the question as to whether the impugned transaction is a tax deferment/saving device but that it should apply the "look at" test to ascertain its true legal nature [see Craven v. White (Stephen) [1989 AC 398 : (1988) 3 WLR 423 : (1988) 3 All ER 495 (HL)] which further observed that genuine strategic tax planning has not been abandoned by any decision of the English Courts till date].

81. Applying the above tests, we are of the view that every strategic foreign direct investment coming to India, as an investment destination, should be seen in a holistic manner. While doing so, the Revenue/courts should keep in mind the following factors: the concept of participation in investment, the duration of time during which the holding structure exists; the period of business

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operations in India; the generation of taxable revenues in India; the timing of the exit; the continuity of business on such exit.

82. In short, the onus will be on the Revenue to identify the scheme and its dominant purpose. The corporate business purpose of a transaction is evidence of the fact that the impugned transaction is not undertaken as a colourable or artificial device. The stronger the evidence of a device, the stronger the corporate business purpose must exist to overcome the evidence of a device."

97. We are, therefore, of the view that in the absence of LOB Clause and the presence of Circular No. 789 of 2000 and TRC certificate, on the residence and beneficial interest/ownership, tax department cannot at the time of sale/disinvestment/exit from such FDI, deny benefits to such Mauritius companies of the Treaty *by stating that FDI was only routed through a Mauritius company, by a company/principal resident in a third country; or the Mauritius company had received all its funds from a foreign principal/company; or the Mauritius subsidiary is controlled/managed by the Foreign Principal; or the Mauritius company had no assets or business other than holding the investment/shares in the Indian company; or the Foreign Principal/100% shareholder of Mauritius company had played a dominant role in deciding the time and price of the disinvestment/sale/transfer; or the sale proceeds received by the Mauritius company had ultimately been paid over by it to the Foreign Principal/ its 100% shareholder either by way of Special Dividend or by way of repayment of loans received; or the real owner/beneficial owner of the shares was the foreign Principal Company. Setting up of a WOS Mauritius subsidiary/SPV by Principals/genuine substantial long term FDI in India from/through Mauritius, pursuant to the DTAA and Circular No. 789 can never be considered to be set up for tax evasion."*

Reference is further made to the decision of the Delhi High Court in the case of **Blackstone Capital Partners (Singapore) Vi Fdi Three Pte Ltd. v. ACIT (International Taxation) : 452 ITR 111 (Delhi)**. In that case, the assessee, a company incorporated in Singapore, had sold certain shares for consideration and claimed the gains earned therefrom to be exempt in India by virtue of Article 13(4) of India-Singapore DTAA based on TRC.

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Quashing the notice issued under section 148 of the Act to bring to tax capital gains arising from sale of shares, the High Court held that the attempt of the Revenue in seeking to question the TRC was wholly contrary to the Government of India's repeated assurances to foreign investors by way of CBDT Circulars as well as press releases and legislative amendments and decisions of the Courts in **Union of India v. Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V. vs. Union of India: (Supra), CIT(International Taxation v. JSH (Mauritius) Ltd.** [2017] 84 taxmann.com 37/297 CTR 275 (Bom.) and **Sanofi Pasteur Holding SA v. Department of Revenue, Ministry of Finance** [2013] 30 taxmann.com 222/213 Taxman 504/354 ITR 316 (AP.).

While reaching the above conclusion, the High Court carried out detailed analysis of the relevant articles of the Mauritius/Singapore Tax Treaty, judicial precedents of the Supreme Court / High Court and the Circulars issued by the CBDT in this regard. The High Court concluded that statutorily, TRC is the only evidence required to be eligible for benefit under the tax treaty and the Revenue's attempt to question and go behind the same is wholly contrary to the Government's consistent policy and repeated assurances to foreign investors, taking note of the following:

(i) The Punjab & Haryana High Court in the case of **Serco BPO (P) Ltd v. Authority of Advance Rulings, New Delhi: 379 ITR 256,** after tracing the entire history of CBDT Circulars, legislative amendments and judicial pronouncement, held that TRC is sufficient to claim relief under the tax treaty. The High Court further pointed out that vide Finance Bill, 2013 section 90(5) was proposed to be introduced to provide that *"the certificate of being a resident in a country outside India or specified territory outside India, as the case may be, referred*

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to in sub-section (4), shall be necessary but not a sufficient condition for claiming any relief under the agreement referred to therein."; the proposed sub section (5) to section 90 of the Act was not implemented since the Parliament was conscious of Circular No. 789 of 2000 and vide Circular dated 02.03.2013 clarified that the said Circular no. 789 dated 13.4.2000 shall continue to be in force. The aforesaid decision of Serco BPO (supra) has been accepted by Revenue and the same was not challenged before the Supreme Court.

(ii) As early as March 30, 1994**, CBDT issued Circular No. 682** in which it was emphasized that any resident of Mauritius deriving income from alienation of shares of an Indian company would be liable to capital gains tax only in Mauritius as per Mauritius tax law and would not have any capital gains tax liability in India. The said Circular was a clear enunciation of the provisions contained in the DTAA, which would have overriding effect over the provisions of sections 4 and 5 of the Act by virtue of section 90 of the Act.

(iii) The CBDT vide **Circular No. 789 dated 13th April 2000** once again clarified that the TRC shall serve as sufficient evidence of the taxpayer's residence and beneficial ownership for applying the DTAA.

(iv) The Supreme Court, in the case of **Azadi Bachao Andolan** (supra), upheld the validity and efficacy of the **Circular No. 682 dated 30 March 1994 and the Circular No. 789 dated 13th April 2000**, issued by the CBDT. The apex Court further held that the certificate of residence is conclusive evidence for determining the status of residence and beneficial ownership of an asset under the DTAA; the Revenue authorities were obliged to grant tax treaty relief to Mauritius entities

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so long as such persons were tax resident in Mauritius as confirmed by the Mauritius Revenue Authorities; that it was the only condition required to be satisfied to claim treaty relief; that there were no other provisions either in the domestic law or the tax treaty that permitted the Revenue authorities to exercise any discretion in disregarding the provisions of the Tax Treaty.

(v) In the Finance Bill, 2013 as introduced in the Lok Sabha on 28th February, 2013, the Union of India sought to insert sub-section (5) in section 90 of the Act to stipulate precisely that submission of TRC shall be a necessary eligibility condition for availing the benefit of the DTAA.

(vi) The Finance Minister vide Press release dated 1st March, 2013 clarified, "*The Tax Residency Certificate produced by a resident of a contracting state will be accepted as evidence that he is a resident of that contracting state and the Income-tax Authorities in India will not go behind the TRC and question his resident status*". Consequently, the Government of India vide Press Release dated 1st March, 2013 once again reiterated that TRC shall be treated as a sufficient condition for claiming relief under the DTAA.

The aforesaid decision of **Blackstone Capital Partners** (supra) has been followed by various benches of the Courts/ Tribunals Ain the following cases where it has been held that TRC is sufficient evidence to claim the relief under the applicable Tax Treaty:

- Reverse Age Health Services Pte Ltd. V. DCIT: 147 taxmann.com 358 (Del)

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- Sapein Funds Ltd. v. CIT: 153 taxmann.com 60 (Del)
- Sarva Capital LLC v. ACIT: 153 taxmann.com 618 (Del)
- Saif II-Se Investments Mauritius Ltd. v. ACIT: 154 taxmann.com 617 (Del)

Reference is further made to the recent decision of the Delhi High Court in the case of **Tiger Global International III Holdings v. AAR:165 taxmann.com 850 (Delhi) dated 28.08.2024**. The facts in that were that the assessee was a tax resident of Mauritius and held a Category 1 Global Business License and a TRC issued by the Mauritian authorities; the immediate shareholders of the assessee were also Mauritian companies which, in turn, were part of a foreign private equity fund ('The PE Fund); the PE Fund had raised funds from several investors across the globe; US-based group company was the investment manager of the fund (with no investment in the taxpayer). The assessee had acquired shares of a Singapore based company before 1 April 2017; the Singapore company had investment in the shares of the Indian companies; in 2018, the assessee sold shares of the Singapore company which derived their value substantially from the assets in India.

The assessee filed an application before the AAR to determine the tax implications in India considering that gains arising from the sale of shares are not taxable in India as per the India Singapore Tax Treaty. The AAR held that the transaction was designed for the avoidance of tax and rejected the application filed by the assessee.

The High Court held that TRC issued by a jurisdiction is 'sacrosanct' sans tax fraud/sham transaction proof presented by Revenue and it would be impermissible for the Revenue to manufacture additional roadblocks or standards that parties would be required to meet in order to avail of the Tax Treaty, as it

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would be contrary to the CBDT Circulars as well as decisions of the Courts in **Union of India v. Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V. vs. Union of India: (Supra).**

While reaching the above conclusion, the High Court observed as under:

- **Law does not presume tax evasion** - It is always open for the multinational to expand their activities and presence in various markets by choosing a tax neutral and investor friendly jurisdiction; the law does not raise a presumption of tax evasion, treaty abuse, illegality, or disreputability to the foreign investments made through entities domiciled in Mauritius, nor such entities are obliged to satisfy a separate/stricter standard of legitimacy.

- **TRC as sufficient evidence** - The High Court referring to CBDT Circular No. 789 and clarification issued by the Finance Ministry that the TRC will be accepted as sufficient evidence for the treaty benefit and the Revenue will not question or go behind the TRC observed that taking any other view would result in erosion of faith and the trust reposed by the parties to the treaty in each other; Treaty shopping should not be frowned upon unless there is tax evasion and is contrary to the underlying and stated objectives of the treaty countries; the Indian Government appears to have accepted the legal position as enunciated in **Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V (supra)** that the invocation of the substance over form principle should be confined to extreme cases.

- **Beneficial ownership** – Concluding that the allegation that the

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assessee was not a beneficial owner was thoroughly misconceived and untenable, the High Court held that the beneficial ownership test requires determination as to whether the recipient of income holds the income in the capacity of an administrator/trustee or has no right or control over the income or merely holds the income to be deployed on the instruction of another; the Revenue failed to substantiate that the assessee was under a contractual or legal obligation to remit its revenue to the US company; the entire case against the assessee was based on the erroneous and factually unsustainable premise that the US company was the holding company of the taxpayer and controlled major decisions taken by the assessee; and the Revenue failed to prove that the US company was the beneficial owner of investments made by the assessee.

- **Applicability of GAAR -** When the Treaty was renegotiated, and the LOB provisions were incorporated in the treaty in 2016, GAAR and indirect transfer provisions had already been enacted in the Act. India and Mauritius were aware of the GAAR provisions and indirect transfer provisions, but still chose to grandfather the gains from the shares acquired prior to 1 April 2017. The LOB clause was restricted to shares acquired after that date. This is also evident from the grandfathering provisions in the domestic GAAR (Rule 10U(1)(d) of the Rules).

  The Revenue argued that the GAAR provision will apply to the transaction irrespective of the taxpayer's reliance on the grandfathering clause of the treaty and that even though an arrangement was entered into prior to 1 April 2017, any tax benefit from an arrangement on or after 1 April 2017 would be subject to the GAAR provisions as per

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Rule 10U(2) which overrides Rule 10U(1)(d) of the Rules. The High Court rejected the Revenue's argument and held that it would result in sub-rule (2) taking away what stood saved in Rule 10U(1)(d) of the Rules and further observed that the term 'without prejudice' is intended to mean that sub-rule (2) would operate in contingencies not contemplated by sub-rule (1)(d) of Rule 10U of the Rules.

Importantly, the High Court observed that the domestic tax legislation cannot be interpreted in a manner which brings it in direct conflict with a treaty provision or with an overriding effect over the treaty provisions, as it would amount to accepting the right of one country to unilaterally amend the treaty provisions.

The Bombay High Court in the case of **Indostar Capital vs. ACIT: 105 taxmann.com 96 (Bom.)** wherein the Court on the argument of the Revenue that TRC is not sufficient evidence held that in case the transaction is fraudulent or fictitious, the Court can go beyond the requirement to obtain TRC and ascertain economic substance of the company. Relevant observations of the Court are as under:

21…… Legal position that the Assessing Officer has taken, cannot be grudged. Despite the existence of DTAA, despite the availability of the TRC of the petitioner issued by the Mauritius Authorities and despite the CBDT circular that such certificate as long as in operation would be a valid consideration for applying the DTAA, it is not that as laid down by the Supreme Court through series of judgments has shut out the case of the revenue totally when it comes to a fraudulent or fictitious transaction

"23……..Mere fact that the assessee company has not transacted any other business by itself may not be conclusive. The reference to the assessee unable to produce TRC of the companies which hold

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shares in the assessee company is erroneous. The petitioner would point out that such certificates were produced before the Assessing Officer. The observation that mere transfer of money though banking channel would not be conclusive, maybe quite correct but the same cannot be a ground against the assessee unless there is adverse material. It is true that the extent of administrative expenditure and the employment structure maybe some of the factors which eventually would go to establish whether the transaction was sham and the very existence of the assessee was fraudulent, however by themselves may not be sufficient. All these aspects can and need to be gone into in the assessment proceedings."

Caveat to the aforesaid effect was also added by the Delhi High Court in the case of *Tiger Global (supra)* observing as under:

199. The significance and the salutary purpose underlying the issuance of a TRC cannot be overemphasized. Its importance stands duly acknowledged by the Union Government itself as is manifest from a reading of Circular 789 of 2000. Of equal import is the withdrawal of the amendments which were proposed to be introduced in Section 90 and were ultimately shelved. It becomes important to note that a TRC once found to have been issued by the competent authority must be accorded due weightage and its sanctity duly acknowledged. The TRC represents the first level of certification of the holder being a bona fide business entity domiciled in the Contracting State. The issuance of a TRC constitutes a mechanism adopted by the Contracting States themselves so as to dispel any speculation with respect to the fiscal residence of an entity. It therefore can neither be cursorily ignored nor would the Revenue be justified in doubting the presumption of validity which stands attached to that certificate bearing in mind the position taken by the Union itself of it constituting —sufficient evidence‖ of lawful and bona fide residence. Taking any other view would clearly be destructive of what Serco BPO aptly described as resulting in an erosion of faith and the trust reposed by the parties to the convention in each other.

200. Regard must also be had to the fact that when Vodafone was rendered, the DTAA was yet to incorporate provisions regulating entitlement of benefits. The TRC concept came to be adopted subsequently followed by the incorporation of a specific LOB clause in the Treaty itself. The observations appearing in Vodafone are thus liable to be appreciated bearing in mind the crucial amendments

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> *which have subsequently come to be included in the DTAA. Even otherwise the observations appearing in Vodafone in the context of piercing of the corporate veil and the extent to which the Revenue could enquire and investigate despite a TRC were confined to cases of tax fraud, sham transactions, where the entity has no vestige of economic substance or the transaction is alleged to be aimed at camouflaging an illegality. These charges if raised would have to meet an extremely high and exacting standard of proof, since expressions such as fraud or sham though loosely used in common parlance, have a specific connotation in law. The Revenue would thus have to base such an allegation on cogent and convincing evidence as opposed to a mere conjecture, doubt or a perceived need to investigate and enquire. Such an allegation would have to be established at the outset itself before the Revenue being recognised as entitled to discard the presumption of validity which would spring into existence once a TRC is produced and the LOB conditions shown to be fulfilled. "*

Accordingly, in view of the above and having regard to the entire sequence of events, namely, the Finance Bill, 2013, the clarification issued by the Finance Ministry regarding the TRC dated March 1, 2013 and the Finance Act, 2013, TRC issued by the appropriate tax authorities of other tax jurisdictions should be accepted as the basis for allowing benefit of the applicable tax treaty to the person holding valid TRC.

Accordingly, since the assessee holds a valid TRC issued by the Mauritian tax authorities and is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA.

In this regard, reliance in placed on the ruling in the case of ***Bid Services Division (Mauritius) Ltd. vs. AAR*** **[2023] 148 taxmann.com 215 (Bom)** wherein, dealing with an identical issue, the Hon'ble Bombay High Court held as follows:

> *"47. Reference has been made to article 27A of the Mauritius DTAA on LOB which was inserted by Notification dated 10th August, 2016 by*

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amending the said DTAA pursuant to which shell/ conduit companies claiming residence of a contracting State shall not be entitled to benefits of the convention……

48. It is observed that this Article disentitles benefits of Article 13(3B) if the affairs were arranged for the primary purpose to take advantage of the benefits of Article 13(3B). The Article has been inserted with effect from 1st April 2017. According to this Article, with effect from 1st April 2017, a shell or conduit company that claims to be a resident of a contracting State shall not be entitled to benefits of Article 13(3B).

49. The Petitioner has also made reference to Press Release dated 29th August 2016 issued by CBDT post amendment to Mauritius DTAA which was effective from 1st April 2017. ……

50. The said press release expressly provides for grandfathering of capital gains exemption provided under the erstwhile Mauritius DTAA. The protocol provides for source-based taxation of capital gains arising from alienation of shares acquired with effect from 1st April 2017 in a company resident in India viz. from Financial Year 2017-18. Investments made before 1st April 2017 have been grandfathered and will not be subject to capital gains taxation in India.

51. The Authority appears to have clearly missed the clear import of this Circular as the entire sale by the Petitioner was prior to 1st April, 2017. The arguments of the Revenue with respect to shell company/ conduit can only be considered for investments with effect from 1st April 2017 and not the case at hand."

In the present facts, the assessee is a bonafide resident of Mauritius and eligible to avail the benefit of India-Mauritius DTAA, having regard to the undernoted factors:

a) The assessee holds valid TRC issued by the Mauritius authorities and has an independent board of directors who are residents of Mauritius. All board meetings are held in Mauritius only and control and management of the assessee is undisputably situated in that country.

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b) The assessee is a tax resident of Mauritius and regularly files its tax returns in Mauritius declaring its worldwide income therein and paying taxes in accordance with the Mauritian laws. Thus, the assessee cannot be called a fly by night operator which has been created for tax avoidance purposes.

c) The assessee maintains a bank account in Mauritius and all income (including dividend income from VEDL) has been received in its bank account in Mauritius. A portion of the dividends received is spent on meeting the annual expense of the company.

d) The assessee maintains its books of accounts in Mauritius which are also duly audited in Mauritius.

e) The assessee is the legal and beneficial owner of shares of VEDL and the assessee has the exclusive and unconditional right on the dividend income to be received from VEDL.

f) The extracts from Board meetings of the assessee **enclosed at Pages 480-493 of the paperbook**, highlights the involvement of directors in operational matter and key strategic and financial decisions taken by it; dominion and control of the assessee over its investments and also the involvement and responsibility of the Board for administering the investments.

g) The assessee used independent sources of funds to invest in group companies. Further, the exclusive possession and control over the income received lies with the assessee in as much as the

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income/funds available with the assessee are utilized for various purposes viz. repayment of interest and loans, distribution as dividend to the parent company, at the discretion of board of directors of the assessee.

h) Further, the assessee is not constrained with any obligation or any economic arrangement to distribute/remit the dividend income received from VEDL to VRL or the family trust in Bahamas.

Re: Recipient (the assessee) is the beneficial owner of the dividend income received from VEDL

The term "beneficial owner" is not defined in the Tax Treaty. The OECD Model Tax Commentary, 2017 on Article 10(2) provides that the term "*beneficial owner*" is not used in a narrow technical sense; rather, it should be understood in its context, in particular in relation to the words ***"paid … to a resident"***, and in light of the object and purpose of the DTAA. The Commentary further provides that in instances of agent, nominee, conduit company acting as a fiduciary, the direct recipient of dividend is not the beneficial owner because the recipient's right to use and enjoy the dividends is constrained by a contractual or legal obligation to pass on the payment received to another person.

Further, the OECD Report 2010 on "The Granting of Treaty Benefits with respect to the Income of Collective Investment Vehicles" observes that in order to qualify as a "beneficial owner", only one of the two tests needs to be satisfied, viz. the beneficial owner should be in position to decide (i) whether or not the asset should be used or made available for use by others; or (ii) on how the yields therefrom should be used or (iii) both. In other words, the 'beneficial owner' is he who is free to decide (i) whether or not the capital or other assets should be used or made

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available for use by others or (ii) on how the yields therefrom be used or (iii) both.

The Protocol dated 30 August 2010 to the India-Switzerland Tax Treaty (1994) deals with "conduit arrangements" as follows:

> *"The provisions of Articles 10… shall not apply in respect to any dividend … paid under, or as part of a conduit arrangement. The term 'conduit arrangement' means a transaction or series of transactions which is constructed in such a way that a resident of a Contracting State entitled to benefits of the Agreement receives an item of income arising in the other contracting state but that resident pays, directly or indirectly, all or substantially all of that income (at any time or in any form) to another person who is not a resident of either contracting state and who, if it received that item of income directly from the other contracting state, would not be entitled under a Convention or Agreement for the avoidance of double taxation between the State in which that other person is resident and the Contracting State in which the income arises, or otherwise, to benefits with respect to that item of income which are equivalent to, or more favorable than, those available under this Agreement to a resident of a contracting ; and the main purpose of such structuring is obtaining benefits under this Agreement".*

The purpose of the "beneficial ownership" test, in other words, is to prevent tax avoidance in source state by persons not entitled to protection by a particular treaty but claiming the same with the help of interposed entities. In such circumstance, benefit of the treaty may be denied where "beneficial owner" is not a resident of the other state (State R) even if intermediary collecting evidence is its "resident". However, an interposed entity/intermediary will be the "beneficial owner" if there is a business reason to place it between the payer and the final recipient of the dividends beyond the reduction of tax in source state. *[Refer: IBFD Case No. 283314 (Supreme Court of France) and IBFD Case No. 1110/2003 (National Court of Spain)]*

The US Model Commentary, dated 2006, observes that a person is not a "beneficial owner" of shares if that person receives dividend or sale proceeds

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nominally instead of for his own use and enjoyment and does not assume complete risk, dominion, and control over such funds.

The Delhi High Court in the case of **CIT vs. Fujitsu America Inc: 452 ITR 311**, was considering a case wherein a company incorporated under the laws of United States of America, rendered branding and management services to an Indian entity. The assessing officer sought to tax the said receipts on gross basis, while denying the assessee the benefit of the India-USA DTAA alleging that the assessee had back-to-back arrangement of passing on fee received to its holding company. The Court taking note of the concurrent findings of fact, namely, that (i) the assessee was playing the role of a service provider after procuring the same from other group companies and had dominion over the fees received; (ii) there was no back-to-back arrangement; (iii) in order to deny the assessee the status of beneficial owner, the assessing officer had to find that the assessee was either an agent or conduit for the holding company, held that since there was no back-to-back arrangement and the assessee had dominion and control over the fees received, the assessee company was entitled to status of 'beneficial owner'.

Reference is made to the recent decision of the Delhi High Court in the case of **Tiger Global International III Holdings v. AAR:165 taxmann.com 850 (Delhi)** wherein the Court held that the allegation that the assessee was not a beneficial owner was thoroughly misconceived and untenable, since the beneficial ownership test requires determination as to whether the recipient of income holds the income in the capacity of an administrator/trustee or has no right or control over the income or merely holds the income to be deployed on the instruction of another; the Revenue failed to substantiate that the assessee was under a contractual or legal obligation to remit its revenue to the US company; the entire case against the assessee was based on the erroneous and factually unsustainable premise that the US company was the holding company of the



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taxpayer and controlled major decisions taken by the assessee; and the Revenue failed to prove that the US company was the beneficial owner of investments made by the assessee. Relevant observations of the Court are reproduced below:

> *"242. As is manifest from the aforesaid passages and the views expressed by leading authorities on international tax planning, emphasis is essentially laid on the facet of ownership attributes. The views so expressed thus bid us to discern a legal obligation which binds the recipient to forward the income to another person. The views expressed commends the question to be posed being whether the intermediary could claim the income for its own account and benefit. It thus proposes that if it were found that the conduit was able to avail the income itself, and was not contractually obligated to forward that income to another person, it would clearly be incorrect to impute the principles of beneficial ownership in such a contextual setting. The core of the aforesaid precepts would appear to be aspects of ownership and control over the income, a right of disposal or a contractual obligation to pass on the same to another.*
> *243. Both Vogel and Baker thus bid us to ascertain and discern the true controller of the income, the entity which decides the use of the asset and the income and which could also include an administrator or trustee. Tested on the basic rule of substance over form, the concept of beneficial owner would get attracted to cases where the recipient of income or the holder of the asset is found to be merely the ostensible depository and which may hold the income either in the capacity of an administrator or even as a trustee. For this charge to be accepted, it would have to be established that the recipient or holder of income has no right or control over the income and merely holds the same to be deployed on the instruction of another. While the obligation to forward the income or gain may be either legal or contractual dependent upon the position of parties, it would certainly require a finding on fact that the income is held at the behest of another, is controlled and regulated by a third party entity and the ostensible owner having no real or substantive control over the same.*
> *244. Tested on the aforesaid precepts, it becomes manifest that the allegation of the revenue earned from the transfer of shares being beneficially held by the petitioner, TG III and TG IV is thoroughly misconceived and untenable. Thus since the respondents do not rest or found this allegation on any material or evidence which may be read as even remotely suggestive of the petitioners being under a contractual or legal obligation to transmit the revenues to TGM LLC. The respondents also do not base these submissions on any material which may have tended to indicate that the revenue obtained from the transfer of shareholding was*

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an action undertaken by the writ petitioners acting for and on behalf of TGM LLC. In fact and as was noted by us in the preceding parts of this decision, the allegation of beneficial ownership itself rested on straws with the respondents still seeking to discover the ultimate beneficiaries of the revenue earned from the transfer of shares."

Further, the Delhi Tribunal in the case of **Little Fairy Limited vs. ACIT: ITA No. 1513/Del/2022)** while examining whether the assessee, a tax resident of Cyprus as per Article 4 of India-Cyprus DTAA, was the beneficial owner of interest income earned by it on Compulsory Convertible Debentures, held that since the assessee had the complete right to receive the said interest income and was under no compulsion or contractual obligation to simultaneously pass on the same to another entity, it would be held as the beneficial owner entitled to being taxed at a concessional rate as provided under Article 11(2) of India-Cyprus Treaty. The relevant extracts of the decision are reproduced below:

"9. It is not in dispute that assessee is a tax resident of Cyprus as per Article 4 of India-Cyprus Double Taxation Avoidance Agreement (DTAA). The assessee also furnished the tax residency certificate issued by Republic of Cyprus, Ministry of Finance clearly stating that its worldwide income is liable to income tax in accordance with income tax law and Republic of Cyprus. This tax residency certificate issued for the fiscal years 2016 and 2017 are enclosed in pages 8 and 9 of the paper book. The assessee pleaded that it would be entitled for the benefit provided in India-Cyprus DTAA. The assessee had determined the taxability of the interest income arising in India to a resident of Cyprus to be taxed in India @10% of the gross amount of interest if the beneficial owner of the interest income is a resident of Cyprus. As stated in the earlier part of this order, the assessee had got complete control over the interest income on investment in CCDs and is free to enjoy the same as per its own wish. The assessee is not obliged to pass on the same to any other person. Hence, it could be safely concluded that the assessee is indeed the beneficial owner of such interest income and as per Article 11(2) of India-Cyprus treaty, the same would be taxed in India @10% as all the conditions stipulated in Article 11(2) are complied with. We find that the ld AO had denied this benefit to the assessee. We find that the ld AO had denied the benefit of applicability of Circular 789 dated 13.04.2000 in the context of India-Mauritius

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Treaty to the facts of the instant case. In this regard, the ld AO stated that the Circular 789 was only regarding India-Mauritius and Hon'ble Supreme Court in the case of Azadi Bachao Andolan reported in 263 ITR 706 (SC) had decided the issue in the same context, and accordingly, the benefit of the India-Mauritius Treaty cannot be made applicable to India-Cyprus Treaty. The AR placed reliance on the decision of the coordinate bench decision of Mumbai Tribunal in the case ADIT Vs. Universal International Music BV reported in 45 SOT 219 (Mum), wherein, it was held that the tax residency certificate issued by the tax authority of Netherland is sufficient evidence of the beneficial ownership as per Circular No. 789 dated 13.04.2000. This ruling of the Mumbai Tribunal was confirmed by the Hon'ble Bombay High Court which is reported in 31 taxmann.com 223 (Bombay), wherein it was held that the assessee which is incorporated under the laws of Netherland and being beneficial owner of royalty receipts in respect of music tracks given to Indian companies would be entitled to benefit of concessional rate of tax provided under Article 12 of India-Netherland DTAA. Hence, the objection made by the ld AO in respect of this issue is not sustainable."

The Mumbai bench of the Tribunal in the case of **Golden Bella Holdings Ltd. v. DCIT [2019] 109 taxmann.com 83 (Mum)**, while examining whether a Cyprus company qualified as the "beneficial owner" of interest earned from an Indian Company, observed that the mere fact that the investment in debt instrument was funded using a portion of an interest-free shareholder loan and share capital did not affect the taxpayer's status as the "beneficial owner" of interest income and such a fact pattern did not make the arrangement a back-to-back transaction. The ITAT placed reliance on the OECD Commentary and held that the taxpayer qualified as the "beneficial owner" of interest as the tax payer (i) had received the same for its own exclusive benefit and not for or on behalf of any other entity; (ii) wholly assumed and maintained the foreign exchange risk on the debt instruments (which were INR denominated) and the counter party risk on interest payments arising on the debt instrument.

The Tribunal further observed that the Revenue failed to prove fulfilment of

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following essential requirements for testing the "beneficial ownership":

(i) the taxpayer did not have exclusive possession and control over the interest income received;

(ii) the taxpayer was required to seek approval or obtain consent from any entity to invest in the Indian Company or to utilize interest received at its own discretion; and

(iii) the taxpayer was not free to utilize the interest income received at its sole and absolute discretion, unconstrained by any contractual, legal, or economic arrangements with any other third party.

Reference is made to the decision of the AAR in the case of **E Trade Mauritius Ltd., In Re [2010] 324 ITR 1 (AAR)**, wherein the assessee was holding a global business company's licence and was a tax resident of Mauritius. It was a subsidiary of Converging Arrows Inc., USA which in turn was a subsidiary of E*TRADE Financial Corporation, USA. It held equity shares in an Indian company (IL&FS) which were acquired by way of direct purchases as well as upon conversion of the Global Depository Receipts. The applicant transferred the said shares to HSBC, Mauritius in September, 2008 and realized long-term capital gains thereon in India. The Mauritius Company approached the AAR to determine whether by virtue of being a Mauritius resident, it is eligible to the benefits of the India-Mauritius DTAA and, hence, not subject to tax in India on the capital gains realized.

The AAR observed that merely because there is a relationship of holding-subsidiary and the subsidiary is financed by holding company and retains control over the subsidiary, it would not go against the concept of separate legal entity. The observations of the AAR is as under:

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"....The tax residency certificate issued by the Mauritius authorities is at least a presumptive evidence of the beneficial ownership of the shares and the gains arising therefrom, even if it does not give rise to a conclusive presumption. The indisputable facts noted above together with the normal course of dealings between a subsidiary and its holding company, viewed in the background of the law declared in Azadi Bachao Andolan's case (supra), do not go to displace the presumption arising from the operation of the circular. ***The fact that the source of funds for the purchase of shares is traceable to the holding company or that the holding company had played a role in suggesting or negotiating the sale or that the consideration received ultimately goes to the parent company in the form of dividends or the diminution of capital does not lead to a legal inference that the holding company in reality owned the shares and/or the recipient of capital gains arising from transfer of shares to the holding company but not to subsidiary. To take such a view would be clearly contrary to the ground realities of the mutual business and economic relations between a holding and subsidiary company and the inter se legal structure.*** *The fact that the subsidiary has its own corporate personality and is a separate legal entity cannot be overlooked. The fact that the holding company exercises acts of control over its subsidiary does not, in the absence of compelling reasons, dilute the separate legal identity of the subsidiary.* ***It is unrealistic to expect that a subsidiary should keep off the clutches of the holding company and conduct its business independent of any control and assistance by the parent company. In the present state of law, i.e., the treaty provision, the circular of the CBDT, the law laid down in Azadi Bachao Andolan's case (supra) and the legal incidents of corporate personality, the attempted distinction between legal and beneficial ownership cannot be sustained on any reasonable basis****."*

Reference is also made to the decision of the Pune transfer of the Tribunal in the case of **Imersys Asia Pacific (P) Ltd vs DDIT [2016] 69 taxmann.com 454 (Pune),** wherein while examining whether the taxpayer qualified as "*beneficial owner*" of royalty received from an Indian company on sub-licensing of know-how originally licensed from its principal in the UK, the Tribunal held that where the taxpayer had entered into an agreement with the principal and received the know-how (for a fee of 2% of net sales of the Indian entity), which, in turn, was sub-licensed and had in furtherance thereof provided services to the sub-licensee and received sub-licensee fees (i.e., royalty @ 5% of net sales of the Indian entity)

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from the sub-licensee, then, such royalty income having been received by the assessee non-resident company in its own right as the "*beneficial owner*" thereof was to be subjected to tax at the concessional tax rate under the applicable tax treaty.

Similar view has been expressed in the undernoted judgements:

- ADIT vs Universal International Music BV [2011] 10 taxmann.com 29 (Mumbai) [upheld by the Bombay High Court in the case of DIT vs Universal International Music BV [2013] 31 taxmann.com 223 (Bom.)]
- HSBC Bank (Mauritius) Ltd vs DCIT [2018] 96 taxmann.com 544 (Mumbai – Trib)
- DCIT vs. Worldpart Limited: ITA No. 740 & 741/Chny/2023

In the case of **KSPG Netherlands Holding BV, In re ((2010) 322 ITR 696)**, the facts were that a Dutch company (D) having German parentage (G), acquired shares of an Indian Company (ICO) from the holding company. The Authority for Advance Ruling (AAR) held that D was the "*beneficial owner*" of ICO's shares, negativing the stand of the Revenue that G was the beneficial owner of shares held in ICO on the basis of the following facts:

- D was a special legal entity having its own board of directors and management systems;
- D made a significant investment in ICO with a view to broaden the capital base of ICO;
- D had acquired ICO's Shares from G at a price determined as per Indian exchange control guidelines;
- Capital Gain on sale of ICO's share will enter the profit & loss account of D.

While coming to the aforesaid conclusion, the AAR made the following pertinent

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observations:

> *"…. ….. …. we find no factual or legal basis to hold that the German Company is the real beneficial owner of the shares and the capital gains that would accrue. The transferor, i.e., the Netherlands Company though a subsidiary of the aforementioned Germany Company is a distinct legal entity having its own board of directors and management systems. The glaring fact which is to be taken note of in this context is that the applicant which was incorporated towards the end of 2008 made significant investments in the Indian Company. It is stated that from September 2009 onwards, it invested nearly 17 million Euros (110 crores) in Pierburg India. It is seen from the facts stated by the applicant that the applicant had initially acquired the shares of the Indian Company from Pierburg GmbH at a price determined as per the evaluation guidelines prescribed under the Foreign Exchange Management Act, 2000. The substantial investments it has made was with a view to broaden the capital base of the Indian company, as stated by the applicant. The implied suggestion of the Revenue that the applicant is a sham entity or a conduit company deliberately set up to avoid the tax liability relating to capital gains is wholly misconceived. It would be presumptuous to predicate that the gains accruing to the applicant by the transfer of shares held in the Indian company would not enure to the benefit of the applicant or will not enter into the profit and loss account of the applicant or that the gains will be just passed on to the ultimate holding company (i.e., German company), dictated by its mandate. It is not possible to assume that the applicant would merely act as a conduit to syphon off the gains to the ultimate holding company by means of a colourable device contrary to its corporate status and the stake in the Indian company. It is of course open to the tax authorities to look to the facts at the time of transfer, but, on principle and in the light of the facts stated and substantiated in this application, we cannot reach the conclusion that the beneficial ownership in the gains resulting from the transfer of shares is vested with the ultimate holding company, i.e., German company. As stated earlier, we find no reason and no basis to characterize the proposed transaction as a mere device to avoid the capital gains tax by unlawful means."*

The Supreme Court of Netherlands in **Case No 28.638 dated 6 April 1994 (Supreme Court of Netherlands)** observed that the expression "beneficial

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owner" envisages a person who profits economically from dividend income or who is fully entitled to enjoy its benefit directly or who can freely avail of the dividend and deal with it without being accountable to anyone.

The Supreme Court of Canada (vide majority decision) in the case of Canada *vs.* Alta Energy Luxembourg S.A.R.L.: 2021 SCC 49 holding the conduit company set up in Luxembourg to be entitled to the benefit of Canada – Luxembourg DTAA, observed as under:

> *79 The remaining question is whether the contracting states intended that persons without "sufficient substantive economic connections" to their state of residence be able to take advantage of the carve-out to avoid paying any taxes. Put simply, the question is whether the use of conduit corporations in this context perverts the bargain struck between Canada and Luxembourg. In my view, it does not.*
>
> *……..*
>
> *86…… The fact that the capital gains may not be taxed in Luxembourg, leading to double*
>
> *non-taxation, and the fact that conduit corporations can take advantage of the carve-out are tax planning outcomes consistent with the bargain struck between Canada and Luxembourg. Although Canada had a greater claim to tax such income based on the theory of economic allegiance and would have most likely received more tax revenues without the carve-out given its traditional status as a source state, Canada agreed to forego its right to tax such capital gains, regardless of whether they would be taxed in Luxembourg, in order to attract foreign investment in business assets embodied in immovable property located in Canada (e.g. hotels, mines, or oil shales) and to reap the economic benefits generated by that investment. This is what was actually agreed upon. It appears that Canada was aware of tax planning strategies using conduit corporations in Luxembourg but that it made a deliberate choice not to include anti-avoidance provisions that would have addressed this situation in the Treaty.*
>
> *……*
>
> *90……. for the abuse analysis is "to examine the factual context of a case to determine whether the avoidance transaction defeated or frustrated the object, spirit or purpose of the provisions in issue"*
>
> ……
> ……

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> *96……The courts' role is limited to determining whether a transaction abuses the object, spirit, and purpose of the specific provisions relied on by the taxpayer. It is not to rewrite tax statutes and tax treaties to prevent treaty shopping when these instruments do not clearly do so.*

Reference may be made to the decision of the Supreme Court of Canada, in the case of **Canada v. Alta Energy Luxembourg S.A.R.L.[2021 SCC 49]**, dealing with eligibility of treaty benefit in respect of capital gain realized by a Luxembourg registered Corporation on sale of shares whose value derived principally from immovable property situated in Canada, claiming exemption from Canadian tax on basis that shares of were protected property under tax treaty between Canada and Luxembourg.

In that case, in 2011, two American firms founded an American company for the purpose of acquiring and developing unconventional oil and natural gas properties. Alta Energy Partners Canada Ltd. ("Alta Canada"), a wholly owned Canadian subsidiary of that company, was incorporated in order to carry on that business. A restructuring of Alta Canada was undertaken in 2012. As part of the restructuring, Alta Energy Luxembourg S.A.R.L. ("Alta Luxembourg") was incorporated under the laws of Luxembourg and its shares were issued to a new Canadian partnership. On the same day, Alta Luxembourg purchased all of the shares of Alta Canada. In 2013, it sold those shares, realizing a capital gain in excess of $380 million. Payment for the shares was organized so that Alta Luxembourg did not receive any of the sale proceeds. Following the sale, Alta Luxembourg did not conduct any other business or hold any other investments.

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……..

86…… The fact that the capital gains may not be taxed in Luxembourg, leading to double non-taxation, and the fact that conduit corporations can take advantage of the carve-out are tax planning outcomes consistent with the bargain struck between Canada and Luxembourg. Although Canada had a greater claim to tax such income based on the theory of economic allegiance and would have most likely received more tax revenues without the carve-out given its traditional status as a source state, Canada agreed to forego its right to tax such capital gains, regardless of whether they would be taxed in Luxembourg, in order to attract foreign investment in business assets embodied in immovable property located in Canada (e.g. hotels, mines, or oil shales) and to reap the economic benefits generated by that investment. This is what was actually agreed upon. It appears that Canada was aware of tax planning strategies using conduit corporations in Luxembourg but that it made a deliberate choice not to include anti-avoidance provisions that would have addressed this situation in the Treaty.

……

90……. for the abuse analysis is "to examine the factual context of a case to determine whether the avoidance transaction defeated or frustrated the object, spirit or purpose of the provisions in issue"

……

96……The courts' role is limited to determining whether a transaction abuses the object, spirit, and purpose of the specific provisions relied on by the taxpayer. It is not to rewrite tax statutes and tax treaties to prevent treaty shopping when these instruments do not clearly do so."

Further, in the decision of **Prévost Car Inc v R (2008) 10 ITLR 736 (TCC); [2009] 11 ITLR 757 (FCA)** decided by the Canadian Court**,** the entire shares of Canada-based Prevost Car Inc ("PC Inc") were held by Prevost Holding BV ("PH

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BV"), a Netherlands-based company, incorporated under Dutch law. The shares of PH BV were held by Volvo Bus Corporation ("Volvo"), based in Sweden and Henleys Group plc ("Henleys") based in the UK. PC Inc. paid dividend to PH BV and based on shareholders' agreement between Volvo and Henleys, PH BV was required to pay at least 80% of its profits to Volvo and Henleys. In the aforesaid facts, the Canadian Revenue concluded that PH BV was not the beneficial owner of the dividends and, therefore, was not entitled to the concessional rate of tax on dividends under the tax treaty with the Netherlands.

The Canadian Court allowed the appeal of the taxpayer on the basis of the following underlying considerations:

> *"I therefore reach the conclusion, that for the purposes of interpreting the Tax Treaty, the OECD Conduit Companies Report (in 1986) as well as the OECD 2003 Amendments to the 1977 Commentary are a helpful complement to the earlier Commentaries, insofar as they are eliciting, rather than contradicting, views previously expressed (...)"*
> *"(...) the "beneficial owner" of dividends is the person who receives the dividends for his or her own use and enjoyment and assumes the risk and control of the dividend (italicizing WM) he or she received (...)".*
> *"Where an agency or mandate exists or the property is in the name of a nominee, one looks to find on whose behalf the agent or mandatory is acting or for whom the nominee has lent his or her name. When corporate entities are concerned, one does not pierce the corporate veil unless the corporation is a conduit for another person and has absolutely no discretion as to the use or application of funds put through it as conduit, or has agreed to act on someone else's behalf pursuant to that person's instructions without any right to do other than what that person instructs (italicizing WM) it, for example, a stockbroker who is the registered owner of the shares it holds for clients."*
> *"The (lower, red.) Judge's formulation captures the essence of the concepts of "beneficial owner", "bénéficiaire effectif" as it emerges from the review of the general, technical and legal meanings of the terms. Most importantly, perhaps, the formulation accords with what is stated in the OECD Commentaries and in the Conduit Companies Report. (italicizing WM)"*

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Reference is further made to the decision of the Korean Supreme Court in the case of **Korea vs CJ E&M Co., Ltd.: Case no. 2017/ 33008** wherein payment of royalty was to be made by the Korean company to an unrelated Hungarian Company. The officer denied treaty benefit since the tax officer held that the Hungarian company was interposed by the Dutch company to avail the exemption from tax under the Hungary-Korea treaty. To disregard the benefit, the Korean GAAR was applied by the Korean tax authorities. The High Court ruled in favour of the tax authorities and held that the Hungarian company was a mere conduit used for treaty shopping purposes.

The Supreme Court of Korea, however, reversed the High Court's decision on the ground that beneficial ownership should not be denied by the mere fact that tax benefits were derived from the relevant tax treaty if the foreign entity was otherwise engaged in genuine business activities in line with the entity's business purpose. The Supreme Court further held that the Hungarian entity should be entitled to the treaty benefits since (i) it did not bear any legal or contractual obligation to transfer the royalty income and thus should be regarded as the beneficial owner of the income; and (ii) it had the ability to manage and control the license rights that gave rise to the royalty income, and therefore the GAAR should not apply.

The commercial rationale for incorporating the assessee, as explained supra, was that in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange. Once the delisting offer of VEDL was approved by its shareholders and directors, for undertaking the aforesaid delisting/ purchase of shares from the public in accordance with the Delisting Regulations, Vedanta group was required to raise funds by way of loans/ issuing of bonds. The Vedanta group had already taken loans/ created a

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pledge/ charge in TSH. Accordingly, in order to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee in Mauritius on 29.06.2020.

Even though there existed other tax efficient jurisdictions (such as Slovenia), the commercial rationale for establishing the assessee in Mauritius was the long-standing presence of TSH in Mauritius for the past 2 decades which offers better business synergies in case the group decides to simplify its holding structure and consolidate its holdings in one country i.e. Mauritius in future.

Shares could have been acquired in TSH but for the stipulation/mandate of the lender and the fact that the asset of TSH were already mortgaged.

It is respectfully submitted that the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder in name which is evidenced by the following:

- The assessee files its return of income in Mauritius and is assessed to tax in that country. Copy of the return of income filed in Mauritius was enclosed as Annexure C vide response dated 08.08.2023.

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- The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber. The Board meetings are held in Mauritius and decisions with respect to investing / divesting of investments in VEDL and advancing or obtaining loans from other companies are taken in the board meetings, including repatriation of dividends to its holding company. In other words, control and management of the assessee is situated and shall continue to be situated in Mauritius

- The bank accounts of the assessee are managed by the employees of the assessee. Only for administrative convenience and implementing the decision of the board of directors, some employees of the group company have been authorised to operate the bank account on behalf of the company

- The assessee does not have any legal or contractual obligation to pass its income to its holding company and decision with respect to utilization of funds are taken by the Board of the company. In other words, the decision with respect to utilization of revenues received by the assessee from its operation or investments rests with the Board which is independent and no other person has control over the disposition of such income. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies

- The assessee is the legal and beneficial owner of all its investments including shares of VEDL

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- The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius.

- The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius.

- The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis.

- The assessee continues to hold the shares in VEDL till date.

It is also respectfully submitted that the Mauritian Government issued the Income Tax (Amendment No. 2) Regulations 2019 applicable with effect from 01.07.2019 which, inter-alia, provide that a Mauritian company (GBC) in order to keep a valid global business licence and qualify for the exemptions, will have to satisfy the following new enhanced economic substance requirements at all times:

- they are managed and controlled from Mauritius;
- they are administered by a management company in Mauritius; and
- their core income-generating activities (CIGA) are being carried out in or from Mauritius, by:
  - employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the CIGA; and
  - having a minimum level of expenditure, which is proportionate to

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their level of activities.

The assessee being a GBC is complying with the aforesaid guidelines issued by the Mauritian government to establish commercial substance under the laws of Mauritius. Such compliance proves beyond doubt and discharges the onus on the assessee of establishing that it is the bona fide tax resident of Mauritius.

Even otherwise and without prejudice, Article 27A of the Tax Treaty provides that a Mauritian resident shall not be entitled to the benefits of paragraph 3B of Article 13 of this Agreement (though the said Article is not applicable in the present case) if its affairs were arranged with the primary purpose to take benefit of the Tax Treaty [commonly referred to as the Limitation of Benefits (LOB) clause]. Article 27A of the Treaty reads as under:

"*ARTICLE 27A*

LIMITATION OF BENEFITS

1. A resident of a Contracting State shall not be entitled to the benefits of Article 13(3B) of this Convention if its affairs were arranged with the primary purpose to take advantage of the benefits in Article 13(3B) of this Convention.

2. A shell/conduit company that claims it is a resident of a Contracting State shall not be entitled to the benefits of Article 13(3B) of this Convention. A shell/conduit company is any legal entity falling within the definition of resident with negligible or nil business operations or with no real and continuous business activities carried out in that Contracting State.

3. A resident of a Contracting State is deemed to be a shell/conduit company if its expenditure on operations in that Contracting State is less than Mauritian Rs.1,500,000 or Indian Rs. 2,700,000 in the respective Contracting State as the case may be, in the immediately preceding period of 12 months from the date the gains arise.

4. A resident of a Contracting State is deemed not to be a shell/conduit company if:

(a) it is listed on a recognized stock exchange of the Contracting State; or

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(b) its expenditure on operations in that Contracting State is equal to or more than Mauritian Rs.1,500,000 or Indian Rs.2,700,000 in the respective Contracting State as the case may be, in the immediately preceding period of 12 months from the date the gains arise.

Further, Article 27A(4) provides that a resident of Mauritius would be deemed not to be a shell or conduit company if:

(a) it is listed on a recognised stock exchange in Mauritius; or

(b) its annual expenditure on operations in Mauritius is atleast Mauritian Rs. 1,500,000 in the immediately preceding period of 12 months from the date on which the gains arise;

Though Article 27A of the Treaty is not strictly applicable in the present case, nevertheless, the assessee does not fall foul of the rigors of the LOB clause since the assessee is not a shell company considering that its annual expenditure on operations in Mauritius is in excess of Mauritian Rs. 1,500,000 in the assessment year 2022-23.

In view of the aforesaid, the assessee cannot, in our submission, be said to have been set up with a motive/ main objective of tax avoidance / obtaining treaty benefits; rather the assessee has been set up for a valid business purpose, i.e., for investing in the shares of VEDL and consolidating the holding of the Vedanta group in Mauritius. Accordingly, the assessee be considered as the beneficial owner of the dividend income for the purposes of availing benefit of the concessional rate under Article 10 of the DTAA.

Re: Incorporation of the assessee and the subsequent transactions lack commercial substance deeming the arrangement to be impermissible avoidance arrangement under section 96 of the Act

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The assessing officer has alleged that incorporation of the assessee and the subsequent transactions lack commercial substance and hence, provisions of GAAR are sought to be invoked

The provisions of GAAR under Chapter X-A of the Act, applicable w.e.f 01.04.2018 (assessment year 2018-19/ previous year 2017-18), were introduced with the intent to specifically deal with instances of transactions which lack commercial substance and were entered into only with the intent of obtaining tax benefit. The relevant provisions read as under :

"

CHAPTER X-A

GENERAL ANTI-AVOIDANCE RULE

Applicability of General Anti-Avoidance Rule.

95.(1) Notwithstanding anything contained in the Act, an arrangement entered into by an assessee may be declared to be an impermissible avoidance arrangement and the consequence in relation to tax arising therefrom may be determined subject to the provisions of this Chapter.

(2) This Chapter shall apply in respect of any assessment year beginning on or after the 1st day of April, 2018.

Explanation.—For the removal of doubts, it is hereby declared that the provisions of this Chapter may be applied to any step in, or a part of, the arrangement as they are applicable to the arrangement.

Impermissible avoidance arrangement

96. (1) An impermissible avoidance arrangement means an arrangement, ***the main purpose of which is to obtain a tax benefit,*** *and it—*

a) creates rights, or obligations, which are ***not ordinarily created between persons dealing at arm's length****;*
b) results, directly or indirectly, in the misuse, or abuse, of the provisions of this Act;

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*c) **lacks commercial** substance or is deemed to lack commercial substance under section 97, in whole or in part; or*

d)** is entered into, or carried out, by means, or in a manner, **which are not ordinarily employed for bona fide purposes

(2) An arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

Arrangement to lack commercial substance.

97. (1) An arrangement shall be deemed to lack commercial substance, if—

(a) the substance or effect of the arrangement as a whole, is inconsistent with, or differs significantly from, the form of its individual steps or a part; or

(b) it involves or includes—

(i) round trip financing;

(ii) an accommodating party;

(iii) elements that have effect of offsetting or cancelling each other; or

(iv) a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction; or

(c) it involves the location of an asset or of a transaction or of the place of residence of any party which is without any substantial commercial purpose other than obtaining a tax benefit (but for the provisions of this Chapter) for a party; or

(d) it does not have a significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the tax benefit that would be obtained (but for the provisions of this Chapter).

(2) For the purposes of sub-section (1), round trip financing includes any arrangement in which, through a series of transactions—

(a) funds are transferred among the parties to the arrangement; and

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(b) such transactions do not have any substantial commercial purpose other than obtaining the tax benefit (but for the provisions of this Chapter),

without having any regard to—

(A) whether or not the funds involved in the round trip financing can be traced to any funds transferred to, or received by, any party in connection with the arrangement;

(B) the time, or sequence, in which the funds involved in the round trip financing are transferred or received; or

(C) the means by, or manner in, or mode through, which funds involved in the round trip financing are transferred or received.

(3) For the purposes of this Chapter, a party to an arrangement shall be an accommodating party, if the main purpose of the direct or indirect participation of that party in the arrangement, in whole or in part, is to obtain, directly or indirectly, a tax benefit (but for the provisions of this Chapter) for the assessee whether or not the party is a connected person in relation to any party to the arrangement.

(4) For the removal of doubts, it is hereby clarified that the following may be relevant but shall not be sufficient for determining whether an arrangement lacks commercial substance or not, namely:—

(i) the period or time for which the arrangement (including operations therein) exists;
(ii) the fact of payment of taxes, directly or indirectly, under the arrangement;
(iii) the fact that an exit route (including transfer of any activity or business or operations) is provided by the arrangement.'

Consequences of impermissible avoidance arrangement.

98. (1) If an arrangement is declared to be an impermissible avoidance arrangement, then, the consequences, in relation to tax, of the arrangement, including denial of tax benefit or a benefit under a tax treaty, shall be determined, in such manner as is deemed appropriate, in the circumstances of the case, including by way of but not limited to the following, namely:—

(a) disregarding, combining or recharacterising any step in, or a part or whole of, the impermissible avoidance arrangement;



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(b) treating the impermissible avoidance arrangement as if it had not been entered into or carried out;

(c) disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;

(d) deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;

(e) reallocating amongst the parties to the arrangement—

(i) any accrual, or receipt, of a capital nature or revenue nature; or

(ii) any expenditure, deduction, relief or rebate;

(f) treating—

(i) the place of residence of any party to the arrangement; or

(ii) the situs of an asset or of a transaction,

at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement; or

(g) considering or looking through any arrangement by disregarding any corporate structure.

(2) For the purposes of sub-section (1),—

(i) any equity may be treated as debt or vice versa;

(ii) any accrual, or receipt, of a capital nature may be treated as of revenue nature or vice versa; or

(iii) any expenditure, deduction, relief or rebate may be recharacterised.

……

Definitions

102. In this Chapter, unless the context otherwise required,--

……..

(10) "tax benefit" includes,—

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(a) a reduction or avoidance or deferral of tax or other amount payable under this Act; or
(b) an increase in a refund of tax or other amount under this Act; or
(c) a reduction or avoidance or deferral of tax or other amount that would be payable under this Act, as a result of a tax treaty; or
(d) an increase in a refund of tax or other amount under this Act as a result of a tax treaty; or
(e) a reduction in total income; or
(f) an increase in loss,
in the relevant previous year or any other previous year;"

The Finance Act, 2013 only codified GAAR, which have evolved and been applied by Courts over years. The GAAR provisions incorporated in the Act and applicable from financial year 2017-18, enable the Revenue to disregard or restructure a transaction, only if the main purpose of the transaction / arrangement is to obtain tax benefit and such transaction:

- creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length ("**Arm's Length Test**");
- results, directly or indirectly, in the misuse or abuse of the provisions of this Act ("**Misuse or Abuse Test**");
- lacks commercial substance or is deemed to lack commercial substance, in whole or in part ("**Commercial substance Test**"); or
- is entered into or carried out, by means or in a manner which are not ordinarily employed for bonafide purposes ("**Bonafide Purpose Test**"). [refer: section 96]

Further, in terms of section 97 of the Act a transaction is deemed to lack "commercial substance" in the following circumstances:

- substance or effect of the arrangement as a whole, is inconsistent with, or differs significantly from the form of its individual step or a part; or
- it involves or includes –
  - ✓ round trip financing;

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- ✓ an accommodating party;
- ✓ elements that have effect of offsetting or cancelling each other; or
- ✓ a transaction which is conducted through one or more persons and disguises value, location, source, ownership, or control of funds which is the subject matter of such transaction; or

- it involves the location of an asset or of a transaction or of the place of residence of any party which would not have been so located for any substantial commercial purpose other than obtaining a tax benefit for a party; or
- it does not have a significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the tax benefit that would be obtained. Copy of the cash flow statement was attached as Annexure B vide response dated 12.02.2024.

For applicability of GAAR, any of the conditions laid down above in section 96(1) read with section 97 of the Act, coupled with the test that the main purpose of the arrangement is to obtain tax benefit, is required to be satisfied to treat the arrangement as "impermissible avoidance arrangement" and to consequentially disregard the same.

In the case of **Rogers Enterprises (2015) Inc And Her Majesty The Queen : 2020 TCC 92**, the Tax Court of Canada ruled that for applicability of GAAR, existence of tax benefit resulting from a transaction based on misuse/abuse of a statutory or treaty provision is essential; for abuse or misuse, the transaction must frustrate or defeat or circumvent the object, spirit or purpose of the relevant income tax provisions conferring the tax benefit.

Section 98 lists out the consequences of an impermissible avoidance arrangement.



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The consequences are broad and far reaching. Section 98(1) of the Act states that if an arrangement is considered to be an impermissible avoidance arrangement, the consequences, in relation to tax, of that arrangement, including the denial of a tax benefit or the benefit under a Double Taxation Avoidance Agreement (DTAA or tax treaty), shall be determined in such manner, as may be deemed appropriate, in the circumstances of the case, including by way of, but not limited to the following:

(a) disregarding, combining or recharacterising any step in, or a part or whole of, the impermissible avoidance arrangement;

(b) treating the impermissible avoidance arrangement as if it had not been entered into or carried out;

(c) disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;

(d) deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;

(e) reallocating receipts or expenditure (capital or revenue) amongst the parties to the arrangement;

(f) treating the place of residence of any party to the arrangement; or the situs of an asset or of a transaction, at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement;

(g) considering or looking through any arrangement by disregarding any corporate structure.

<u>Re: GAAR provisions not applicable since no tax benefit derived by the Assessee by incorporating the company in Mauritius</u>

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It is respectfully submitted that incorporation of the assessee and subsequent transaction of purchase of shares of VEDL and consequent receipt of dividends cannot be regarded as impermissible avoidance arrangement within the meaning of section 96 of the Act, considering that – (i) there is no tax benefit derived by the Assessee by incorporating the company in Mauritius; (ii) The investment by the assessee in VEDL is for bonafide commercial business reasons and thus, not for the purpose of any tax benefit; (iii) The assessee is the beneficial owner of the dividend income since it has (a) exclusive possession and control over the dividend income received from its investment; (b) freedom to utilize the income received at its sole and absolute discretion, unconstrained by any contractual, legal, or economic arrangements with any other third party. In particular, the assessee has no obligation to pass on the dividend income to any third person.

Re: Applicability of clause (a) of section 96(1) ~ Arm's Length Test

As stated supra, clause (a) of section 96(1) of the Act provides that an arrangement would fall in the category of impermissible avoidance arrangement if it creates rights or obligations which are not ordinarily created between parties dealing at arm's length.

In the present case, the following facts cumulatively establish, without any doubt whatsoever, that the entire transaction did not fall foul of the Arm's Length Test–

(a) The assessee was incorporated to acquired shares of VEDL during delisting offer. Once the delisting failed, the assessee acquired the shares of VEDL through bulk deals on the Indian stock exchange

(b) The shares acquired by the assessee were at the prevailing market price on the Indian stock exchange

(c) The funds were raised by the assessee from Oak Tree and other group companies at arm's length

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(d) subsequently, dividends were paid by VEDL to all its shareholders including the assessee in accordance with the provisions of the Companies Act, 2013.

Re: Applicability of clauses (b) and (d) of section 96(1) ~ Misuse or Abuse Test/ Bonafide Purpose Test

As elaborately explained in supra, incorporation of the assessee, purchase of shares of VEDL and subsequent receipt of dividends did not result in misuse / abuse of any of the provisions of the Act so as to be covered in clause (b) of section 96 thereof. Further, the bonafide of the transactions cannot be called in question considering the following:

- To raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan.

- Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee on 29.06.2020.

- Since TSH had already borrowed funds and was also a guarantor (explained supra) on different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from Oak Tree for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and had not issued any guarantee since the

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precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender.

- In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum.

- the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder

The fact that as a result of acquisition of shares of VEDL, the assessee is able to claim a concessional rate on taxability of dividends should not be a ground to hold that the said transaction of receipt and taxability of dividends is sham / collusive / device to defraud the Revenue.

It is reiterated that the Supreme Court in the case of **Vodafone Holdings BV vs. UOI (SC)** observed that it is a common practice for foreign investors to invest in Indian companies through foreign subsidiaries set up in foreign jurisdictions for business purposes; in doing so, foreign investors are able to avoid the lengthy approval and registration processes.

With regard to establishing a company in tax friendly jurisdiction, the Delhi High Court in the case of **Tiger Global International III Holdings** (supra) held as under:

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*"**N. INTERNATIONAL PERSPECTIVES ON TREATY SHOPPING***

201. Having reviewed the Indian position, we then deem it apposite to briefly dwell upon the international perspectives pertaining to treaty shopping. Action 6 of the BEPS Action Plan was principally concerned with the development of treaty provisions which would prevent the extension of benefits in inappropriate circumstances.

Action 6 was responsible for the adoption of measures such as LOB clauses in treaties and the evolution of the PPT. As is evident from a reading of the OECD Commentary on Article 29 and which deals with Entitlement to Benefits, treaties incorporate disentitlement provisions to deprive persons who are otherwise not entitled to treaty benefits and who may adopt indirect methods to avail of those benefits and thus violate the bilateral and reciprocal understanding of Contracting States and which constitutes the foundation of all conventions. However, even the Commentary recognises and acknowledges the establishment of an entity for legitimate business reasons. It goes on to explain that where entities resident in a Contracting State undertakes business activities in that State, it would be inappropriate to characterize its activities as constituting treaty shopping. Cadbury Schweppes is yet another decision which holds that the mere establishment of a subsidiary in a favourable tax location would not in itself or per se amount to treaty shopping. It cautions against the adoption of a test which may amount to a "general presumption" of tax evasion or avoidance. Cadbury Schweppes lays emphasis on the charge of abuse or fraudulent conduct being based on objective evidence that may obtain in the facts of a particular case.

202. This decision, too thus reinforces our view that there cannot be an assumption of treaty shopping or abuse merely because a subsidiary or a related entity is established in a tax friendly jurisdiction. An allegation of abuse or fraudulent conduct would ultimately depend upon cogent material and evidence that may be found to exist in a particular case. In any case, the Revenue would be wholly unjustified in basing that view on a hypothetical and initial presumption. Each case would thus have to be tested on the basis of facts which obtain and which require the Revenue to examine and ascertain whether actual and tangible business activity was

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undertaken by such an entity. What treaties abhor are artificial arrangements and those which fail to pass the test of economic reality.

203. Similar was the view expressed in Burlington and which was a tax convention case where the Court held that the guiding principle should be that of denial of treaty benefits where it be found that the main purpose of entering into a transaction was to secure a ―more favourable tax position‖ and where that favourable treatment would be "contrary to the object and purpose of the relevant provisions". Thus, the quest or search for a more favourable tax position would result in a disentitlement only if it were found that the extension of that benefit would be contrary to the underlying spirit of the treaty and its avowed objectives. Burlington too frowns upon abusive arrangements and transactions which fail to satisfy the economic substance test.

204. The position which thus emerges is that authorities across various jurisdictions appear to have taken the consistent position of treaty benefits being liable to be denied in cases where fraud is sought to be perpetrated, where the transaction is a mere sham, entities are mere dummies and have come to be created to merely act as conduits and where the extension of benefits would be contrary to the object and purpose of the treaty itself. However, a conclusion in that respect cannot be based on some unstated presumption of invalidity or founded upon a failure to holistically examine the transaction as a whole and the Revenue coming to the irresistible and justifiable conclusion that the sole intent of the transaction was to evade taxes, perpetuate an illegality and to obtain an inappropriate advantage. A finding based on objective evidence that the activity would fall in the category of an abusive transaction would constitute a sin qua non and a legal imperative before denial of benefits or the rendering of a verdict of disentitlement."

It is an accepted fact that the group structure with its headquarters in UK has been present for more than 20 years with operating companies in various countries including India. The department, cannot, in our respectful submission, caste

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baseless allegations to disregard the accepted shareholding structure so as to invoke the provisions of GAAR and deny treaty benefits to the assessee.

Re: Applicability of clause (c) of section 96(1) ~ Commercial substance Test

Clause (c) of section 96(1) of the Act states that an arrangement would be an impermissible avoidance arrangement if the same lacks commercial substance. Thus, "commercial substance" is the pivot on which the provisions of GAAR revolves. Although, section 97 prescribes transactions which would be deemed to be lacking commercial substance, but the phrase "commercial substance" has not been defined in the Act; the said phrase, in our submission, could deem a transaction as impermissible which is not commercially prudent or would not have been entered into between unrelated parties in normal/ordinary circumstances.

The Revenue cannot question the prudence of commercial expediency of the decision of the assessee and Vedanta group to incorporate the assessee and purchase the shares of VEDL; it is the sole prerogative of the assessee as the transaction is within the four corners of the law.

In the case of **CIT vs M/s Parry and Company Ltd** (supra), the High Court has held that – "***when the transaction is within the parameters of law, then the Income Tax Authorities cannot enter into the shoe of the assessee to decide the prudence of commercial expediency of a particular transaction."***

The incorporation of the assessee, funds raised by way of loans which were used for purchasing the shares of VEDL and subsequent receipt of dividends which was taxable as concessional rate under Article 10 of the DTAA were based on sound commercial principles. The said transactions, being legitimate business arrangements, having no disguised purpose/ element involved therein, cannot, it

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can, in our submission be said to have been undertaken solely for the purpose of achieving the tax benefit; the tax benefit (if any) is only incidental thereto.

In this regard, it may be noted that an assessee is free to conduct business in a manner most conducive/ advantageous to the assessee. The Revenue cannot step into the shoes of the businessman and determine as to how the business ought to have been carried out. In simple words, it is entirely the choice of an assessee to determine as to in what manner business is to be run; transactions are to be undertaken, to carry on the business in an efficient and profitable manner.

Reference can be made to the decision of **the Supreme Court in the case of Eastern Investment Ltd. vs. ITO 20 ITR 1** (SC), wherein it was observed that, "*there are usually many ways in which a given thing can be brought about in business circles but it is not for the Court to decide which of them should have been employed when the Court is deciding a question under Section 12(2) of the Income-tax Act.*"

The Courts have repeatedly held that in applying the test of commercial expediency for determining whether the expenditure was wholly and exclusively laid out for the purpose of business, reasonableness of the expenditure has to be judged from the point of view of the businessman and not of the Revenue. Reference in this regard is invited to the following decisions of the apex Court:

- CIT vs. Malayalam Plantations Limited: 53 ITR 140 (SC)
- CIT v. Walchand & Co. etc. (1967) 65 ITR 381
- J K Woollen Manufacturers v. CIT: 72 ITR 612(SC)
- CIT v. Birla Cotton Spg. And Wvg. Mills Ltd.: 82 ITR 166 (SC)
- Madhav Prasad Jatia v. CIT U.P.: 118 ITR 200 (SC)
- S.A. Builders Ltd. vs. CIT : 288 ITR 1 (SC)

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The freedom available to carry on business in a manner most conducive to the assessee is, however, not unfettered. The assessee cannot, under the shield of such freedom, for instance, carry out transaction(s) which are sham, bogus or device to evade tax. So long as the transaction is within the framework of law, the Revenue has no authority in law to re-write the transaction, notwithstanding that the transaction may result in mitigation of tax liability.

Useful reference in this regard may be made to the decision of the Supreme Court in the case of **Vodafone International Holdings B.V (supra),** wherein the apex Court after considering the jurisprudence that has developed in India and England over the years on the issue of tax avoidance and tax evasion, permissible and impermissible transaction, sham, bogus and colourable devices, held that on application of judicial anti-avoidance rule, the Revenue may, in the facts of a given case, invoke the "substance over form" principle or "piercing the corporate veil" test and disregard the transaction/structure, if there is abuse of organization/legal form without reasonable business purpose, which results in tax avoidance.

The Supreme Court further held that the onus would be on the Revenue to identify the scheme and its dominant purpose. It was observed that the corporate business purpose of a transaction is evidence of the fact that the transaction is not undertaken as a colourable or artificial device; conversely, the stronger the evidence of a device, still stronger corporate business purpose must exist to overcome such evidence. The relevant findings of the Supreme Court read as follows:

> *""……. The concept of GAAR is not new to India since India already has a judicial anti-avoidance rule, like some other jurisdictions. Lack of clarity and absence of appropriate provisions in the statute and/or in the treaty regarding the circumstances in which judicial anti-avoidance rules would apply has generated litigation in India.*

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> *…… In the application of a judicial anti-avoidance rule, the Revenue may invoke the "substance over form" principle or "piercing the corporate veil" test only after it is able to establish on the basis of the facts and circumstances surrounding the transaction that the impugned transaction is a sham or tax avoidant.*
>
> *To give an example, if a structure is used for circular trading or round tripping or to pay bribes then such transactions, though having a legal form, should be discarded by applying the test of fiscal nullity. Similarly, in a case where the Revenue finds that in a Holding Structure an entity which has no commercial/business substance has been interposed only to avoid tax then in such cases applying the test of fiscal nullity it would be open to the Revenue to discard such inter-positioning of that entity. …… In short, the onus will be on the Revenue to identify the scheme and its dominant purpose. The corporate business purpose of a transaction is evidence of the fact that the impugned transaction is not undertaken as a colorable or artificial device. The stronger the evidence of a device, the stronger the corporate business purpose must exist to overcome the evidence of a device…"*
>
> (emphasis supplied)

The apex Court further observed, as under:

> *"…… In transnational investments, the use of a tax neutral and investor-friendly countries to establish SPV is motivated by the need to create a tax efficient structure to eliminate double taxation wherever possible and also plan their activities attracting no or lesser tax so as to give maximum benefit to the investors. Certain countries are exempted from capital gain, certain countries are partially exempted and, in certain countries, there is nil tax on capital gains. Such factors may go in creating a corporate structure and also restructuring. ……*
>
> *79…… Courts have evolved doctrines like piercing the corporate veil, substance over form etc. enabling taxation of underlying assets in cases of fraud, sham, tax avoidant, etc. However, genuine strategic tax planning is not ruled out."* (emphasis supplied)

In essence, the Supreme Court held that if the arrangement, re-organization, restructuring, etc. are undertaken for sound commercial and legitimate tax planning reasons, then, the same could not be disregarded by the Revenue. Thus,

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so long as the sole motive of the transaction is not to avoid tax, which otherwise does not lack business / commercial substance, the same cannot be interfered with.

The basic principle that the tax authorities have no mandate to re-write/re-characterize the transaction unless the same is found to be sham or bogus is also applicable to fiscal statutes and should be applicable to GAAR provisions inserted in the Act, which have come into effect from previous year commencing 1.4.2017.

Reference is made to the comments of the Expert Committee (2012) chaired by Dr. Parthasarathi Shome. Evaluating the nuances of GAAR provisions, the Expert Committee noted in the "Background" on page 16 of the "*Final Report on General Anti Avoidance Rules (GAAR) in Income-tax Act, 1961*" ("**Final Report**") that intention of the Legislature while introducing the provisions of GAAR was to prevent aggressive tax avoidance, instead of curbing tax mitigation / planning, in the following words :

> ***" 1.2 Background***
>
> **……**
>
> *With this backdrop, there useful points may be noted –*
> ***The Indian government (henceforth Govt.) has no problem with tax mitigation by which is implied the use of tax incentives in not only a legal, but also transparent, manner by means of legitimate tax planning with the objective of achieving what tax professionals term "tax efficiency". Instead, Govt's intention is to target tax avoidance which is technically legal (in that it is not evasion which is illegal) but may represent tax planning with the sheer objective of obtaining a tax benefit without any supporting justification in terms of commercial, economic, or business purpose****. The determination of this separation of objectives comprises a crucial challenge in modern global practices in designing complex corporate structures with good or bad motives….."* (emphasis supplied)

On page 19 of the Final Report, the Expert Committee has brought about the



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difference between tax mitigation, tax evasion and tax avoidance and has re-iterated that tax mitigation by complying to the conditions of tax legislation is allowable under the tax statute, in the following words :

> ***"Tax Evasion, Tax Mitigation and Tax Avoidance***
> ***Tax mitigation is a situation where the taxpayer uses a fiscal incentive available to him in the tax legislation by submitting to the conditions and economic consequences that the particular tax legislation entails. An example of tax mitigation is the setting up of a business undertaking by a taxpayer in a designated area such as a Special Economic Zone (SEZ). In such a case the taxpayer is taking advantage of a fiscal incentive offered to him in the SEZ provisions in the Income-tax Act e.g., setting up the business only in the SEZ areas and exporting from the SEZ area. Tax mitigation is, thus, allowed under the tax statute.***
> *Tax avoidance, on the other hand, is by and large not defined in taxing statutes. Tax avoidance is, nevertheless, the outcome of actions taken by the assessee, none of which or no combination of which is illegal or forbidden by the law as such. International literature, on the subject tends to describe it as:*
>
> - *Tax avoidance involves the legal exploitation of tax laws to one's own advantage.*
> - *Every attempt by legal means to prevent or reduce tax liability which would otherwise be incurred, by taking advantage of some provisions or lack of provisions in the law…it presupposes the existence of alternatives, one of which would result in less tax than the other… except where the taxpayer adopts the same course for business or personal reasons.*
> - *An arrangement entered into solely or primarily for the purpose of obtaining a tax advantage……"*

By way of below example in the Final Report, the Expert Committee has clearly explained the taxpayer's right to select the most efficient jurisdiction:-

> *"Example -18:*
>
> ***Facts:***
>
> *A company "A" in country F6, a company "B" in country F7 and a*

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company "C" in country F8 pool their resources and form a special purpose vehicle (SPV) as a company N situated in country F1 which has a provision of residence based taxation of capital gains in its tax treaty with India.

N further invests the funds in equities in India and earns capital gains. The taxpayer claims that –

(i) as SPV, a neutral jurisdiction was needed and, after exploring various options, country F1 was selected;

(ii) it is easy to incorporate a company in F1; it is easy to operate; cost of compliance is low; and it is easy to migrate;

(iii) there is no tax liability in country F1;

(iv) the treaty network of country F1 protects investments and also saves taxes in jurisdictions including India.

Can GAAR be invoked in such a case?

Interpretation:

The arrangement results into a significant tax benefit to the investors by routing their investments through country F1. Can it be said that obtaining tax benefit in India is the main purpose of the arrangement? ***Given the facts, it may be held that forming an SPV in an efficient jurisdiction was the main purpose of the arrangement and obtaining tax benefit was not the main purpose of the arrangement.***

Hence, the Revenue would not invoke GAAR with regard to this arrangement."

In the case of **The Queen vs. Canada Trustco Mortgage Company :2005 SCC**

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54, the Supreme Court of Canada held that despite the enactment of GAAR within the statute, it was imperative for the Court to adopt an interpretation which resulted into "consistent, predictable and fair results". Dealing with the claim of tax authorities to apply GAAR on tax deferral benefits obtained by the tax-payer by adopting a "sale and lease-back" transaction, the Court extensively examined the principle of literal interpretation of fiscal statutes and also noted the fact that the principle laid down in the case of IRC v. Duke of Westminster [1936] AC 1 by House of Lords, viz. " *Every man is entitled, if he can, to order his affairs so that the tax attaching under the appropriate Acts is less than it otherwise would be*", was still applicable. Noting the setting of enactment of GAAR, explanatory notes to the legislation and despite acknowledging that "*the GAAR's purpose is to deny the tax benefits of certain arrangements that comply with a literal interpretation of the provisions of the Act, but amount to an abuse of the provisions of the Act*", the Court went on to reject the projection of the tax-administration. The Canadian Supreme Court, *inter alia*, observed as under:

> *"1 ....* ***The Act continues to permit legitimate tax minimization; traditionally, this has involved determining whether the taxpayer brought itself within the wording of the specific provisions relied on for the tax benefit. Onto this scheme, the GAAR has superimposed a prohibition on abusive tax avoidance, with the effect that the literal application of provisions of the Act may be seen as abusive in light of their context and purpose. The task in this appeal is to unite these two approaches in a framework that reflects the intention of Parliament in enacting the GAAR and achieves consistent, predictable, and fair results.*** *……..*
>
> *41 ....* ***The courts cannot search for an overriding policy of the Act that is not based on a unified, textual, contextual, and purposive interpretation of the specific provisions in issue. First, such a search is incompatible with the roles of reviewing judges.*** *The Income Tax Act is a compendium of highly detailed and often complex provisions.* ***To send the courts on the search for some overarching policy and then to use such a policy to override the wording of the provisions of the Income Tax Act would inappropriately place the formulation of taxation policy in the hands of the judiciary, requiring judges to perform a task to***

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> ***which they are unaccustomed and for which they are not equipped.*** *Did Parliament intend judges to formulate taxation policies that are not grounded in the provisions of the Act and to apply them to override the specific provisions of the Act? Notwithstanding the interpretative challenges that the GAAR presents, we cannot find a basis for concluding that such a marked departure from judicial and interpretative norms was Parliament's intent.*
>
> *42.* ***Second, to search for an overriding policy of the Income Tax Act that is not anchored in a textual, contextual, and purposive interpretation of the specific provisions that are relied upon for the tax benefit would run counter to the overall policy of Parliament that tax law be certain, predictable, and fair, so that taxpayers can intelligently order their affairs. Although Parliament's general purpose in enacting the GAAR was to preserve legitimate tax minimization schemes while prohibiting abusive tax avoidance, Parliament must also be taken to seek consistency, predictability, and fairness in tax law****. These three latter purposes would be frustrated if the Minister and/or the courts overrode the provisions of the Income Tax Act without any basis in a textual, contextual and purposive interpretation of those provisions*." (emphasis supplied)

Having held so, the Canadian Supreme Court went on to vindicate the tax-payer's stand by declaring that the "*Parliament intends taxpayers to take full advantage of the provisions of the Act that confer tax benefits. Parliament did not intend the GAAR to undermine this basic tenet of tax law*".

In the case of Canada *vs.* Alta Energy Luxembourg S.A.R.L.: 2021 SCC 49 (supra), the majority of the Supreme Court laid down the principles, for invoking GAAR for denying Tax Treaty benefit to a structure, in the following terms:

> *"The GAAR acts as a legislative limit on both tax certainty and the well accepted principle that taxpayers are entitled to arrange their affairs to minimize the amount of tax payable. It bars abusive tax avoidance transactions, including those in which taxpayers seek to obtain treaty benefits that were never intended by the contracting states, but it cannot be used to fundamentally alter the criteria under which a person is entitled to the benefits of a treaty. Applying the GAAR involves a three part process meant to determine: (1) whether there is a tax benefit arising from a*

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transaction; (2) whether the transaction is an avoidance transaction; and (3) whether the avoidance transaction is abusive. To determine whether a transaction is abusive, the Court has set out a two step inquiry. Under the first step, the provisions relied on for the tax benefit are interpreted to determine their object, spirit, and purpose. In cases of treaty interpretation, this must be done with a view to implementing the true intention of the parties. Under the second step, a factual analysis determines whether the avoidance transaction at issue frustrates the object, spirit, and purpose of the provisions."

As stated above, "commercial substance" is the pivot on which provisions of GAAR resolves. So long as the transaction is within the framework of law, having "commercial substance" (than merely/ mainly to avoid payment of taxes), the authorities have no right to re-write the transaction, notwithstanding that the transaction may result in mitigation of tax liability.

Reference, in this regard may be made to the decision of the **Delhi High Court** in the case of **CIT v. EKL Appliances Ltd. 345 ITR 241**wherein, the Court, in the context of transfer pricing provisions, frowned upon re-characterization of the transaction, inter-alia, observing as under:

> "*The significance of the guidelines of OECD lies in the fact that they recognize that barring exceptional cases,* ***the tax administration should not disregard the actual transaction or substitute other transactions for them and the examination of a controlled transaction should ordinarily be based on the transaction as it has been actually undertaken and structured by the associated enterprises****. It is of further significance that the guidelines discourage restructuring of legitimate business transactions. The reason for characterization of such restructuring as an arbitrary exercise, as given in the guidelines, is that it has the potential to create double taxation if the other tax administration does not share the same view as to how the transaction should be structured*."

The aforesaid test was reiterated by the same Court in the case of **Pr. CIT vs. Kusum Healthcare Pvt. Ltd.**: [2017] 398 ITR 66 (Del).



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Support for the aforesaid maybe derived from the FAQs issued by CBDT vide Circular No. 7 of 2017 dated 27th January 2017 which, *inter alia*, provides as under:

> *"Question no. 3: Will GAAR interplay with the right of the taxpayer to select or choose method of implementing a transaction?*
> *Answer:* ***GAAR will not interplay with the right of the taxpayer to select or choose method of implementing a transaction****. ....."*(emphasis supplied)
>
> *Question no. 4: Will GAAR provisions apply where the jurisdiction of the FPI is finalised based on non-tax commercial considerations and such FPI has issued Pnotes referencing Indian securities?* ***Further, will GAAR be invoked with a view to denying treaty eligibility to a Special Purpose Vehicle (SPV), either on the ground that it is located in a tax friendly jurisdiction or on the ground that it does not have its own premises or skilled professional on its own roll as employees?***
>
> ***Answer: For GAAR application, the issue, as may be arising regarding the choice of entity, location etc., has to be resolved on the basis of the main purpose and other conditions provided under section 96 of the Act. GAAR shall not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.*** *If the jurisdiction of FPI is finalized based on non-tax commercial considerations and the main purpose of the arrangement is not to obtain tax benefit, GAAR will not apply."*

Attention is also invited to the following illustrations given in the Final Report by the Expert Committee as a guide to the overall intent of GAAR, which would be relevant to the facts of the present case. The relevant excerpts of the said illustrations are, for the sake of ready reference, reproduced as under:

> "*Example-3*
> ……..
> ***Interpretation:***
> *As regards setting off of losses,* ***the provisions*** *relating to merger and amalgamation already* ***contain specific anti-avoidance safeguards. Therefore,*** ***GAAR would not be invoked when SAAR is applicable****.*
> …….. ……..

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Example -9: Facts: A company sets off losses in the stock market against gains which is aimed at balancing the portfolio.
Interpretation: Sale/purchase through stock market transactions would not come under GAAR provisions. ***Moreover, timing of a transaction by a taxpayer would not be questioned under GAAR.*** ……..

In the instant case, the entire transaction should not be questioned under GAAR since it has been undertaken for Bonafide business purpose.

Having regard to the above, in the present case, the entire arrangement was legitimate/ genuine and backed by commercial prudence and does not specifically fall under any of the four clauses of section 96(1) of the Act, for the reasons elaborately discussed supra, the applicability of GAAR provisions should, in our respectful submission, stand ousted.

In view of the above, incorporation of the assessee and the subsequent transactions should not be held to lack commercial substance and therefore, the arrangement should not be held to be an impermissible avoidance arrangement under section 96 of the Act.

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Rebuttal to the allegations raised vide show cause notice dated 10.01.2025

Re (1) : The assessee did not furnish any diligence report for the purpose of investment, any explanation with regard to the flow of decision making as to how the quantum of purchase/sale of shares is decided [Para 3.3.4.3, Page 9 of the SCN]

For the past 2 decades, the majority shareholding of the group in VEDL has been held through TSH, Mauritius. At the time of establishing TSH, a detailed feasibility analysis/ study was undertaken and the commercial reason for establishing the company in Mauritius is hereunder:

- Mauritius is a business friendly jurisdiction and has a stable regulatory and financial environment that makes investing and conducting business relatively simple and easy
- Mauritius has a large pool of highly literate, comparatively low-cost and multi-lingual workforce as compared to some other jurisdictions;
- Mauritius provides ease of doing business and state-of-the-art infrastructure;
- Mauritius has good and stable banking system and availability of finance at lower rates

In order to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a Special Purpose Vehicle (SPV). The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee on 29.06.2020.

If the purpose of the assessee was to avail benefit of the DTAA then the

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shares of VEDL would have been purchased by TSH instead of the assessee which was in existence for more than 20 years. It was due to commercial considerations viz, raising of funds from third parties that the assessee was incorporated to purchase the shares of VEDL.

As explained in detail (supra) the board of directors of the assessee passed a board resolution determining when the shares are to be purchased and quantum of the shares to be purchased. Copy of the Minutes of the resolutions have been filed before your goodself. On perusal of the same, it is evident that each transaction for sourcing of funds and investments in shares of VEDL was discussed and deliberated. A snapshot of the purchase of shares of VEDL is as under:

Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Source of investment	Remarks
23.12.2020	18,50,00,000	4.98	160	Loan form Oaktree	Acquired from market under bulk deal consequent to the Loan agreement with Oak Tree
15.04.2021	2,54,45,341	0.68	235	Loan form Oaktree	Acquired through open offer

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16.12.2021	17,01,16,200	4.58	352.7	Loan form FCIL	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Loan form FCIL	Acquired from FICL
23.12.2021	4,43,43,139	1.19	340.4	Loan form FCIL	Acquired from Westglobe
Total	**49,28,20,420**	**13.26**			

Further, each and every decision has been discussed in detail by the board of the assessee which is evidenced by the minutes of the board meetings placed before your gooself. A summary of specimen minutes of the meeting is as under:

- *Written resolutions, read and approved by the director on this 13th Day of October 2020 in accordance with section 7 of the eight schedule of the companies act 2001 wherein on seeking* ***Loan from Twin Star Holding Limited*** *from it was resolved that:*

  – the terms and conditions of the Loan Agreement been approved and any one Director be authorized to sign the said Agreement and any other related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and
  – Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

- *Written resolutions, read and approved by the director on this 13th Day of October 2020 in accordance with section 7 of the eight schedule of the companies act 2001 wherein on grant of* ***Loan to Vedanta Resources Holding Limited*** *it was resolved that:*

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- the terms and conditions of the Loan Agreement been approved and any one Director be authorized to sign the said Agreement and any other related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and
- Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

- *Written resolutions of the directors of assessee* ***read and approved by directors on this 24 December 2020*** *in accordance with section 7 of the eight schedule of the companies act 2001 wherein it was resolved that:*

  - The acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited be approved;
  - Any one Director of the Company be authorized to execute singly on the abovementioned disclosures and all the necessary agreements/documents and complete the documentation for acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited; and
  - Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited.

- *Minutes of the proceedings of the board meeting of assessee held on* ***16 April 2021 at 13.45*** *P.M. by conference on telephone wherein it was resolved that:*

  - the Company had opened a custody and demat account in India in order to facilitate the Voluntary Open Offer (VOO), being subscribed by Vedanta



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Resources Limited ("VRL"), a company incorporated in the United Kingdom and the ultimate parent company of the Company.

- VRL along with Twin Star Holdings Limited ("PAC 1"), Vedanta Holdings Mauritius Limited ("PAC 2") and the Company ("PAC 3"), acting in concert with VRL, had made a Voluntary Open Offer in accordance with Takeover Regulations of Securities and Exchange Board of India (SEBI), for the acquisition of up to 651,000,000 equity shares of Vedanta Limited ("Equity Shares"), representing 17.51% of the voting share capital of Vedanta Limited ("VEDL") at a price of INR 235 (Indian Rupees Two Hundred Thirty- Five only) per Equity Share ("Open Offer")
- Pursuant to the VOO, it was proposed that PAC 1, PAC 2 and PAC 3 acquire 241,443,115 Equity Shares, 107,342,705 Equity Shares and 25,445,341 Equity Shares, respectively, on 16 April 2021.

- *Minutes of the proceedings of the board meeting of assessee held **on 15 July 2021 at 15.00 p.m.** by conference on the telephone wherein it was unanimously resolved that:*
  - the Company had entered into a Loan Agreement with Twin Star Holdings Ltd \for an aggregate facility amount of USD 400 million at an interest rate of 8.03% per annum, of which USD 100 million has been drawn as on date of the Agreement.

  - Twinstar shall absolutely assign to VRL, all of its receivables, rights and obligations and VRL agrees to assume all the receivables, rights and obligations as a Lender under the Loan Agreement;

  - The Company acknowledges that all of its obligations under the Loan Agreement will be payable by VRL, and VRL acknowledges that the

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further drawdowns available to the Company shall now be undertaken by VRL.

- *Written resolutions, read and approved by the director* ***on this 15th Day of December 2021*** *in accordance with section 7 of the eight schedule of the companies act 2001 wherein seeking* ***loan from Finsider International Company Limited*** *it was resolved that:*

  – the terms and conditions of the Loan Agreement be approved and any one Director be authorized to sign the said Agreement and any other related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and
  – Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

Re (2) Several employees of different entities of Vedanta group were authorized signatories to the bank account [Para 3.3.4.1, Page 10 of the SCN]

Instruction for sale of shares (of VEDL) by Finsider (as well as Westglobe Limited) and for purchase of shares (of VEDL) by VHM is given to the broker by the same person, i.e., Deepak Kumar on the same day for the same quantity of shares. Deepak Kumar is neither an employee, nor a director, nor a shareholder in the assessee company (similar the case being for Westglobe Limited). Between persons dealing at arm's length, instruction for a transaction on behalf an entity would not ordinarily be given by a person who is not a part of the entity. [Para 3.1.1, Page 9 of the SCN]

The Assessee Company is a part of Vedanta group and the group for its administrative convenience has arrangements for the group as a whole to process

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the approved payments via internet banking platform (IBP) in standard format. Decision to implement the administrative steps including raising funds from other group companies and supplementing it with borrowed funds from the lenders willing to lend to the Assessee Company (funds being the most important ingredient for a holding company) as also to invest the funds in acquisition of shares of Vedanta Ltd - a decision in line with the reason for incorporation of the Assessee Company - are decisions taken by the Board of the assessee Company in Mauritius. In the administrative tasks of implementing the decisions of the Board, that is placing orders with brokers for board approved investments, for taking Board approved payments in banking channel, group's employees employed in different entities of the group, both downstream and upstream of the Assessee Company are involved. This is cost effective, and enables good controls over execution of administrative tasks. The carrying out of administrative tasks is not indicative of the control being shifted by the assessee outside Mauritius. The core business of the assessee i.e. raising of funds and their deployment/investment are decided upon and mandated by the Board of directors of the assessee in Mauritius.

It is pointed out that the decision to acquire VEDL's shares has been taken by the board of the assessee and only administrative assistance in relation to execution of the acquisition of shares was done by Deepak Kumar which was delegated by the board of directors of the assessee pursuant to Para 3.3 of the board resolution dated 09.12.2021. **Copy of the board resolution dated 09.12.2021 is enclosed at pages 496-497 of the paperbook.**



Re (4): The assessee furnished the rationale that TSH was one of the guarantors and had restrictions placed on it due to which acquisition of stake by TSHL was not possible [Para 2, Page 4 of the SCN]

On 09.12.2020, VRL announced Bond offering of US$ 1 billion 13.875% Bonds due for maturity in January, 2024 and TSHL being one of the guarantors of the Bond issue. As per *Clause 3 – Covenants* of the Bond issue, covenants were attached which restricted the guarantor (TSHL) from availing any additional borrowings, creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness. In other words, TSHL was restricted from taking any additional borrowings, creating any mortgage, charge, pledge lien or any other form of encumbrance.

It is important to point out that since TSH had already borrowed funds and was also a guarantor (explained supra) on different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from Oak Tree for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender.

In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum.

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Re (5): By transfer of shareholding from UK to Mauritius, the parent company Finsider lowered its tax liability in India under India-UK DTAA (since dividend is taxable at the rate of 10% as per India-UK DTAA) and by acquiring 6.41% shareholding of VEDL (4.58% acquired on December 16, 2021 when Finsider sold the same percentage of shareholding on the same day and 1.83% acquired on December 21, 2021 when Finsider sold the same percentage of shareholding in the same day) the assessee company offers dividend for taxation at lower rate of 5% (as per India Mauritius DTAA), as against the 15% tax rate where the shareholding is less than 10%. [Para 3.3.1, 3.3.5.1, Page 9, 11 of the SCN]

The Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018. Further, the group also wished to consolidate its shareholding in Mauritius.

Additionally, as explained supra, the assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum. On receipt of the first installment of the loan facility, assessee was required to acquire at least 4.65 per cent but not more than 5 per cent of the shares of VEDL. Accordingly, assesse acquired 4.98 percent shares of VEDL on 24.12.2020. Thereafter, on receipt of subsequent loan installment, assessee was to ensure that at least 11.5 percent of the shares of VEDL are acquired by the assessee or FICL. Since the Vedanta group had been pursuing a process of corporate simplification, FICL shares were transferred to the assessee for completion of said corporate simplification (even though inter se) on the Indian stock exchange. For undertaking the said transaction, FICL entered into a loan agreement with the assessee in terms of which FICL granted a loan of USD 1.313 billion to the assessee. As per the terms of the Agreement, the loan granted by FICL shall be used by the assessee *"only for inter se share transfer of Vedanta Limited and to settle expenses incidental thereto".*

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Be that as it may, the apex Court in the case of **Vodafone Holdings BV vs. UOI: 341 ITR 1 (SC)** observed that it is a common practice for foreign investors to invest in Indian companies through foreign subsidiaries set up in Cayman Islands or Mauritius for both tax and business purposes; in doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. Accordingly, merely because the assessee purchased the shares of VEDL (a group company) from another group company (FICL) would not make the transaction sham/ devoid of merit moreso when the Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018.

It is trite that the assessing officer cannot sit in the armchair of businessman and decide what one has to do to maximize his profits. It is for the assessee to run the show and he is the best judge to manage the affairs of the business. The Revenue cannot step into the shoes of the businessman and determine as to how the business ought to have been carried out. In simple words, it is entirely the choice of an assessee to determine as to in what manner business is to be run; transactions are to be undertaken, to carry on the business in an efficient and profitable manner.

Reference may be made to the decision of the **Supreme Court** in the case of **Eastern Investment Ltd. vs. ITO 20 ITR 1** (SC), wherein it was observed that, "*there are usually many ways in which a given thing can be brought about in business circles but it is not for the Court to decide which of them should have*

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been employed when the Court is deciding a question under Section 12(2) of the Income-tax Act."

Reference may be made to following decisions where the Court, in context of applying the test of commercial expediency for determining whether the expenditure was wholly and exclusively laid out for the purpose of business, held that reasonableness of the expenditure has to be judged from the point of view of the businessman and not of the Revenue:

- CIT vs. Malayalam Plantations Limited: 53 ITR 140 (SC)
- CIT v. Walchand & Co. etc. (1967) 65 ITR 381
- J K Woollen Manufacturers v. CIT: 72 ITR 612(SC)
- CIT v. Birla Cotton Spg. And Wvg. Mills Ltd.: 82 ITR 166 (SC)
- Madhav Prasad Jatia v. CIT U.P.: 118 ITR 200 (SC)
- S.A. Builders Ltd. vs. CIT: 288 ITR 1 (SC)

In view of the above, the test of prudence is to be determined from the point of view of the businessman and not the income tax department and the assessing officer cannot seek to conduct business of an assessee by sitting on the armchair of the businessmen since the businessmen knows best how to do his business.

Therefore, the allegations levelled by the assessing officer lack merit and have no legs to stand on.

Re (6): The assessee stated that in the administrative tasks, group's employees employed in different entities of the group, both downstream and upstream of the Assessee company are involved. From your financial statements, it is observed that no such element of compensation/remuneration is involved for intra group services(IGS). This aspect points to obligations, tasks being carried out by upstream,

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downstream entities which are not ordinarily created between persons dealing at arm's length.

It is at the outset submitted that VRL has entered into a Services Agreement dated 20.05.2014 in terms of which VRL has availed the accounting function/ services of VEDL for VRL and its group companies. Under the said Agreement, the administrative services have been rendered by VEDL to the assessee and other group companies. For availing the said services, VEDL is remunerated USD 350,000 per year. **Copy of the Services Agreement dated 20.05.2014 is enclosed at pages 498-507 of the paperbook**

Re (7) You have high interest cost, interest income from related entities which is without any interest-rate benchmarking as per transfer pricing norms. The financial statements furnished by you do not point to any such arm's length benchmarking of interest expense, interest income.

At the outset, the assessee fails to understand as to how such allegation affects determination of the arrangement as described in the Notice as an 'Impermissible Avoidance Arrangement'

Be that as it may, it may be noted that the assessee has offered to tax dividend income on gross basis and no deduction of any expense has been claimed against the dividend income.

Even otherwise, the aforesaid allegation of assessing officer is incorrect inasmuch as all the inter company loans are computed at an at arm's length price basis the prevailing transfer pricing regulations of the respective country and it is trite that the financial statements of a company (including an Indian company) do not contain a bench marking analysis of a transaction subject to transfer pricing.

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Re (8): It is observed that initially in your case, the parent company was Vedanta Holdings Jersey Limited, which later on changed on Finsider International Company Limited. Please explain the rationale behind the change of parent company in your case

Due to internal restructuring and in order to better control and manage affairs of the group companies, the shareholding of the assessee was transferred from Vedanta Holding Jersey Ltd to Finsider International Company Limited.

Prayer

In case your goodself were to, for any reason whatsoever, not agree with the aforesaid written submissions, then, it is respectfully submitted that before taking any adverse view, the specific point of disagreement may kindly be intimated and thereafter, the assessee should be granted an opportunity of: (a) personal/ oral hearing; and (b) for filing further submissions on the said specific aspects and/ or any other issue that may be indicated by your goodself.

We trust our request shall be acceded to.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

-s/d
Neeraj Jain/ Anshul Sachar

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April 04, 2025

The Commissioner of Income Tax
International Taxation – 3
New Delhi - 110002

Dear Ma'am,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B [DIN: ITBA/COM/F/17/2024-25/1072089860(1)]

This is with reference to the notice dated 10.01.2025 issued by your Honour under section 144BA of the Act hearing dated 18.03.2025 wherein your goodself raised the certain queries and directed the assessee to explain as to why the arrangement cannot be described as an 'Impermissible Avoidance Arrangement' under the provisions of Chapter X-A of the Act:

1. Please furnish a detailed explanation (amount-wise) of the utilisation of the loan proceeds of USD 1313 million received from Finsider International Company Limited (FICL)

The assessee also entered into a loan agreement dated 15.12.2021 with FICL in terms of which FICL granted a loan of USD 1.313 billion to the assessee with interest rate @ LIBOR plus 3.75 percent per annum.

As per the terms of the Agreement, the loan granted by FICL shall be used by the assessee for purchasing the shares of Vedanta Limited on the Indian Stock Exchange. Copy of the loan agreement is enclosed as Annexure A to this submission.

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The aforesaid loan agreement was also approved by the board of directors of the assessee vide Board Meeting dated 15.12.2021.

The loans received by the assessee were utilised for purchasing the shares of VEDL from FICL and Westglobe through bulk deal on the Indian stock exchange the detail of which as under:

Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Remarks
16.12.2021	17,01,16,200	4.58	352.7	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Acquired from FICL
23.12.2021	4,43,43,139	1.19	340.4	Acquired from Westglobe

2. <u>Please explain the rationale behind the change of parent company from Vedanta Holdings Jersey Limited to Finsider International Company Limited</u>

Pursuant to the corporate simplification process, on 18.12.2020, the parent/holding company was changed from Vedanta Holdings Jersey Limited to Finsider, UK. Copy of Shareholders register of the assessee since incorporation is attached herewith as **Annexure B.**

3. <u>Furnish shareholding structure and details of the director for Vedanta Holding Jersey Limited</u>

In this regard, it is respectfully submitted that Vedanta Holding Jersey Limited is 100% direct subsidiary of VRL, UK.

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4. Copy of the Bond offering of US$ 1 billion @ 13.875% by VRL in which TSHL was one of the guarantors

Copy of Bond offering of US$ 1 billion @ 13.875% is attached herewith as **Annexure C.**

5. Capital gains tax earned by Finsider on sale of shares to the assessee

It is respectfully submitted that Finsider earned long term capital gain amounting to Rs. 105.23 crores on transfer of the shares of the assessee which were offered to tax in India under section 112A of the Act.

6. A summary of the utilization of the USD 750 million received by the assessee from Oaktree

Tabular representation of the summary of the utilization of the USD 750 million received by the assessee from Oaktree is as follows:

Date	Loan Amount (USD million)	Utilization
Dec-20	400	Acquisition of shares of VEDL
Jan-21	27	
Apr-21	73	
Jul-21	125	• Refinancing and servicing of any existing Financial Indebtedness of any member of the Group; • General Corporate Purpose; • Subscription requests sent to Oaktree are attached.
Aug-21	50	
Sep-21	75	
Total	**750**	

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7. If there was a negative covenant imposed on VRL under the Bond offering of US$ 1 billion, then how did VRL advance a loan of USD 120 million to the assessee

In this regard, it is respectfully submitted that there is no restriction on VRL giving any intercorporate loans in the bond issue.

8. Copy of the financial statements of TSH for FY 2021-22 and 2022-23

Copy of the financial statements of TSH for FY 2021-22 and 2022-23 is attached herewith as **Annexure E.**

Prayer

In case your goodself were to, for any reason whatsoever, not agree with the aforesaid written submissions, then, it is respectfully submitted that before taking any adverse view, the specific point of disagreement may kindly be intimated and thereafter, the assessee should be granted an opportunity of: (a) personal/ oral hearing; and (b) for filing further submissions on the said specific aspects and/ or any other issue that may be indicated by your goodself.

We trust our request shall be acceded to.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

-s/d

Neeraj Jain/ Anshul Sachar

TRUE COPY

ANNEXURE P-44

VAISH ASSOCIATES ADVOCATES ESTD. 1971
Corporate, Tax and Business Advisory Law Firm

1st, 9th & 11th Floor, Mohan Dev Building,
13, Tolstoy Marg, New Delhi - 110001, India
Tel: +91 11 4249 2525
Fax: +91 11 2332 0484
Email: delhi@vaishlaw.com

April 16, 2025

The Commissioner of Income Tax
International Taxation – 3
New Delhi - 110002

Dear Ma'am,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B [DIN: ITBA/COM/F/17/2024-25/1072089860(1)]

This is with reference to the notice dated 10.01.2025 issued by your Honour under section 144BA of the Act hearing dated 18.03.2025 wherein your goodself raised the certain queries and directed the assessee to explain as to why the arrangement cannot be described as an 'Impermissible Avoidance Arrangement' under the provisions of Chapter X-A of the Act:

1. **Please furnish a detailed explanation (amount-wise) of the utilization of the loan proceeds of USD 1313 million received from Finsider International Company Limited**

In this regard, it is respectfully submitted that the loan proceeds of USD 1313 million received from Finsider International Company Limited were utilized for inter-se transfer of shares, copy of the agreement is attached herewith as **Annexure A** for your goodself's reference.

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2. **Please explain the rationale behind the change of parent company from Vedanta Holdings Jersey Limited (VHJL) to Finsider International Company Limited**

Assessee was first incorporated under Vedanta Holding Resource Limited ("VRHL") as part of delisting effort where Vedanta Group had incorporated 2 entities to acquire shares in Vedanta Limited ("VEDL") (one for banks loan and another for Bond). To raise funds for the delisting offer, Bonds were issued by the Group and the requirement of the Bond offer was to create a lock box for shares acquired from its proceeds so the entity was moved from VRHL to VHJL which was the bond issuer. When the delisting did not go through, the Group borrowed funds from Oaktree and since Oaktree directed that Finsider which also held shares of Vedanta India to be the guarantor and a new company (the asseessee) as borrower, the shares of assessee were transferred to Finsider.

Copy of Shareholders register of the assessee since incorporation is attached herewith as **Annexure B.**

3. **Furnish shareholding structure and details of the director for Vedanta Holding Jersey Limited.**

In this regard, it is respectfully submitted that Vedanta Holding Jersey Limited is 100% direct subsidiary of VRL, UK.

4. **Copy of the Bond offering of US$ 1 billion @ 13.875% by VRL in which TSHL was one of the guarantors**

Copy of Bond offering of US$ 1 billion @ 13.875% is attached herewith as **Annexure C.**

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5. **Capital gains earned by Finsider on sale of shares to the assessee**

It is respectfully submitted that Finsider earned long term capital gain amounting to Rs. 105.23 crores on transfer of the shares of the assessee which were offered to tax in India under section 112A of the Act.

6. **Documentary evidence of the condition imposed by Oaktree that they will advance loan only to a new company and not to TSH**

It is respectfully submitted that Oaktree had directed that a separate company be formed in which the loan was to be advanced by Oaktree was to ensure that in case of enforcement event i.e. in case of default by the borrower Oaktree has an option to sell shares of Vedanta India or the borrower i.e. the assessee. This was only possible in a new SPV and not in existing entity already holding Vedanta India's shares. The group wanted that the new lenders to have access to only those Vedanta India's shares that were acquired from the proceeds of the Borrowing made from Oaktree and not the existing shares of Vedanta India, already held by other companies.

7. **A summary of the utilization of the USD 750 million received by the assessee from Oaktree**

Tabular representation of the summary of the utilization of the USD 750 million received by the assessee from Oaktree is as follows:

Date	Loan Amount (USD million)	Utilization
Dec-20	400	Acquisition of shares of VEDL

TRUE COPY

Jan-21	27	
Apr-21	73	
Jul-21	125	• Refinancing and servicing of any existing Financial Indebtedness of any member of the Group; • General Corporate Purpose; • Subscription requests sent to Oaktree are attached.
Aug-21	50	
Sep-21	75	
Total	750	

8. **<u>If there was a negative covenant imposed on VRL under the Bond offering of US$ 1 billion, then how did VRL advance a loan of USD 120 million to the assessee</u>**

In this regard, it is respectfully submitted that there is no restriction on VRL giving any intercorporate loans in the bond issue.

9. **<u>Copy of the financial statements of TSH for FY 2021-22 and 2022-23</u>**

Copy of the financial statements of TSH for FY 2021-22 and 2022-23 is attached herewith as **Annexure E.**

10. **<u>Commercial rationale for consolidation of shares in Mauritius by transferring shares from Finsider to the assessee especially when the group level shareholding remained constant</u>**

The commercial rationale for incorporating the assessee, as explained supra, was that in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange. Once the delisting

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offer of VEDL was approved by its shareholders and directors, for undertaking the aforesaid delisting/ purchase of shares from the public in accordance with the Delisting Regulations, Vedanta group was required to raise funds by way of loans/ issuing of bonds. The Vedanta group had already taken loans/ created a pledge/ charge in TSH. Accordingly, in order to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee in Mauritius on 29.06.2020.

Even though there existed other tax efficient jurisdictions (such as Slovenia), the commercial rationale for establishing the assessee in Mauritius was the long-standing presence of TSH in Mauritius for the past 2 decades which offers better business synergies in case the group decides to simplify its holding structure and consolidate its holdings in one country i.e. Mauritius in future.

Shares could have been acquired in TSH but for the stipulation/mandate of the lender and the fact that the asset of TSH were already mortgaged.

It is respectfully submitted that the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder in name which is evidenced by the following:

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- The assessee files its return of income in Mauritius and is assessed to tax in that country. Copy of the return of income filed in Mauritius was enclosed as Annexure C vide response dated 08.08.2023.

- The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber. The Board meetings are held in Mauritius and decisions with respect to investing / divesting of investments in VEDL and advancing or obtaining loans from other companies are taken in the board meetings, including repatriation of dividends to its holding company. In other words, control and management of the assessee is situated and shall continue to be situated in Mauritius

- The bank accounts of the assessee are managed by the employees of the assessee. Only for administrative convenience and implementing the decision of the board of directors, some employees of the group company have been authorised to operate the bank account on behalf of the company

- The assessee does not have any legal or contractual obligation to pass its income to its holding company and decision with respect to utilization of funds are taken by the Board of the company. In other words, the decision with respect to utilization of revenues received by the assessee from its operation or investments rests with the Board which is independent and no other person has control over the disposition of such income. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies

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- The assessee is the legal and beneficial owner of all its investments including shares of VEDL

- The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius.

- The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius.

- The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis.

- The assessee continues to hold the shares in VEDL till date.

It is also respectfully submitted that the Mauritian Government issued the Income Tax (Amendment No. 2) Regulations 2019 applicable with effect from 01.07.2019 which, inter-alia, provide that a Mauritian company (GBC) in order to keep a valid global business licence and qualify for the exemptions, will have to satisfy the following new enhanced economic substance requirements at all times:

- they are managed and controlled from Mauritius;
- they are administered by a management company in Mauritius; and
- their core income-generating activities (CIGA) are being carried out in or from Mauritius, by:
  - employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the CIGA; and

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- having a minimum level of expenditure, which is proportionate to their level of activities.

The assessee being a GBC is complying with the aforesaid guidelines issued by the Mauritian government to establish commercial substance under the laws of Mauritius. Such compliance proves beyond doubt and discharges the onus on the assessee of establishing that it is the bona fide tax resident of Mauritius.

Even otherwise and without prejudice, Article 27A of the Tax Treaty provides that a Mauritian resident shall not be entitled to the benefits of paragraph 3B of Article 13 of this Agreement (though the said Article is not applicable in the present case) if its affairs were arranged with the primary purpose to take benefit of the Tax Treaty [commonly referred to as the Limitation of Benefits (LOB) clause].

Further, Article 27A(4) provides that a resident of Mauritius would be deemed not to be a shell or conduit company if:

(a) it is listed on a recognised stock exchange in Mauritius; or

(b) its annual expenditure on operations in Mauritius is atleast Mauritian Rs. 1,500,000 in the immediately preceding period of 12 months from the date on which the gains arise;

Though Article 27A of the Treaty is not strictly applicable in the present case, nevertheless, the assessee does not fall foul of the rigors of the LOB clause since the assessee is not a shell company considering that its annual expenditure on operations in Mauritius is in excess of Mauritian Rs. 1,500,000 in the assessment year 2022-23.

In view of the aforesaid, the assessee cannot, in our submission, be said to have been set up with a motive/ main objective of tax avoidance / obtaining treaty

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benefits; rather the assessee has been set up for a valid business purpose, i.e., for investing in the shares of VEDL and consolidating the holding of the Vedanta group in Mauritius. Accordingly, the assessee be considered as the beneficial owner of the dividend income for the purposes of availing benefit of the concessional rate under Article 10 of the DTAA.

Prayer

In case your goodself were to, for any reason whatsoever, not agree with the aforesaid written submissions, then, it is respectfully submitted that before taking any adverse view, the specific point of disagreement may kindly be intimated and thereafter, the assessee should be granted an opportunity of: (a) personal/ oral hearing; and (b) for filing further submissions on the said specific aspects and/ or any other issue that may be indicated by your goodself.

We trust our request shall be acceded to.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

-s/d
Neeraj Jain/ Anshul Sachar

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VAISH ASSOCIATES ADVOCATES ESTD. 1971
Corporate, Tax and Business Advisory Law Firm

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Email: delhi@vaishlaw.com

April 24, 2025

The Commissioner of Income Tax
International Taxation – 3
New Delhi - 110002

Dear Ma'am,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B

This is with reference to the notice dated 10.01.2025 issued by your Honour under section 144BA of the Act, hearing dated 18.03.2025, 07.04.2025 and 16.04.2024 wherein your goodself raised below queries and directed the assessee to explain as to why the arrangement cannot be described as an 'Impermissible Avoidance Arrangement' under the provisions of Chapter X-A of the Act:

1. **Please furnish details of shareholding increased by M/s TSH since September, 2020 and whether any newly acquired shares were pledged**

In this regard, it is respectfully submitted that the Twin Star Holding Ltd (TSH) acquired 24,14,43,115 shares of Vedanta India Ltd (VEDL) @ Rs. 235 per share in April 2021 and 10,39,85,286 shares of VEDL @ Rs 349 per share in November 2021 and no acquisition was made thereafter. It is further submitted that till March 2022, these newly acquired shares were not pledged by TSH.

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It is further submitted that the said share transaction was funded by raising below mentioned unsecured loan facilities which is evidenced from the financial statements of TSH for the year ending 31 March 2022:

- the Company executed an unsecured loan facility agreement of USD 100,000,000 with Deutsche Bank AG at an interest rate of 9% per annum
- the Company executed an unsecured loan facility agreement of USD 180,000,000 with Barclays Bank at an interest rate of 8% per annum
- the Company executed an unsecured loan facility agreement of USD 400,000,000 with Standard Chartered Bank which was bifurcated into USD 150,000,000, "tranche 1A", at an interest rate of 1 month USD LIBOR plus 6% as margin per annum and USD 250,000,000, "tranche 1B", at an interest rate of 1 month USD LIBOR plus 6.25% margin
- the Company executed an unsecured loan facility agreement of USD 300,000,000 with Vedanta Holding Jersey Limited (VHJL) at an interest rate of 10.6% per annum
- the Company executed an unsecured loan facility agreement of USD 250,000,000 with Vedanta Resources Limited (VRL) at an interest rate of 7.90% per annum
- the Company executed an unsecured loan facility agreement of USD 200,000,000 with Canara Bank at an interest rate of 3 months SOFR plus 4% per annum
- the Company executed an unsecured loan facility agreement of USD 150,000,000 with Union Bank at an interest rate of Libor plus 4.2% per annum

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- the Company executed an unsecured loan facility agreement of USD 100,000,000 with SCB Ocean Bank at an interest rate of Libor plus 8.75% per annum

- the Company executed an unsecured loan facility agreement of USD 150,000,000 with Barclays Bank at an interest rate of Libor plus 7% per annum.

To summarise, the total loan taken as explained aforesaid was USD 1400 million and utilisation thereof to purchase the shares of VEDL is tabulated below:

No. of Shares purchased	Price per share (Rs.)	Total consideration (Rs.)	Total consideration (USD)
24,14,43,115	235	5673,91,32,025	756,521,760
10,39,85,286	349	3629,08,64,814	483,878,197

2. **Finsider International Company Ltd. has given a loan of USD 1313 mn during the year to the Assessee. Please give the source of funds of Finsider.**

It is respectfully submitted that the said funds were sourced from Inter-company group loans.

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3. **The utilization of funds/loans by the assessee to purchase the shares of VEDL**

The total funds/ loans received by the assessee from Oaktree were USD 750 million and from FICL was USD 1,313 million which was utilized for purchasing the shares of VEDL which is tabulated hereunder:

Date	No. of shares acquired	Purchase price per share (Rs.)	Source of investment	Total consideration (Rs.)	Total consideration (USD)
24.12.2020	18,50,00,000	160	Loan from Oaktree	2960,00,00,000	402,447,315
15.04.2021	2,54,45,341	235	Loan from Oaktree	597,96,55,135	80,048,931
16.12.2021	17,01,16,200	352.7	Loan from FICL	5988,09,02,400	785,838,614
21.12.2021	6,79,15,740	334.1	Loan from FICL	2268,38,57,160	298,471,805
23.12.2021	4,43,43,139	340.4	Loan from FICL	1507,66,67,260	198,377,201
Total	**49,28,20,420**				**1,765,183,865**

4. **Assessee is asked to clearly explain the commercial rationale behind transfer of Westgloble shares, a resident of Mauritius, to the Assessee considering the shareholding was already consolidated in the group concerns.**

In continuation to the reply filed by the assessee vide submission dated 03.03.2025 wherein the commercial rationale of establishing the company in Mauritius has been explained (not reproduced for sake of brevity), it is respectfully submitted that the rationale behind transfer of Westgloble shares, a resident of Mauritius, to the assessee was to reduce the number of promotor

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holding companies in Mauritius in order to effectively conclude the consolidation process.

Prayer

In case your goodself were to, for any reason whatsoever, not agree with the aforesaid written submissions, then, it is respectfully submitted that before taking any adverse view, the specific point of disagreement may kindly be intimated and thereafter, the assessee should be granted an opportunity of: (a) personal/ oral hearing; and (b) for filing further submissions on the said specific aspects and/ or any other issue that may be indicated by your goodself.

We trust our request shall be acceded to.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

-s/d
Neeraj Jain/ Anshul Sachar

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VAISH ASSOCIATES ADVOCATES ESTD. 1971
Corporate, Tax and Business Advisory Law Firm

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13, Tolstoy Marg, New Delhi - 110001, India
Tel: +91 11 4249 2525
Fax: +91 11 2332 0484
Email: delhi@vaishlaw.com

May 1, 2025

The Commissioner of Income Tax
International Taxation – 3
New Delhi - 110002

Dear Ma'am,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B

This is with reference to the notice dated 10.01.2025 issued by your Honour under section 144BA of the Act, hearing dated 18.03.2025, 07.04.2025 and 16.04.2024 wherein your goodself directed the assessee to file certain information which is provided hereunder:

1. **Please provide the status of Westglobe Mauritius Ltd?**

In this regard, it is respectfully submitted that Westglobe Mauritius Limited continues to exist and is a tax resident of Mauritius as on date.

2. **Finsider International Company Ltd. (Finsider) has given a loan of USD 1313 mn during the year to the Assessee. Please give the source of funds of Finsider.**

It is respectfully submitted that the said funds were sourced by Finsider from inter-company group loans which were in turn sourced/ arranged (by the said group companies) from bridge loan facility provided by Standard Chartered bank.

Prayer

In case your goodself were to, for any reason whatsoever, not agree with the aforesaid written submissions, then, it is respectfully submitted that before taking any adverse view, the specific point of disagreement may kindly be intimated and thereafter, the assessee should be granted an opportunity of: (a) personal/ oral hearing; and (b) for filing further submissions on the said specific aspects and/ or any other issue that may be indicated by your goodself.

We trust our request shall be acceded to.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

-s/d
Neeraj Jain/ Anshul Sachar

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ANNEXURE P-47

OFFICE OF THE
COMMISSIONER OF INCOME TAX
[INTERNATIONAL TAXATION]-3, NEW DELHI
E-2 Block, 4TH Floor, Room No. 417, PratyakshkarBhawan,
Civic Centre, J.L. Nehru Marg, New Delhi -110 002

F No CIT (IT)-3/Intl Tax/GAAR/2025-26/182 Dated: 26.05.2025

To

The Secretary,
GAAR Panel
CR Building, IP Estate,
Delhi-110001

Subject: Reference u/s 144BA(4) of the Income Tax Act, 1961 in the case of M/s Vedanta Holding Mauritius II Limited for AY 2022-23 (PAN: AAHCV4933B) - regarding.

Reference: Proposal received from ACIT(IT) Circle 3(1)(1) Delhi in F. No. ACIT/Circle-3(1)(1)(IT)/VMHL/GAAR/2024-25/1050 dated 06.12.2024, duly forwarded by Addl. CIT, Range-3(1)(IT), Delhi vide his letter dated 06.12.2024.

****

I am submitting herewith the reference u/s 144BA(4) in the case of M/s Vedanta Holding Mauritius II Limited for AY 2022-23 in the prescribed Form No. 3CEI and 3CEIA along with the proposal of ACIT(IT) Circle 3(1)(1), Delhi and assessee's objections for kind perusal and consideration.

Encl : As above (four copies)

The Secretariat for approving panel
O/o GAAR (General Anti Avoidance Rules)
New Delhi
28 MAY 2025
Diary No. 65

(Prajna Paramita)
Commissioner of Income Tax,
International Taxation-3, New Delhi.

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FORM NO. 3CEIA

[See rule 10UD]

Form for making reference to the Approving Panel under sub-section (4) of section 144BA of the Income-tax Act,1961

To

The Chairperson,
Approving Panel,
GAAR Panel,
CR Building, IP Estate,
Delhi-110001

Madam/ Sir,

Whereas I have received the reference from the Assessing Officer under sub-section (1) of section 144BA of the Income-tax Act, 1961 ('the Act') in Form 3CEG on 06.12.2024 for declaring an arrangement as an impermissible avoidance arrangement in case of M/s **Vedanta Holding Mauritius II Limited** (the assessee), PAN **AAHCV4933B**, for AY **2022-23** and after considering the explanation of the assessee and all other relevant facts, I am satisfied that the arrangement is an impermissible avoidance arrangement and my satisfaction is recorded in enclosed Form No. 3CEI.

I hereby make a reference under sub-section (4) of section 144BA of the Act to the Approving Panel for declaring said arrangement as an impermissible avoidance arrangement.

Date: 26.05.2025

Place: New Delhi

Yours faithfully,

Enclosure: As above.

(Prajna Paramita)
Commissioner of Income Tax
International Taxation-3, New Delhi

The Secretariat for approving panel
O/o GAAR (General Anti Avoidance Rules)
New Delhi
28 MAY 2025
Diary No. 05

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Form No. 3CEI

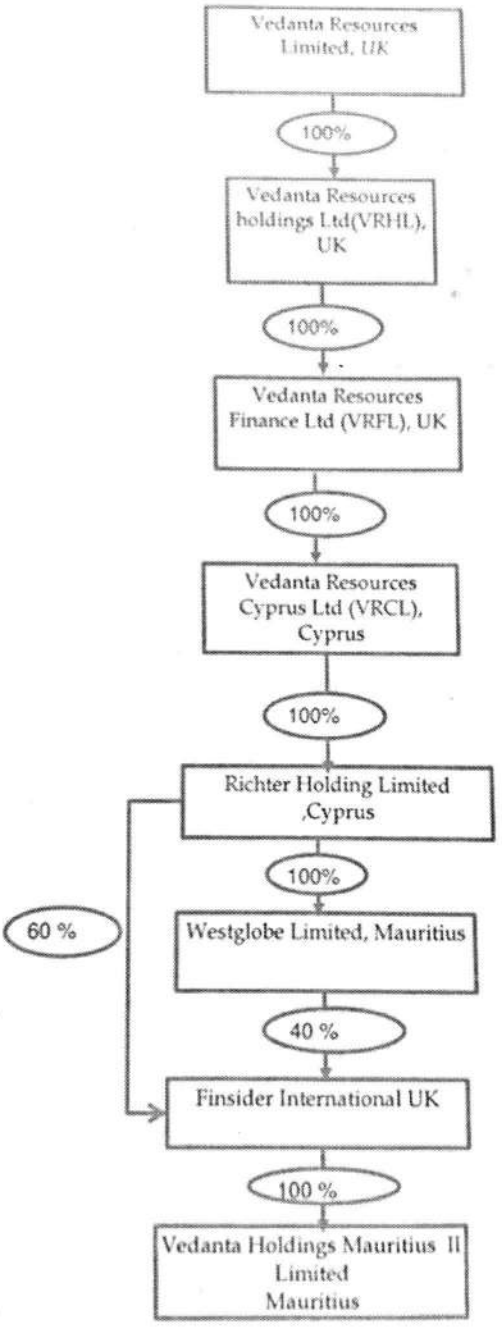
Form for recording the satisfaction by the Commissioner before making a reference to the Approving Panel under sub-section (4) of section 144BA

1)	Name and address of the assessee	Vedanta Mauritius Holdings II Limited (**VHM**) Address: 6TH Floor, Tower 1, Nextracom Building, Ebene, Mauritius
2)	Permanent Account Number or Aadhaar Number	AAHCV4933B
3)	Status (Individual/Company etc.)	Foreign Company
4)	Residential status	Non-resident
5)	Assessment year(s) in respect of which the proceedings under section 144BA are proposed to be invoked: a) Assessment years for which proceedings are pending	AY 2022-23
	b) Other assessment years proposed to be covered	AY 2023-24, AY 2024-25
6)	Date of receipt of Form No. 3CEG from the Assessing Officer	December 6, 2024, **placed as Annexure 22 of this submission**
7)	Date of issuance of	January 10, 2025

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	notice, setting out reasons, by the CIT to the assessee under sub-section (2) of section 144BA (copy thereof to be enclosed)	
8)	Date of receipt of final submission from the assessee and dates of hearing provided to the assessee (copy of final submission of the assessee to be enclosed).	Date of receipt of final submission: May 1, 2025 **(submissions received placed as part of annexure 17 of this submission, pages 642-649)** Dates of hearing provided: February 15, February 24, March 3, March 6, March 12, March 18, April 24, May 1, 2025
9)	Factual matrix of the arrangement in respect of which the reference is being made.	First, it is pertinent to note the group structure in the context of the assessee company, as it stood in the financial year 2021-22. The group structure of the assessee company is placed in **Annexure 1 of this submission.** For ease of reference, the group structure is reproduced here below:

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Glossary in respect of this submission has been placed as **Annexure 2 of th submission**

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While considering the factual matrix, it is pertinent to note that there was a change in the domestic taxation regime of dividend income by Finance Act, 2020. The Dividend Distribution Tax u/s 115O of the Act was abolished by Finance Act, 2020.

The assessee company was incorporated in Mauritius, on June 29, 2020, after the abolition of dividend distribution tax.

The assessee then entered into an agreement with Amicorp (Mauritius) Limited **(Placed as Annexure 4 of this submission, pages 4-10)** to provide directorial services including operation of bank account, maintaining a registered office etc. As part of administration fees, the company would charge a yearly admin package fees for up to 10 resolutions per year, 10 wires and 2 board meetings. The bank account in Mauritius had multiple authorized signatories, apart from 2 resident directors of Mauritius. The aforesaid information was received by way of information sought under Exchange of Information with Mauritian revenue authorities. (Placed as **Annexure 13 of this submission, pages 499-511). Several employees of Vedanta Limited, India (VEDL) had operating rights to the bank account while the directors of the assessee company neither had access to all the account, nor had the operating rights.**

Post-incorporation, the assessee company acquired shareholding in VEDL. As of March 31, 2022, the assessee's shareholding in VEDL stood at 13.26%.

On April 1, 2021, the assessee company's shareholding in VEDL was 4.98%. VHM's increased shareholding in the listed entity VEDL primarily came from transactions undertaken in December, 2021, relevant to the year under consideration. The same is corroborated from the assessee's response dated March 6, 2025:

Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Source of investment	Remarks
23.12.20	18,50,00,000	4.98	160	Loan from Oaktree	Acquired from market under bulk deal consequent to the Loan agreement with Oak Tree

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15.04.21	2,54,45,341	0.68	235	Loan from Oaktree	Acquired through open offer
16.12.21	17,01,16,200	4.58	352.7	**Loan from Finsider**	**Acquired from Finsider Intl. Company Limited ('Finsider')**
21.12.21	6,79,15,740	1.83	334.1	**Loan from Finsider**	**Acquired from Finsider**
23.12.21	4,43,43,139	1.19	340.04	**Loan from Finsider**	**Acquired from Westglobe**
Total	**49,28,20,420**	**13.26**			

The above sequence of events that led to the increase in shareholding from 4.98% to 13.26% is as under:

Date of transaction	Nature of transaction	% shareholding of Finsider after the transaction	% shareholding of VHM after the transaction
15.12.2021	Loan of USD 1313 million from Finsider (i.e. parent company of the assessee company) to the assessee company	10.80%	5.66%
16.12.2021	Use of loaned funds for purchase of VEDL shares by the assessee, corresponding sale of shares by	6.22% (decrease of 4.58%)	10.24% (increase of 4.58%)

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	Finsider		
17.12.2021	***Declaration of dividend at Rs. 13.50 per share by Vedanta Limited. Finsider received a dividend income of Rs. 312,36,33,780.***		
21.12.2021	Use of loaned funds for purchase of VEDL shares by the assessee, corresponding sale of shares by Finsider	4.40% (decrease of 1.82%)	12.06% (increase of 1.82%)

Finsider's decrease in the shareholding of VEDL was complemented with equal increase in the shareholding of the assessee company in VEDL. This enabled tax benefit to both, Finsider as well as the assessee company, as detailed below:

a. Finsider : As per the TDS details furnished in the ITR of Finsider for AY 2022-23, corresponding with the change in its shareholding in the relevant AY, it received a total dividend income of Rs. 1267,63,57,680/- as per the following schedule (working of the same annexed as **Annexure 3** of this submission, **page 3**):

S. No.	**Dividend income received (in Rs.) at various point in time during FY 2021-22**	**% holding for which dividend income received by Finsider**	**Dividend per share declared by VEDL (in Rs.)**	**Dividend income, had the transfer of VEDL shares to assessee company not taken place**
I	**II**	**III**	**IV**	**V**
1.	742,76,84,880	10.80%	18.50	742,76,84,880
2.	312,36,33,780	4.40%	13.50	542,02,02,480
3.	212,50,39,020	4.40%	13.00	521,94,54,240
Total	1267,63,57,680			1806,73,41,600

Had the share transfer between Finsider and VHM not taken place, Finsider would have paid a tax of Rs. 180,67,34,160/- (i.e. 10% of the total dividend income that would have accrued if the share transfer had not taken place).

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In its course of submissions, the assessee company also stated that Finsider had paid a tax on capital gains for the transferred shares.

Upon perusal of the ITR for AY 2022-23 filed by Finsider, it is seen that the company paid tax of Rs. 138,31,33,208/- (including the tax paid on capital gains for the sale of shares).

Even after accounting for the taxes paid by Finsider in India in AY 2022-23, inclusive of capital gains, Finsider lowered its tax liability by Rs. 42,36,00,952/- (i.e. excess of Rs. 180,67,34,160/- over Rs. 138,31,33,208/-).

The transactions conducted by the assessee company with Westglobe Limited, Mauritius, **(Westglobe)** an associated enterprise of the assesse company, are also in the same fashion as highlighted above. On December 24, 2021, the assessee bought 1.19% shares of VEDL, which corresponded with a 1.19% sale of VEDL shares by the company Westglobe Limited, Mauritius on the same day. As per the response received from the stock exchange, it is seen that the for the 1.19% shareholding offloaded by Westglobe, the assessee company was the counterparty. Post-sale, the shareholding of Westglobe reduced to 0%. It is pertinent to note that Westglobe Limited, Mauritius is a part of the Vedanta Group.

S. No.	Dividend income received (in Rs.) at various time in FY 2021-22	% holding for which dividend income received by Westglobe	Dividend per share declared (in Rs.)	Dividend income, had the transfer of VEDL shares to assessee company in Mauritius not taken place	Tax Paid
I	II	III	IV	V	VI
1.	82,03,48,072	1.19%	18.50	82,03,48,072	12,30,52,211
2.	59,86,32,377	1.19%	13.50	59,86,32,377	8,97,94,856
3.	--	0%	13.00	57,64,60,808	
Total	141,89,80,449			199,54,41,257	

Had Westglobe retained its shareholding, its tax liability on the dividend declared after December 2021would have been of Rs. 8,64,69,121/- since the dividend income would have been taxable at the rate of 15%. By transferring shareholding from Westglobe to VHM, the Vedanta Group was able to offer the dividend

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		income of Rs. 57,64,60,808/- after a 10% concession, i.e., thus enabling a tax benefit of Rs. 5,76,60,808/-. By virtue of the above specified transfers in shareholding in VEDL in the financial year 2021-22, the shareholding of the assessee company was increased from 4.98% to 13.26%. **The arrangement, resulting in the assessee company paying lower tax rate on dividend and enabling a lower tax liability at the Group level (tax liability on dividend income resulting from promoter's total shareholding), is as following:** a. Change in the domestic taxation regime of dividend income by Finance Act, 2020 b. Incorporation of assessee company post abolition of DDT regime (DDT abolished in Finance Act, 2020) on 29.06.2020 in Mauritius. Post-abolition, (effective April 1, 2020), the liability of tax to be paid on dividend income shifted from the payer of the dividend to the recipient of the said dividend income. c. Entering into agreement with Amicorp (Mauritius) Limited **(Placed in Annexure 4 of this submission)** to provide directorial services including operation of bank account, , maintaining a registered office etc. As part of administration fees, the company would charge a yearly admin package fees for up to 10 resolutions per year, 10 wires and 2 board meetings. The bank account in Mauritius had multiple authorized signatories, apart from 2 resident directors of Mauritius. Several employees of Vedanta Limited, India had operating rights to the bank account. The directors neither had access to all the account, nor had the operating rights. d. Granting of loans by associated enterprises (majorly by parent company Finsider granting a loan of USD 1313 million to the assessee company on December 15, 2021) **('Placed as Annexure 5 of this submission', page 11-20)** to the assessee company to enable it to buy shares of VEDL on December 16, December 18 and December 24, 2021 from itself. e. Transfer of shareholding from UK parent company Finsider to VHM in the following manner: i. Promoter shareholding stayed unchanged by way of transfer of shares, since the acquirer and the seller (for transactions on December 16, 2021, December 21, 2021) were companies which are a part of the Group structure, **as placed in**

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Annexure 1 of this submission (namely, VHM and Finsider)

ii. By transfer of shareholding from UK to Mauritius, the parent company Finsider lowered its tax liability in India under India-UK DTAA **(as highlighted in Annexure 3 of this submission)** (since dividend is taxable at the rate of 10% as per India-UK DTAA) and by acquiring 6.41% shareholding of VEDL (4.58% acquired on December 16, 2021 when Finsider sold 4.58% shareholding on the same day and 1.83% acquired on December 21, 2021 when Finsider sold 1.83% shareholding in the same day) the assessee company offers dividend for taxation at lower rate of 5% (as per India-Mauritius DTAA), as against the 15% tax rate where the shareholding is less than 10%.

Article 10 on dividend income which has been used by the assessee for obtaining the tax benefit, as contained in the India-Mauritius DTAA, is reproduced hereunder:

"1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed—

(a) ***five per cent of the gross amount of the dividends if the beneficial ow company which holds directly at least 10 per cent of the capital of the paying the dividends ;***

(b) ***fifteen per cent of the gross amount of the dividends in all other cases.***

This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid."

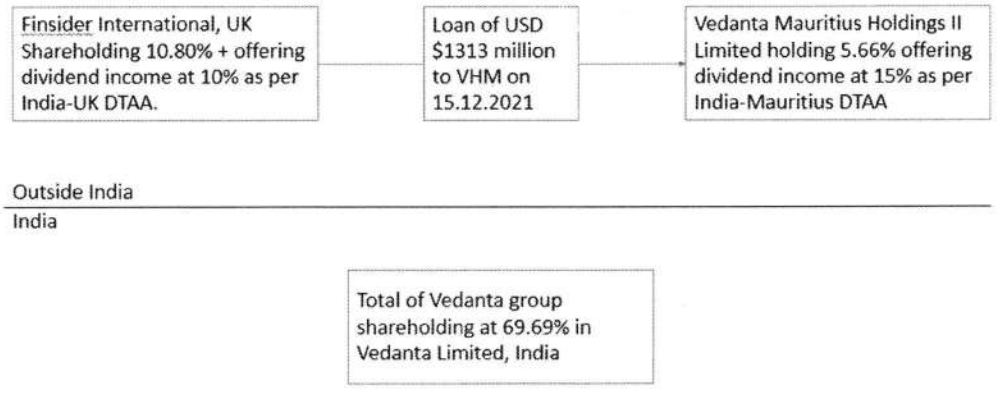
iii. The instructions regarding purchase of shares on behalf of the assessee company were given by Mr. Deepak Kumar, who is neither an employee nor a director nor a shareholder in the assessee company. Mr. Deepak Kumar is a Director of Finsider International Company Limited and he gave the instruction for the sale of shares of VEDL on the same dates as the purchase of shares by the assessee company. The aforementioned fact came to light by way of notice under section 133(6) issued to the Standard Chartered Securities India Limited ('SCSI'). SCSI was specifically asked about the instructions received for purchase, sale of shares. A copy of the submission received from SCSI has been placed as **Annexure 6 of this submission, page 21-260.**

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f. Subsequent to sale of shares by Finsider, another Vedanta entity, Westglobe whic held 1.19% shareholding in VEDL carried out sale of its entire shareholding c December 24, 2021 on the stock market, through the broker Standard Charter Securities India. The instructions regarding sale of shares on behalf of Westglob were also given by Mr. Deepak Kumar, who, as mentioned in above at point (iii), neither an employee nor a director nor a shareholder in Westglobe. The sale was mac through the afternoon block deal window for 4,43,43,139 shares (1.19% shareholdir of VEDL). At the same time, instructions for purchase of 4,43,43,139 shares of VED in the afternoon block deal window were issued to the broker by Mr. Deepak Kuma The said information was received in response to notice under section 133(6) fro SCSI.

g. Had Westglobe not transferred its shareholding, it would have had to pay tax 15% on the dividend income, as per India-Mauritius DTAA. However, post transfer shares, the Vedanta group's tax liability stands drastically reduced by 10% (from 15 to 5% on the 1.19% shareholding) since the assessee company's acquisition of th 1.19% shares (held earlier by Westglobe) would also now stand taxable at 5% as p India-Mauritius DTAA.

The diagrammatic representation below highlights the factual position pr acquirement of shares by the assessee company.



Shareholding consequent to the transfer of shares (in December, 2021) betwee Finsider and VHM. It is reiterated that the instructions of buying and selling we from the same person on behalf of the assessee company as well as Finsid International (i.e. Deepak Kumar).

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Outside India

India

Group shareholding constant at 69.69% in Vedanta Limited, India with reduced tax liability at group level (as evidenced from the assessee's intimation to the BSE vide letters dated December 17, 2021, December 22, 2021 and December 27, 2021).

Further, consequent to the transaction through the block deal window (upc instructions of buying and selling from the same person on behalf of assesse company as well as Westglobe), the position stood as under:



Outside India

India

Group shareholding constant at 69.69% in Vedanta Limited, India with reduced tax liability at group level (as evidenced from the assessee's intimation to the BSE vide letters dated December 17, 2021, December 22, 2021 and December 27, 2021).

The overall holdings at In dia level in VEDL remained unchanged @ 69.69% (pre ar post the transactions in question).

Further, upon perusal of the financial position of Finsider, it is seen that tl outstanding loan receivable (with interest component) from VHM was never repa back and was in fact, converted into equity. This is evidenced from paragraph 10 the notes to accounts for the financial year ended March 31, 2022 and the financi year ended March 31, 2023. **(The financial statement, with complete notes accounts, as sourced from https://find-and-update.compan information.service.gov.uk/company/01918775 have been placed as Annexure of this submission, page 261-304).** The said paragraphs clearly outline that Finsid acquired additional equity shares of VHM amounting to USD 1357,591,004 havir face value of USD 1in lieu of loan and interest receivable from VHM having princip amount outstanding of USD 1291,185,278 and accrued interest of USD 66,405,726.

It is pertinent to note that in its intimation to SEBI post-purchase, the assessee ha

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<table>
<tr><td></td><td></td><td>stated the purpose of the purchase to be for "internal restructuring". Considering the above fact of conversion of loan to equity, it is seen that the so-called "internal restructuring" only enabled the enjoyment of dividend income at a concessional rate (by way of India-Mauritius DTAA) in comparison to the taxation of dividend income as per India-UK DTAA.</td></tr>
<tr><td>10)</td><td>Details of tax benefit (assessment year-wise) arising under the arrangement:
(i) to the assessee</td><td>In AY 2022-23, dividend income of Rs. 1543,74,85,073/- was received by the assessee. Out of this Rs. 389,32,38,809/- was offered to tax at the rate of 15% since the shareholding of the assessee in Vedanta Limited, India at the time was less than 10%. The benefit that accrued to the assessee at the time was 6.84% of the dividend amount (since domestic Act would tax dividend income at the rate of 21.84%, including cess and surcharge) i.e. Rs. 26,62,97,535/-.

Post-acquirement of shares from FIL, the assessee offered the amounts of Rs. 513,75,80,804/- and of Rs. 640,66,65,460/- at the rate of 5%.

Thus, in comparison to the earlier position on taxability, the assessee benefitted by 10%, i.e. Rs. 115, 44,24,646/- by the increase in shareholding as per the arrangement elaborated in paragraph 6 of this document. Overall, from the taxability as per the domestic Act, the benefit accruing to the assessee stood at 16.84% of the dividend amounts of Rs. 513,75,80,804/- and Rs. 640,66,65,460/-, i.e. Rs 194,40,51,070/-

Since the proposal is to deny the benefit on account of misuse, abuse of treaty provisions of the India-Mauritius DTAA, the tax benefit that actually accrued to the assessee is calculated as under:
<table>
<tr><th>Particulars</th><th>Amount (in Rs.)</th></tr>
<tr><td>Total Dividend Income</td><td>1543,74,85,073</td></tr>
<tr><td>Tax liability admitted by the assessee in the ITR</td><td>116,11,98,134</td></tr>
<tr><td>Tax Liability under the Act under GAAR (20% plus surcharge and cess), i.e. 21.84%</td><td>337,15,46,740</td></tr>
<tr><td>Tax Benefit (liability under GAAR less admitted tax liability)</td><td>221,03,48,606</td></tr>
</table>

It is pertinent to note that the tax benefit arising out of transfer in shareholding from Finsider to VHM and from Westglobe to VHM was not limited to a year. Consequent to the arranged transactions, the assessee company continued to enjoy access to concessional tax rate as contained in the India-Mauritius DTAA (i.e., the concessional rate being the tax at the rate of 5%).</td></tr>
</table>

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Had the arranged transactions not been entered into, the assessee would have been liable to pay tax on the dividend income at a higher rate.

By interposing the Mauritius entity and increasing shareholding from 4.98% to 13.26%, even while the Group shareholding stayed unchanged for VEDL in India @69.69%.

An assessment year-wise computation of tax benefit claimed by assessee on account of India-Mauritius DTAA is as below:

AY (1)	**Dividend Income (2)**	**Tax paid by the assessee (discharged through TDS) (3)**	**Liability under the Act (4)**	**Tax Benefit (5) = (4) – (3)**
2022-23	1543,74,85,073	116,11,98,134	337,15,46,740	221,03,48,606
2023-24	3991,84,54,020	199,59,22,701	871,81,90,358	672,22,67,657
2024-25	2464,10,21,000	123,20,51,050	538,15,98,986	414,95,47,936
Total				**1308,21,64,199**

(ii) to all parties to the arrangement

To determine the tax benefit accruing to all the parties to the arrangement, it is first and foremost, important to see the chronology of events of share transfer among the associated enterprises of the Vedanta group.

Finsider's decrease in the shareholding of VEDL was complemented with equal increase in the shareholding of the assessee company in VEDL. This enabled tax benefit to both, Finsider as well as the assessee company, as detailed below:

a. Finsider: As per the TDS details furnished in the ITR of Finsider for AY 2022-23 corresponded with the change in its shareholding in the relevant AY, it received a total dividend income of Rs. 1267,63,57,680/- as per the following schedule (working of the same annexed as **Annexure 3** of this submission):

S. No.	**Dividend income received (in Rs.) at various time in FY 2021-22**	**% holding for which dividend income received by Finsider**	**Dividend per share declared (in Rs.)**	**Dividend income (in Rs.), had the transfer of VEDL shares to assessee company not taken place**

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I	II	III	IV	V
1.	742,76,84,880	10.80%	18.50	742,76,84,880
2.	312,36,33,780	4.40%	13.50	542,02,02,480
3.	212,50,39,020	4.40%	13.00	521,94,54,240
Total	1267,63,57,680			1806,73,41,600

Had the share transfer between Finsider and VHM not taken place, Finsider would have paid a tax of Rs. 180,67,34,160/- (i.e. 10% of the total dividend income that would have accrued if the share transfer had not taken place).

In its course of submissions, the assessee company also stated that Finsider had paid a tax on capital gains for the transferred shares.

Upon perusal of the ITR for AY 2022-23 filed by Finsider, it is seen that the company paid tax of Rs. 138,31,33,208/- (including the tax paid on capital gains for the sale of shares).

Even after accounting for the taxes paid by Finsider in India in AY 2022-23, inclusive of capital gains, the entity Finsider International Company lowered its tax liability by Rs. 42,36,00,952/- (i.e. excess of Rs. 180,67,34,160/- over Rs. 138,31,33,208/-).

b. The transactions conducted by the assessee company with Westglobe, Mauritius are also in the same fashion as highlighted above. On December 24, 2021, the assessee bought 1.19% shares of VEDL, which corresponded with a 1.19% sale of VEDL shares by the company Westglobe Limited, Mauritius on the same day. As per the response received from the stock exchange, it is seen that the for the 1.19% shareholding offloaded by Westglobe, the assessee company was the counterparty. Post-sale, the shareholding of Westglobe reduced to 0%. It is pertinent to note that Westglobe Limited, Mauritius is a part of the Vedanta Group.

S. No.	Dividend income received (in Rs.) at various time in FY 2021-22	% holding for which dividend income received by Westglobe	Dividend per share declared (in Rs.)	Dividend income (in Rs.), had the transfer of VEDL shares to assessee company in Mauritius not	Tax Paid (in Rs.)

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					taken place	
I	**II**	**III**	**IV**	**V**	**VI**
1.	82,03,48,072	1.19%	18.50	82,03,48,072	12,30,52,211
2.	59,86,32,377	1.19%	13.50	59,86,32,377	8,97,94,856
3.	--	0%	13.00	57,64,60,808	
Total	141,89,80,449			199,54,41,257	

Had Westglobe retained its shareholding, its tax liability on the dividend declared after December 2021 would have been of Rs. 8,64,69,121/- since the dividend income would have been taxable at the rate of 15%. By transferring shareholding from Westglobe to VHM, the Vedanta Group was able to offer the dividend income of Rs. 57,64,60,808/- after 10% concession, i.e., thus enabling a tax benefit of Rs. 5,76,60,808/-.

11) Brief facts in respect of computation of tax benefit

It is pertinent to note section 90(2A) of the Income-tax Act, 1961 which clearly states that *"Notwithstanding anything contained in sub-section (2), the provisions of Chapter XA of the Act shall apply to the assessee even if such provisions are not beneficial to him"*

If the arrangement is declared as an impermissible avoidance arrangement and Treaty benefit is denied to the assessee, then the resulting tax liability arising stands as under:

Particulars	**Amount (in Rs.)**
Total Dividend Income	1543,74,85,073
Tax liability admitted by the assessee in the ITR	116,11,98,134
Tax Liability under the Act under GAAR (20% plus surcharge and cess), i.e. 21.84%	337,15,46,740
Tax Benefit (liability under GAAR *less* admitted tax liability)	**221,03,48,606**

By virtue of the arranged transactions, the assessee company benefitted from concessional tax rates on the dividend income as contained in India-Mauritius DTAA. The continued benefit of concessional tax rate on dividend income was available to the assessee for the subsequent assessment years. Upon the arranged transactions deemed to be an impermissible avoidance arrangement, the access to concessional tax rate as per Treaty should also stand denied to the assessee. Accordingly, an assessment year-wise computation of tax benefit claimed by assessee on account of India-Mauritius DTAA is as below:

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AY	Dividend Income (in Rs.)	Tax liability admitted (in Rs.)	Liability under the Act (in Rs.)	Tax Benefit (in Rs.)
2022-23	1543,74,85,073	116,11,98,134	337,15,46,740	221,03,48,606
2023-24	3991,84,54,020	199,59,22,701	871,81,90,358	672,22,67,657
2024-25	2464,10,21,000	123,20,51,050	538,15,98,986	414,95,47,936
Total Tax Benefit				**13,08,21,64,199**

12)	Whether obtaining the tax benefit is the main purpose of the arrangement or part of the arrangement?	**Yes**, obtaining tax benefit was the main purpose of the arrangement. Broadly, this can be ascertained on following accounts: i. Lack of commercial rationale behind the transactions undertaken during the year under consideration, especially after abolition of DDT regime in India by Finance Act, 2020 Effective from April 1, 2020, the liability for taxation on dividend income shifted from the payer of the dividend to the recipient. This gave rise to a scope for reduced tax burden on dividend income, depending on the country of residence. The assessee company was incorporated on June 29, 2020. The purpose of the incorporation of the assessee is governed by reasons and control, management outside the assessee's resident country. With regard to 'external lenders' in the case of the assessee , specifically in relation to the external lender in the financial year 2021-22. The assessee company was asked to furnish the documentation showing negotiations with the external lenders (query 15 of the notice under section 142(1) dated August 20,2024 **,notices issued placed as Annexure 25 of this submission, pages 894-937**). Till the date of submission of this report, no such document has been furnished by the assessee company. There is no documentary evidence furnished by the assessee which clearly records its commercial rationale of its incorporation. Additionally, the assessee in its response dated April 16, 2025 **(placed as part of Annexure 17 of this submission, pages 642-649)** stated that Oaktree had directed that a separate company be formed in which the loan was to be advanced by Oaktree was to ensure that in case of enforcement event i.e. in case of default by the borrower Oaktree has an option to sell shares of Vedanta India or the borrower, i.e. the assessee. However, the response was furnished to the query

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		seeking documentary evidence of the condition imposed by Oaktree that they will advance loan only to a new company and not to TSH. None of the responses detail any documentary evidence showing that the borrower Oaktree mandated the incorporation of a new entity in Mauritius. With respect to the company Twin Star Holdings Limited, the assessee company stated that TSH was overleveraged and hence could not be used by the Group to increase the stake in Vedanta Limited. Findings from open source reveal that the company Twin Star Holdings Limited increased its stake in Vedanta Limited even after the assessee's incorporation. The same have been placed as **Annexure 9 of this submission (pages 374-377)** *(sourced from Trendlyne https://trendlyne.com/equity/share-holding/1289/VEDL/latest/vedanta-ltd/)* It is seen that in the period September 2020 to April, 2021 the company TSH increased its stake in VEDL from 37.11% to 43.60% and further up to 46.40% by December, 2021. Thus, the reason that the TSH entity could not be used to increase the stake does not hold water. In fact, from the period of assessee's incorporation till the end of the financial year 2021-22 (relevant to assessment year 2022-23), TSH increased its stake in VEDL from 37.11% to 46.40%. Further, even if the company TSH be considered overleveraged, it is surprising as to how an overleveraged company which, allegedly (though untrue) could not increase stake in VEDL, would grant a loan of USD 100 million to the assessee company. The assessee company's major cash outflow has been in the acquiring of shares, it is not far-fetched to discern that the loaned funds were used to purchase VEDL shares. Further, from the assessee's response, it could nowhere be established as to why the increase of stake in VEDL could not have been achieved through Westglobe Even while the Group has allegedly aimed to increase stake in VEDL, it has simultaneously decreased the stake that Westglobe held in VEDL. From the period of incorporation to the end of the financial year 2021-22 (relevant to AY 2022-23), the stake of Westglobe in VEDL decreased from 1.19% to 0%. The reasoning for increase of stake falls flat on its face when the assessee company's purchase transactions of VEDL shares in December, 2021 are considered. It is seen that even while the assessee company's shareholding in VEDL increased from 5.66% in November, 2021 to 13.26% in December, 2021, the group shareholding stayed constant at 69.69%. This is evident from the assessee's own intimations to SEBI in December, 2021 **(Placed as part**

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		Annexure 8B of this submission, pages 369-373). The purchase of shares by the assessee company was accompanied by a nearly equal amount of sale of shares by related companies, namely, Finsider and Westglobe. Further, in the intimation to SEBI, the company stated that the transactions were being undertaken for the purpose of internal restructuring. This entire series of transactions and the consequent intimation to SEBI run counter to the assessee company's stated purpose of increasing stake of the Group in VEDL. ii. <u>The mind of the company and the control, management of the company is not in Mauritius</u> In the return filed for AY 2022-23, the assessee company had stated the following individuals as its directors: a. Shakill Ahmed Toorabally b. Rajiv Mangar c. Nihad Mohammad Akram Agowun. With respect to the directors' details, notice under section 142(1) issued to the assessee on January 5, 2024, the following details were sought: *a. Composition of the board of directors, along with details of residential status of each director* *b. Copy of the minutes of meetings held* *c. List of all signatories of the bank account of the Mauritius-based company. In case they are different from the BoD/directors, reasons thereof.* To the above, the assessee responded on January 12, 2024 and stated the names Shakill Ahmed Toorabally and Bibi Naziah Auleear as directors of the assessee company. It is noted that the director details provided by the assessee in its response is different from the details provided in the ITR. Further, the name Bibi Naziah Auleear does not feature in the assessee's financial statements for the financial year ending March 31, 2022. As submitted by the Assessing Officer, during the assessment proceedings, notice(s) were issued to the assessee company to ascertain the independence of decision making of the directors and their control of the company which sought the following details amongst other things: *"4. Please elaborate on how the key decisions with respect to investment/divestment of underlying investments in India are taken. Request you to kindly provide minutes of meeting of board of directors substantiating the*



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		same. Also, kindly let us know if there were any instances where the Mauritius company has rejected any proposed investment and divestment in Indian companies. .... *7. Please share copies of due diligence reports while making investments in the Indian company. Whether Mauritius company paid any consultant(s) for undertaking due diligence reports."* To the above, the assessee responded stating that investment decisions are the Group's strategic decision (response dated February 12, 2024). Another notice under section 142(1) was issued to the assessee on August 20, 2024 seeking the following details: *"1. Please elaborate on how the key decisions with respect to investment/divestment of underlying investments in India are taken. Request you to kindly provide minutes of board meeting substantiating the same.* *2. Please explain the flow of decision making as to how the quantum of purchase/sale of shares is decided upon. Also elaborate on the response keeping the context of you being a part of the Vedanta Group. Also, state whether there were any instances where the Mauritius company has rejected any proposed investment and divestment in Indian companies,. If so, please furnish the same."* To the above, the assessee responded by saying all such decisions are a part of the Group' strategic decision making. This is in contrast to the assessee's previous responses where it had stated that the 'entire functioning' of the company is taken care of by the directors of the company themselves (response dated February 12, 2024). In the responses furnished by the assessee with regard to investment decisions, the assessee has passed the onus onto Group's strategic decision. By its own admission, it is not the directors themselves taking the decision but what the Group, strategically decides. At this juncture, it is pertinent to note that the intermediate holding company of the assessee is Vedanta Resources Limited, United Kingdom and the ultimate holding *company*, i.e., Volcan Investments Limited is incorporated in the Bahamas, which is a non-Treaty jurisdiction. Questions relating to investment/divestment were asked from the assessee

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		company, considering that it had increased its shareholding in VEDL up to 13.26% in the financial year 2021-22 relevant to assessment year 2022-23. As per assessee's own admission dated February 12, 2024, the source of investment in shares came from the proceeds from borrowings. On December 15, 2021, the assessee company was granted a loan of USD 1313 million by the parent company Finsider. Paragraph 3 of the loan agreement **(Placed as Annexure 5 of this submission)** dated December 15, 2021 mandated the assessee company to use any and all money borrowed under the loan agreement for inter se share transfer of Vedanta Limited and to settle the expenses there to. The usage of loaned funds was premeditated on behalf of the assesse company by the borrower. At the same time, it is noted that the Board Resolution dated December 15, 2021 **(Placed as annexure 10 of this submission)** furnished by the assessee company in Annexure L of the response dated October 3, 2024 mentioned the purpose of the loan to cater for corporate expenses and further funding requirements. The said Board resolution neither mentions the true purpose of the loan nor sets in the approved terms and conditions that the loan amount is for the express purpose of buying shares of VEDL. It is apparent from the lack of detailing in Board resolutions that they are merely routine in nature, and perfunctory, only existing to make the assessee company meet compliance requirement and without any independent decision-making. This is further consolidated by a look at the agreement between the company Amicorp (Mauritius) Limited and the assessee company. Page 3 of annexure M of the assessee's response dated October 3, 2024 **(Placed as Annexure 4 of this submission)** clearly outlines the services being provided by Amicorp to the assessee company. These services include providing 2 resident directors, maintaining a registered office etc. For administration fees, it also carries a *"yearly admin package fees for up to 10 resolutions per year, 10 wires and 2 board meetings"*. From the description of services, it becomes explainable that Board meetings are being provided as a part of the services. It is further seen from open source findings that Shakill Ahmed Toorabally, among other directors, provides directorial services to other companies. An indicative document (obtained from open source intelligence https://www.sebi.gov.in/sebi_data/commondocs/may-2022/Ambuja%20Cements_DLOF_p.pdf -SEBI wesbite) is placed as **Annexure 11 of this submission.** That the loan amount was utilized wholly towards the purchase of VEDL shares and no other purpose is evident from the transactions conducted by the assessee in the period following the loan granted by Finsider on December 15, 2021. To

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ascertain details of the transactions conducted by the assessee in December 2021, notice under section 133(6) was issued to the National Stock Exchange and the Bombay Stock Exchange **(Placed as Annexure 12 of this submission)**. Simultaneously, the assessee company's intimation to the National Stock Exchange and the Bombay Stock Exchange dated December 18, 2021. December 27, 2021 were looked at. The intimation of the assessee to the stock exchanges and the data received from the stock exchanges clearly bears out the following details:

Date of transaction	Nature of transaction	% shareholding of Finsider after the transaction	% shareholding of VHM after the transaction
15.12.21	Loan of USD 1313 million from FIL to VHM	10.80%	5.66%
16.12.21	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	6.22% (decrease of 4.58%)	10.24% (increase of 4.58%)
21.12.21	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	4.40% (decrease of 1.82%)	12.06% (increase of 1.82%)

Similar is the nature of transactions conducted by the assessee company on December 24, 2021. The assessee bought 1.19% shares of VEDL on the said date, which corresponded with a 1.19% sale of VEDL shares by the company Westglobe Limited, Mauritius. Post-sale, the shareholding of Westglobe reduced to 0%.

In the intimations to the NSE and the BSE, the assessee company had stated the

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		purpose of transactions as "internal re-structuring". However, going by the impact of these transactions, the only tangible outcome is that of tax arbitrage. By shifting shareholding from Finsider to VHM, the assessee company not only took its shareholding to beyond 10% (and thus benefitted from India-Mauritius DTAA clause on 5% dividend taxation), it also enabled the group to enjoy the tax arbitrage of 10% (since dividend is taxed at the rate of 15% as per India-UK DTAA). Similarly, the transfer of shareholding from Westglobe Limited to VHM enabled the enjoyment of 5% tax arbitrage on the dividend income that was being previously received by Westglobe. Other than this, there is no tangible ascertainable outcome that the transaction seems to have yielded. Hence, this "arrangement" was with the primary motive to obtain tax benefit. What lends strength to the above position is the response received from third-parties, post issuance of notice under section 133(6). From the data received from the BSE, the NSE, it was seen that the broker for Finsider International Company Limited, Vedanta Holdings Mauritius II Limited and Westglobe Limited was the same: Standard Chartered Securities India ('SCSI'). A copy of the notice under section 133(6) issued to Standard Chartered Securities India has been placed as **Annexure 6 of this submission**. SCSI's response clearly detailed that the instructions of sale purchase of shares of VEDL on behalf of all three entities (i.e.. Finsider, Westglobe and VHM) came from the same person i.e. Mr. Deepak Kumar. The trailing mail communication provided by SCSI clearly bears out the fact that it is not the directors of the assessee company issuing instructions, but the director of its parent company in London. A copy of the response received from Standard Chartered Securites India (with relevant annexures) has been placed as **Annexure 6 of this submission.** The findings unambiguously establish that the mind of the assessee company is not in Mauritius. In order to verify the flow of funds, the KYC details of the assessee company's Standard Chartered Bank account, a reference was made to Foreign Tax and Tax Research Division for the purpose of obtaining bank account statements with KYC details under "Exchange of Information" Article of India-Mauritius Double Taxation Avoidance Convention. The relevant documents were received in this office on October 11, 2024 **(Placed as Annexure 13 of this submission)**. The documents clearly show the list of authorized signatories including employees of Vedanta Limited, India and of other entities of Vedanta group. Open source findings establishing the same have been placed as **Annexure 14** of this submission. In the interest of principles of natural justice, the findings of the information received by way of exchange of information were duly confronted before the assessee in the notice under section 142(1) dated October 18, 2024.

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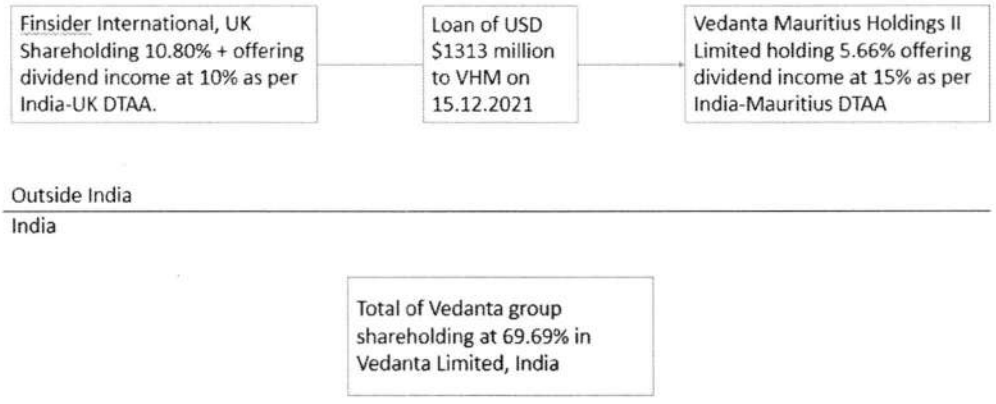
		An extract of the response sought is produced hereunder for your convenience: *"d. Upon perusal of the user maintenance accounts (pertaining to the Standard Chartered Bank account) received by way of exchange of information, it is seen that the directors of the company, namely Shakill Ahmed Toorabally, among other tax residents of Mauritius neither have "Access to ALL Account" nor to "Specific Account". Please explain as to why this differentiation exists with the Mauritian tax residents who are serving as directors in the assessee company, along with explaining as to what "Access to ALL Account" and Access to "Specific Account" entails.* *e. Please specify as to which user executed the debit transactions from the Standard Chartered Bank account in Mauritius, along with supporting documentation* *f. Upon perusal of the account opening, KYC forms, it is observed that user, administrator rights have also been granted to persons who are neither employees of Vedanta Mauritius Holdings II Limited nor its directors (example: Sanjay Pandit, Pooja Somani, Divya Gulati, Shankar Gonthia, Shiv Ratan Maheshwari, Mayank Gaba, Hritik Gupta, Anand Banka, Jagdeep Singh, Somya Jain, Prashant Maheshwari, Karishma Bhatia, Aanchal Bhatia, Praveen Purohit, Nitin Gupta etc.). Please explain as to why and in what capacity user and/or administrator rights to the assessee's bank account have been granted to these persons when they are neither employees nor directors nor executives of the assessee company. Since the email ids of these persons has the domain @vedanta.co.in or a related entity, please detail as to which entity of Vedanta group these persons are employees"* The response of the assessee company was recived on November 8, 2024. No details as to who carried out the debit transaction were provided by the assessee company. The assessee merely that *"in the administrative tasks of implementing the decisions of the Board, that is, placing orders with brokers for board approved investments, for making Board approved payments in banking channel, group's employees employed in different entities of the group, bothe downstream and upstream of the Assessee company are involved."* With respect to the details regarding the assessee's Standard Chartered Bank account in Mauritius, there are multiple details which are pertinent. First, the findings regarding authorized signatories is completely contradictory to

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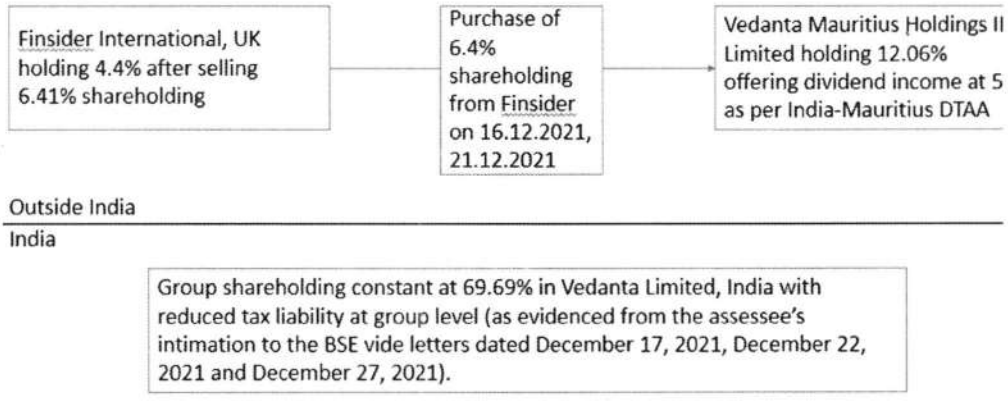
		the information the assessee had furnished. The notice under section 142(1) had clearly asked The above statement was made in response to the query in notice under section 142(1) dated February 5, 2024 which specified *"Please list down all the signatories of bank account of Mauritius company. Are they different from BoD/directors of Mauritius company. If yes, reasons thereof."* To this, in its response dated February 12, 2024, the assessee had responded stating that: *"The assessee wishes to inform that the Board of directors are the signatories of its Bank account. List of signatories/Borad of directors are as below:* *i. Shakill Ahmed Toorabally* *ii. Rajiv Mangar"* Thus, the assessee chose not to reveal complete details in the course of assessment proceedings. Second, it is noted that from the assessee's response dated April 16, 2025 that Oaktree had directed that a separate company be formed in which the loan was to be advanced by Oaktree was to ensure that in case of enforcement event i.e. in case of default by the borrower Oaktree has an option to sell shares of Vedanta India or the borrower, i.e. the assessee. However, the response was furnished to the query seeking documentary evidence of the condition imposed by Oaktree that they will advance loan only to a new company and not to TSH. None of the responses detail any documentary evidence showing that the borrower Oaktree mandated the incorporation of a new entity in Mauritius. The above findings clearly indicate that the directors of the company had no independent decision-making and were enablers to provide the bare minimum compliance requirements for the assessee company's existence in Mauritius. The primary motive of the company's transactions in the financial year concerned was driven by reasons of tax arbitrage, and had no other commercial consideration. Even if the assessee's reasoning for its incorporation be taken at its face value, the manner and the outcome of transactions in financial year 2021-22 show no other purpose except taking benefit of India-Mauritius DTAA and indulging in tax arbitrage. This is further strengthened by a lack of documentary evidence showing mandatory requirement of Oaktree that a new entity be incorporated in Mauritius. A diagrammatic representation showing the tax benefit accruing to the assessee, even while simultaneous purchase and sale of shares offsets each other, is as below:

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Situation prior to purchase of shares from Finsider:

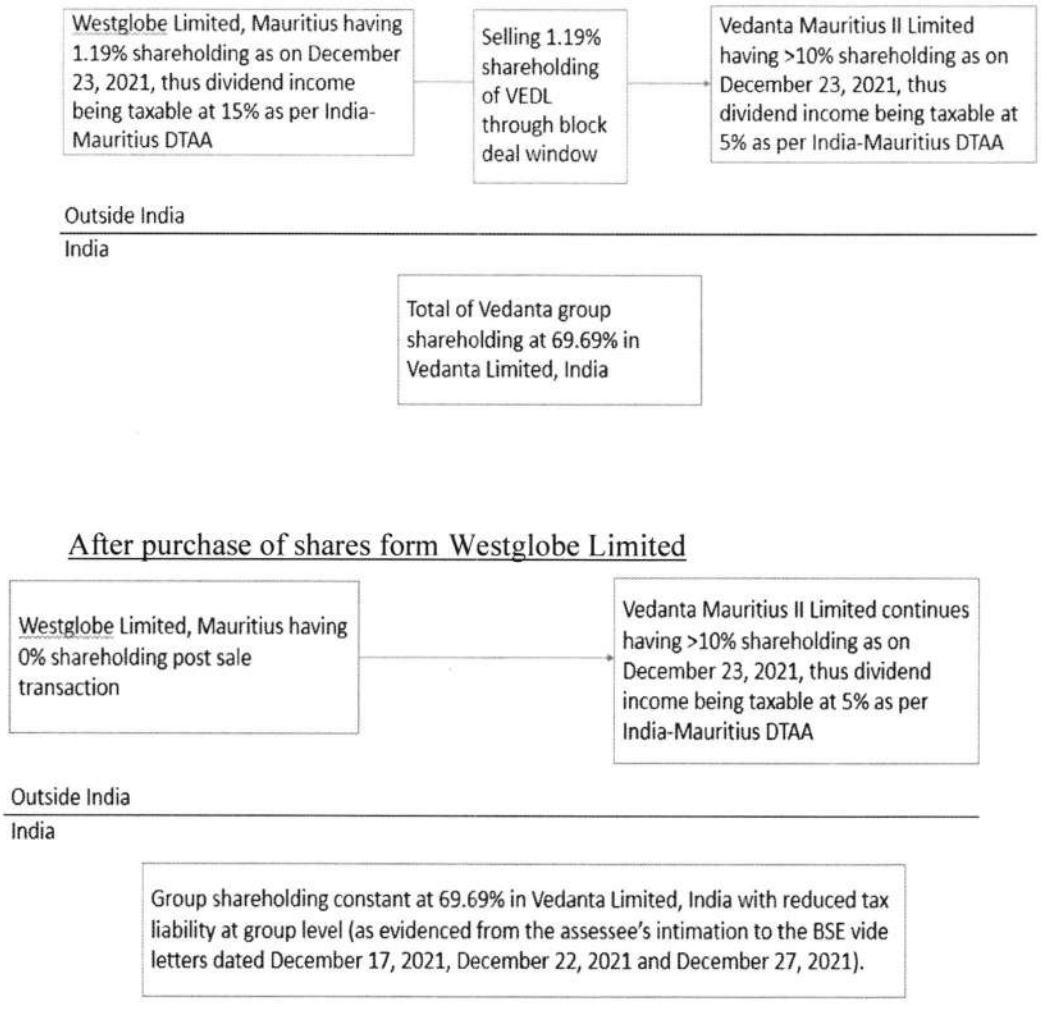


After purchase of shares from Finsider International



Before purchase of shares from Westglobe Limited

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Thus, by the contents of this paragraph, it is seen that tax benefit was the ma purpose of the arrangement.

13)	Indicate which of the following conditions is satisfied by the arrangement (along with basis of such conclusion): (a) creates rights, or	<u>The arrangement creates rights or obligations not ordinarily created between perso dealing at arm's length</u> It is pertinent to note that the instruction for sale of shares (of VEDL) by Finsider (a well as Westglobe) and for purchase of shares (of VEDL) by VHM is given to th broker by the same person, i.e., Deepak Kumar on the same day for the same quanti of shares. Deepak Kumar is neither an employee, nor a director, nor a shareholder the assessee company (similar the case being for Westglobe Limited). Betwee persons dealing at arm's length, instruction for a transaction on behalf an entity wou not ordinarily be given by a person who is not a part of the entity. Second, it is noted that in the assessee's response dated November 8, 2024, there complete contradiction to the earlier responses. While in the earlier submission, th assesssee had stated that the entire functioning of the company is taken care of by i

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	obligations, which are not ordinarily created between persons dealing at arm's length;	managing directors, in the response dated November 8, the assessee stated that in the administrative tasks, group's employees employed in different entities of the group, both downstream and upstream, of the assessee company are involved. Thus, the assessee itself changed stance from its earlier submissions. Third, the granting of administrative rights to employees of downstream entity (i.e. Vedanta Limited) to the assessee's bank account maintained in Standard Chartered Bank, Mauritius also highlights applicability of provisions of section 96(1)(a) in the case of the assessee. Ordinarily, no entity would grand administrator, user rights to a person who is not a part of the entity's own setup. Fourth, the assessee company has high interest cost, interest income from related entities which is without any interest-rate benchmarking as per transfer pricing norms. The financial statements furnished by the assessee do not point to any such arm's length benchmarking of interest expense, interest income. Fifth, it is noted that rights with regard to the operation of the assessee's Mauritius bank account were either employees of Vedanta Limited, India or of different Associate Enterprises within the Vedanta Group. Each of the employees, namely, Sanjay Pandit, Pooja Somani, Divya Gulati, Shankar Gonthia, Shiv Ratan Maheshwari, Mayank Gaba, Hritik Gupta, Anand Banka, Jagdeep Singh, Somya Jain, Prashant Maheshwari, Karishma Bhatia, Aanchal Bhatia, Praveen Purohit, Nitin Gupta, were found to be employed with VEDL (Vedanta Limited, India) and not with the assessee company. Such granting of rights of access to bank accounts (including administrator rights, operator rights) would not be granted between entities dealing at arm's length. Sixth, it is pertinent to note that the loan given by Finsider (USD 1313 million) was used for the purchase of shares from itself by the assessee. Such a transaction would not have been entered into between entities dealing at arms length for either a loan transaction or for a share purchase transaction, in all *bona fides*. The financial statements of Finsider (for the financial year ended March 31, 2023) specifies that Finsider acquired additional shares in the assessee company (i.e. VHM) in lieu of the loan receivable (the same loan which was used to acquire shareholding by the assessee company from Finsider). The act of converting loan from Finsider into shares held by Finsider in the assessee company has to be read with Mauritian tax laws which mandate a tax withholding on interest income of a non-resident but do not require any withholding on the dividend income.

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		Seventh, any bond offering at arm's length would require the issuers of the bond and the guarantors therein, to abide by the terms and conditions of the bond. In substantiation of why the equity shareholding could not have been increased through TSH, the assessee in its response dated March 6, 2025, stated that on December 9, 2020, VRL had announced Bond offering of USD 1 billion 13.875% Bonds due for maturity in January 2024 and TSH being one of the guarantors, of the Bond issue *clause 3- Covenants* of the Bond issue, covenants were attached restricting the guarantor TSH from creating any encumbrance **(response received on March 6, 2025, placed as part of Annexure 15 of this submission)**. Upon perusal of the intimations made by the Group entity VRL to the BSE dated June 4, 2021 **(placed as Annexure 16 of this submission)**, it is clearly stated that the entity TSH is entering into facility agreements with Deutsche Bank A.G., London Branch, Deutsche Bank A.G. Singapore Branch, Barclays Bank PLC. The said facility agreements, as per VRL's intimation, were to result in creation of encumbrance, which was, going by the restrictions of the covenant in the Bond offering, not permissible. In ordinary circumstances, unrelated parties are less likely engage in financial transactions which are to result in direct contravention of pre-existing Bond agreements, as in the case of the TSH.
	(b)results, directly or indirectly, in the misuse, or abuse, of the provisions of this Act;	Results directly, or indirectly, in the misuse, or abuse, of the provisions of this Act In the questionnaire dated August 20, 2024, the assessee was asked questions which were pertinent to ascertain commercial substance, beneficial ownership, ownership, control and management of funds (including, but not limited to, the dividend income received) in the assessee's case. The assessee took recourse to Circular 789 dated April 13, 2000 and reiterated that since the TRC (Tax Residency Certificate) is sacrosanct, there is no relevance of questions in point number 4,10,12, 14 to 17 of the notice under section 142(1) dated 20.08.2024. The assessee suo-moto decided that the response to the questions posed by the Assessing Officer in the said notice were not germane to the assessment proceedings. By taking recourse to Circular 789, the assessee avoided furnishing satisfactory response to the queries. The entities of the Vedanta group undertook a pre-planned transfer of shareholding in VEDL on the stock market. Though the shareholding at the group level stayed constant at 69.69%, the transfer of shareholding from Finsider to VHM enabled lowering of tax liability in the UK jurisdiction while enabling the assessee to take benefit of a lower tax rate of 5% as per India-Mauritius DTAA. Had the transfer of shares not taken place between Finsider and VHM, the dividend income would still have been taxable at 15% since the 10% thresholding of shareholding in VEDL would not have been crossed in case of the assesses company. As stated before, the purchase of shares was instructed to the broker by Deepak Kumar, who is neither an employee nor a shareholder nor a director in the assessee company. Further, the commercial



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		rationale for assessee's company itself is full of contradictions. Vide response dated September 5, the assessee had stated that "The Group strategically decided to increase its stake in Vedanta Ltd. and for the same created the Assessee company…" However, seeing the transactions undertaken in December, 2021, it is seen that the transactions undertaken on December 16 and December 21 did not have the effect of increasing the group's shareholding in Vedanta Limited, India. By transfer of shareholding from UK to Mauritius, even while the incorporation of the assessee lacks commercial rationale, the assessee took benefit of India-Mauritius DTAA by way of tax arbitrage. This points to misuse, abuse of the benefits of DTAA as granted under section 90 of the Act. Using the India-Mauritius DTAA, the group's tax liability on the same percentage of shareholding stood reduced by way of transfer of Westglobe's 1.19% shareholding in VEDL to the assessee company (which was already holding more than 10% shares of Vedanta Limited). Westglobe would have had to pay 15% tax on the dividend income had it held on to the shares it sold. By selling the shares to the assessee company, the group's tax liability benefitted by an arbitrage of 10% on the transfer of 1.19% shareholding within Mauritius entities. Other than providing tax benefit, the transaction between the Mauritian entities held no commercial purpose. This points to misuse, abuse of the benefits of DTAA as granted under section 90 of the Act.
	(c) lacks commercial substance or is deemed to lack commercial substance under section 97, in whole or in part; or	The arrangement lacks commercial substance or is deemed to lack commercial substance under section 97, in whole or in part 1.0 "it involves or includes round trip financing" 1.1 For ease of reference, section 97(2) detailing round trip financing is reproduced hereunder: "round trip financing includes any arrangement in which, through a series of transactions- (a) funds are transferred among the parties to the arrangement; and (b) such transactions do not have any substantial commercial purpose other than obtaining the tax benefit (but for the provisions of this Chapter), without having any regard to- (A) whether or not the funds involved in the round trip financing can be traced to any funds transferred to, or received by, any party in connection with the arrangement; (B) the time, or sequence, in which the funds involved in the round trip

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financing are transferred or received; or

(C) the means by, or manner in, or mode through, which funds involved in the round trip financing are transferred or received."

It is seen that immediately preceding the purchase of shares by the assessee, the assessee was granted a loan of USD 1313 million by its parent company Finsider International, which in turn was used to purchase the shares. This falls squarely in the category of funds being transferred among the parties to the arrangement. The source of purchase of shares has been the proceeds from borrowing (response dated February 12, 2024), as evidenced from the assessee's financial statements and its submissions in the course of proceedings. A brief summary is as below:

Date of transaction	Nature of transaction	% shareholding of Finsider after the transaction	% shareholding of VHM after the transaction
15.12.21	Loan of USD 1313 million from FIL to VHM	10.80%	5.66%
16.12.21	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	6.22% (decrease of 4.58%)	10.24% (increase of 4.58%)
21.12.21	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	4.40% (decrease of 1.82%)	12.06% (increase of 1.82%)

From the above details, it is clear that the transactions resulting from the loaned funds served no other purpose other than shifting the jurisdiction of 6.40% of the shareholding of Vedanta group from UK to Mauritius, thus enabling it to obtain tax benefit of lower tax rate of 5% on dividend income as per India-Mauritius DTAA.

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		2.0 "it involves or includes an accommodating party" 2.1 For ease of reference, section 97(3) detailing what constitutes an accommodating party is reproduced hereunder: "a party to an arrangement shall be an accommodating party, if the main purpose of the direct or indirect participation of that party in the arrangement, in whole or in part, is to obtain, directly or indirectly, a tax benefit (but for the provisions of this Chapter) for the assessee whether or not the party is a connected person in relation to any party to the arrangement." In the case of the assessee, as highlighted vide paragraph 5(c)(ii) and paragraph 5(c)(iii) of the show cause notice issued in the assessment proceedings, the pre-planned sale and purchase of shares of VEDL over the Indian stock exchanges achieved no purpose other than providing heavy tax benefit in the Vedanta's group structure. The participation of Finsider (as 'seller') and Mr. Deepak Kumar, Director, Finsider (as the person issuing instructions to the broker on behalf of the seller company as well as the buyer company) while keeping shareholding unchanged (the group level shareholding stood unchanged at 69.69%) was a crucial factor in the assessee availing benefit of 5% taxation of dividend income as per India-Mauritius DTAA. The above facts where the associated enterprises are enabling the situation of tax arbitrage, are also to be read conjointly with section 102 of the Act. The term connected person, as defined in section 102, reads as under: " *"connected person" means any person who is connected directly or indirectly to another person and includes,—* *(a) any relative of the person, if such person is an individual* *(b) any director of the company or any relative of such director, if the person is a company;* *(c) any partner or member of a firm or association of persons or body of individuals or any relative of such partner or member, if the person is a firm or association of persons or body of individuals;* *(d) any member of the Hindu undivided family or any relative of such member, if the person is a Hindu undivided family;* *(e) any individual who has a substantial interest in the business of the person or any relative of such individual;*

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(f) a company, firm or an association of persons or a body of individuals, whether incorporated or not, or a Hindu undivided family having a substantial interest in the business of the person or any director, partner, or member of the company, firm or association of persons or body of individuals or family, or any relative of such director, partner or member;

(g) a company, firm or association of persons or body of individuals, whether incorporated or not, or a Hindu undivided family, whose director, partner, or member has a substantial interest in the business of the person, or family or any relative of such director, partner or member;

(h) any other person who carries on a business, if—

(i) the person being an individual, or any relative of such person, has a substantial interest in the business of that other person; or

(ii) the person being a company, firm, association of persons, body of individuals, whether incorporated or not, or a Hindu undivided family, or any director, partner or member of such company, firm or association of persons or body of individuals or family, or any relative of such director, partner or member, has a substantial interest in the business of that other person;"

3.0 "it involves or includes elements that have the effect of offsetting or cancelling each other"

3.1 Post-sanction of loan by Finsider and the transaction of purchase, sale of shares of VEDL on December 16, 2021 and December 21, 2021, and December 24, 2021 it is seen that while the group level shareholding stood unchanged, the only benefit that accrued to the group entities and the group on the whole was reduced tax liability on account of tax benefit on two accounts. The sale, purchase of VEDL shares was such that the individual increase and individual decrease in shareholding in VEDL of each group entity had the effect of offsetting each other, leaving the group level shareholding unchanged at 69.69%.

Date of share purchase of VEDL	VHM's shareholding in VEDL post-purchase (in %)	Vedanta entity selling shares	Change in shareholding% of seller	Group shareholding after the transaction
16.12.21	10.24% (increase of 4.58%)	Finsider International Company Limited, UK	6.22% (decrease of 4.58%)	69.69%

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21.12.21	12.04% (increase of 1.82%)	Finsider International Company Limited, UK	4.40% (decrease of 1.82%)	69.69%
24.12.21	13.26% (including increase of 1.19%)	Westglobe Limited, Mauritius	0% (sold entire shareholding of 1.19%)	69.69%
Source: Assessee company's letters to the Bombay Stock Exchange dated December 17, 2021, December 22, 2021 and December 27, 2021				

4.0 "it involves or includes a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction"

4.1 Vide notice under section 142(1) dated October 18,2024 the assessee was asked as to which user executed the debit transactions from the Standard Chartered Bank account in Mauritius, to which the assessee gave no specific response. As highlighted earlier, there were several signatories to the Mauritius bank account of the assessee who were different from the Board of Directors of the assessee company and were not the assessee's own employees, organization. Add to that the fact that the directors of the assessee company, essentially employees of Amicorp (Mauritius), did not have administrator's rights nor had access to the accounts (As **highlighted in Annexure 13** of this submission), it is well beyond reasonable doubt that the assessee was disguising the control of funds.

4.2 Also noteworthy are the instructions (vide letters dated December 16, 2021 and December 21, 2021), as sourced from Annexure F of the response received from Standard Chartered Securities India Limited to the broker Standard Chartered Securities India Limited **(Placed as Annexure 6 of this submission)** wherein the instructions for operating the assessee's demat account with Axis Bank are being given by a person who is neither a director nor an employee nor a shareholder of the assessee company.

4.3 Further, the assessee did not furnish any diligence report for the purpose of investment (sought vide 142(1) notice dated February 5, 2024) , any explanation with regard to the flow of decision making as to how the quantum of purchase/sale of shares is decided upon (sought vide 142(1) notice dated August 20, 2024 and 142(1) notice dated February 5, 2024), any instance where the Mauritius company rejected any proposed investment and divestment in Indian companies (sought vide 142(1) notice dated August 20, 2024). Considered conjointly with the fact that the loan received from Finsider International Company Limited was

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		immediately a day before the purchase of shares, it is not far-fetched to gather that the assessee had little control, ownership of the funds it put to use. 4.4 In the response dated December 4, 2024, the assesse has claimed that owing to fully functional and independent Board of directors who pass their own resolutions in relation the Company's affairs, the assessee company is the legal and beneficial owner of the income. In this connection, a notice under section 133(6) was issued to Orbis Financial Corporation Limited, the custodian of assessee's holdings in India. The notice issued sought details such as account opening forms, relevant documentation with regard to account opening. The response received identifies the following parties as the ultimate legal and beneficial owner: a. Vedanta Resources Holdings Limited b. Volcan Investments Cyprus Limited c. Volcan Investments Limited, Bahamas d. Conclave PTC Limited, Bahamas e. Anil Agarwal Discretionary Trust, Bahamas The findings received from the assessee's financial custodian in India clearly show that beneficial ownership rests in non-Treaty jurisdiction, i.e. Bahamas. By interposition of the assessee company in Mauritius, the assesseee has indulged in treaty shopping, taking tax benefit of India-Mauritius DTAA has been claimed. 5.0 "it involves the location of an asset or of a transaction or of the place of residence of any party which is without any commercial purpose other than obtaining a tax benefit" 5.1 As discussed earlier, the incorporation of the assessee company was without a commercial rationale. The only tangible benefit that accrued by way of incorporation of the assessee and the transactions conducted on December 16, 2021, December 21, 2021 and December 24, 2021 was tax benefit of 5% taxation of dividend income as per India-Mauritius DTAA. This enabled the group to take benefit of tax arbitrage, thus benefitting by a difference of 5% tax on the 6.4% shares of VEDL transferred from Finsider to VHM. Similarly, by way of transfer of VEDL shares from Westglobe Limited to the assessee, the assessee to benefit of 10% arbitrage within the India-Mauritius DTAA (as highlighted in paragraph 6(h) of this show cause notice)

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5.2 Also, it is noted that from the assessee's response dated April 16, 2025 that Oaktree had directed that a separate company be formed in which the loan was to be advanced by Oaktree was to ensure that in case of enforcement event i.e. in case of default by the borrower Oaktree has an option to sell shares of Vedanta India or the borrower, i.e. the assessee. However, the response was furnished to the query seeking documentary evidence of the condition imposed by Oaktree that they will advance loan only to a new company and not to TSH. None of the responses detail any documentary evidence showing that the borrower Oaktree mandated the incorporation of a new entity in Mauritius

5.3 The transactions by themselves serve no purpose other than providing tax benefit, since there is no change in shareholding at the group level and there is no commercial purpose being served by this transfer of shares within the group.

Date of share purchase of VEDL	VHM's shareholding in VEDL post-purchase (in %)	Vedanta entity selling shares	Change in shareholding% of seller	Group shareholding after the transaction
16.12.21	10.24% (increase of 4.58%)	Finsider International Company Limited, UK	6.22% (decrease of 4.58%)	69.69%
21.12.21	12.04% (increase of 1.82%)	Finsider International Company Limited, UK	4.40% (decrease of 1.82%)	69.69%
24.12.21	13.26% (including increase of 1.19%)	Westglobe Limited, Mauritius	0% (sold entire shareholding of 1.19%)	69.69%
Source: Assessee company's letters to the Bombay Stock Exchange dated December 17, 2021, December 22, 2021 and December 27, 2021				

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The entities of the Vedanta group undertook a pre-planned transfer of shareholding in VEDL on the stock market. Though the shareholding at the group level stayed constant at 69.69%, the transfer of shareholding from Finsider to VHM enabled lowering of tax liability in the UK jurisdiction while enabling the assessee to take benefit of a lower tax rate of 5% as per India-Mauritius DTAA. Had the transfer of shares not taken place between Finsider and VHM, the dividend income would still have been taxable at 15% since the 10% thresholding of shareholding in VEDL would not have been crossed in case of the assesses company. As stated before, the purchase of shares was instructed to the broker by Deepak Kumar, who is neither an employee nor a shareholder nor a director in the assessee company. Further, the commercial rationale for assessee's company itself is full of contradictions. Vide response dated September 5, the assessee had stated that "The Group strategically decided to increase its stake in Vedanta Ltd. and for the same created the Assessee company…" However, seeing the transactions undertaken in December, 2021, it is seen that the transactions undertaken on December 16 and December 21 did not have the effect of increasing the group's shareholding in Vedanta Limited, India.

Using the India-Mauritius DTAA, the group's tax liability on the same percentage of shareholding stood reduced by way of transfer of Westglobe's 1.19% shareholding in VEDL to the assessee company (which was already holding more than 10% shares of Vedanta Limited). Westglobe would have had to pay 15% tax on the dividend income had it held on to the shares it sold. By selling the shares to the assesee company, the group's tax liability benefitted by an arbitrage of 10% on the transfer of 1.19% shareholding within Mauritius entities. Other than providing tax benefit, the transaction between the Mauritian entities held no commercial purpose.

Finsider's decrease in the shareholding of VEDL was complemented with equal increase in the shareholding of the assessee company in VEDL. This enabled tax benefit to both, Finsider as well as the assessee company, as detailed below:

Finsider : As per the TDS details furnished in the ITR of Finsider for AY 2022-23 corresponded with the change in its shareholding in the relevant AY, it received a total dividend income of Rs. 1267,63,57,680/- as per the following schedule (working of the same annexed as **Annexure 3** of this submission):

S. No.	Dividend income received (in Rs.) at various time in FY 2021-22	% holding for which dividend income received	Dividend per share declared (in Rs.)	Dividend income, had the transfer of VEDL shares to assessee company not

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		by Finsider		taken place
I	**II**	**III**	**IV**	**V**
1.	742,76,84,880	10.80%	18.50	742,76,84,880
2.	312,36,33,780	4.40%	13.50	542,02,02,480
3.	212,50,39,020	4.40%	13.00	521,94,54,240
	Total dividend income received			**Total dividend income received had the share transfer not taken place**
	1267,63,57,680			1806,73,41,600

Had the share transfer between Finsider and VHM not taken place, Finsider would have paid a tax of Rs. 180,67,34,160/- (i.e. 10% of the total dividend income that would have accrued if the share transfer had not taken place).

In its course of submissions, the assessee company also stated that Finsider had paid a tax on capital gains for the transferred shares.

Upon perusal of the ITR for AY 2022-23 filed by Finsider, it is seen that the company paid tax of Rs. 138,31,33,208/- (including the tax paid on capital gains for the sale of shares).

Even after accounting for the taxes paid by Finsider in India in AY 2022-23, inclusive of capital gains, Finsider lowered its tax liability by Rs. 42,36,00,952/- (i.e. excess of Rs. 180,67,34,160/- over Rs. 138,31,33,208/-).

The transactions conducted by the assessee company with Westglobe Limited, Mauritius, **(Westglobe)** an associated enterprise of the assesse company, are also in the same fashion as highlighted above. On December 24, 2021, the assessee bought 1.19% shares of VEDL, which corresponded with a 1.19% sale of VEDL shares by the company Westglobe Limited, Mauritius on the same day. As per the response recived from the stock exchange, it is seen that the for the 1.19% shareholding offloaded by Westglobe, the assessee company was the counterparty. Post-sale, the shareholding of Westglobe reduced to 0%. It is pertinent to note that Westglobe Limited, Mauritius is a part of the Vedanta Group.

S	Dividend	% holding	Dividend	Dividend	Tax Paid

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. No.	income received (in Rs.) at various time in FY 2021-22	for which dividend income received by Westglobe	per share declared (in Rs.)	income, had the transfer of VEDL shares to assessee company in Mauritius not taken place	
I	II	III	IV	V	VI
1.	82,03,48,072	1.19%	18.50	82,03,48,072	12,30,52,211
2.	59,86,32,377	1.19%	13.50	59,86,32,377	8,97,94,856
3.	--	0%	13.00	57,64,60,808	
	Total dividend income received			**Total dividend income received had the share transfer not taken place**	
	141,89,80,449			199,54,41,257	

Had Westglobe retained its shareholding, its tax liability on the dividend declared after December 2024 would have been of Rs. 8,64,69,121/- since the dividend income would have been taxable at the rate of 15%. By transferring shareholding from Westglobe to VHM, the Vedanta Group was able to offer the dividend income of Rs. 57,64,60,808/- at a 10% concession, i.e., thus enabling a tax benefit of Rs. 5,76,60,808/-.

By virtue of the above specified transfers in shareholding in VEDL in the financial year 2021-22, the shareholding of the assessee company increased from 4.98% to 13.26%.

Thus, the more beneficial India-Mauritius DTAA (in comparison to taxability on dividend income as per India-UK DTAA) became accessible by use of Mauritius jurisdiction.

6.0 "it does not have any significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the benefit that would be obtained"

6.1 At group level, it is seen that by way of incorporation of the assessee company in Mauritius and the transactions conducted on December 16, December 21, December 24 (collectively referred to as "the arranged transactions"), there is no

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		change in group shareholding, thus no change in cash flow accruing out of dividend. The changes on account of interest cost and borrowings have the effect of offsetting each other since almost all the transactions are within the group entities. Further, without any benefit accruing, it is common business sense that no entity would increase its business risks. By the above syllogism and the impact of transactions conducted, it is safe to conclude that the transactions were arranged to lower tax liability for the same shareholding (69.69%) at the group level, and had no other impact on business risks or net cash flows.
	(d) is entered into, or carried out, by means, or in manner, which are not ordinarily employed for *bona fide* purposes.	Since the incorporation of the assessee company and the arranged transactions had no business purpose which could lead to additional business income, growth of new asset, reduction of liability, increase in sales, new business opportunities, the transactions do not seem to serve any bona fide purpose. The grant of USD 1313 million by Finsider to enable the assessee to buy shares from Finsider the next day also points to a manner of transaction which would not ordinarily be employed by persons dealing at arm's length since it first makes the lender part with its own cash and then with its own assets, thus multiplying the business risk manifold. Paragraph 3 of the loan agreement **(Placed as Annexure 5 of this submission)** itself mandates the usage of loan. At every submission regarding investment, divestment, incorporation of the assessee company, the response has been that it a 'strategic business decision of the group'. Post-incorporation, it is seen that right from operating the bank account to issuing instructions for the purchase and sale of shares, it is not the directors who are in control but different employees of the Vedanta group who are managing the affairs. The company had only passive income and was servicing interest costs. It owns no physical assets, has no operating income, no employees of its own. The usage of loaned funds was pre-decided and there was no document furnished by the assessee showing any due diligence conducted before investing in the shares of VEDL. Circumstantially, such transactions would not be ordinarily employed for *bona fide* purposes. For instance, due diligence document, documents showing corporate personality form a part of any Board's decision to invest. Further, the only tangible benefit of internal restructuring appears by way of tax arbitrage. First, by arbitrage of 10% when shareholding is transferred from UK to Mauritius. Second, arbitrage of 10% when shareholding is transferred from Westglobe to the assessee.
14)	Has the assessee been given an opportunity of being heard with regard to the	The assessee has been given a fair opportunity of being heard on the matter. Notice was issued to the assessee on January 10, 2025, seeking reasons as to why the assessee's case, considering the reference received in Form 3CEG, should not be considered to be an applicable for the purpose of General Anti-Avoidance Rules. The

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	findings given in columns 11, 12 and 13 ? If yes, provide the gist of the reply furnished by the assessee.	date of compliance for the said notice was February 15, 2025. The assessee sought multiple adjournments to furnish response (adjournments sought on February 14, February 17, February 24, March 3). The assessee furnished its response on March 6, 2025, the gist of which is in the following paragraphs. The assessee, in addition to the response furnished on March 6, also furnished its response on April 16, April 24 and May 1, furnishing details, as sought in the course of hearings before this office The assessee gave the following commercial reasons for establishing company in Mauritius: • Businesss friendly jurisdiction • Stable regulatory and financial environment that makes investing and conducting business relatively simple and easy • Large pool of highly literate, low-cost and milti-lingual workforce • Good and stable banking system and availability of finance at lower rates. The assessee stated that on May 12, 2020, VRL had issued a delisting letter to VEDL wherein it informed its willingness to purchase the shares of VEDL @ 87.5 per share in accordance with Delisting Regulations. Post approval of the Delisting Offer, the Group was required to raise funds by way of loans/issuing of bonds. As per the assessessee's submission, Vedanta Group had already taken loans/created a pledge/charge in TSH. Accordingly, to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a Special Purpose Vehicle (SPV). The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish two companies in Mauritius viz, Vedanta Holdings Mauritius Ltd (Vedanta Mauritius 1) and Vedanta Holdings Mauritius II Ltd (Vedanta Mauritius 2) on 29.06.2020. The assessee went on to state that for the specific purpose of delisting of VEDL shares, Assessee was required to raise funds by way of issuance of bonds. Accordingly, on 17.08.2020, Assessee issued bonds amounting to USD 1.4 billion. The said amount received pursuant to issue of the bonds was deposited in an Escrow account (as per SEBI regulations) opened for the purposes of the delisting of VEDL shares (explained infra).

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		In the context of delisting, to raise requisite funding, VRL announced Bond offering of USD 1 billion 13.875% on December 9, 2020, due for maturity in January 2024. The assessee stated that since TSH was one of the guarantors, covenants were attached which restricted the guarantor from availing any additional borrowings, creating or permitting to subsist any mortgage, charge, pledge, lien, or other form of encumberance or security interest upon any assets directly held by it, present or future, to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness. Thus, as per assessee's submission, TSH was restricted from taking any additional borrowings, creating any mortgage, charge, pledge lien or any other form of encumberance. The assessee company further detailed on the loan from Oak Tree, stating that in December 2020, the assessee executed a secured loan facility with Oak Tree for an amount of USD 1 billion bearing an interest rate of 13.2 percent per annum. The assessee submitted that it had utilized USD 750 million of facility amount. Upon perusal of the assessee's response dated April 16, 2025, it is seen that of the total loan amount of USD 750 million, USD 500 million was utilized towards the purchase of VEDL shares whereas USD 250 million was utilized towards general corporate purpose, refinancing and servicing of any existing financial indebtedness of any member of the Group, General Corporate Purpose. It is thus seen that while the loan was seemingly for the purpose of increasing shareholding, neither the full loan amount was utilized nor was the end-use of loaned funds strictly towards the purpose of increase in shareholding. On March 23, 2021, the Vedanta group through TSH, Vedanta Mauritius I and the assessee company launched an open offer for purchase of shares. The said open offer was completed and increased the group's shareholding by 10.07%. In support of the contention that the assessee is controlled and managed from Mauritius, the following submissions were furnished by the assessee: • The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber. • All the board meetings of the assessee are held in Mauritius only. Copy of the board meeting / resolutions relevant to FY 2021-22 was attached as Annexure L vide response dated 03.10.2024. • The assessee maintains office premises and the same is also mentioned in its official website. • Control and management of the assessee is situated and shall continue to be situated in Mauritius

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		• The assessee is the legal and beneficial owner of shares of VEDL • The assessee has been subject to enquiry/ scrutiny from the tax authorities in Mauritius and has been regularly depositing taxes (including applicable withholding taxes). • The assessee maintains a bank account in Mauritius and all income (including dividend income from VEDL) has been received in its bank account in Mauritius. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies. Copy of relevant extract of bank account statement was attached as Annexure B vide response dated 12.01.2024. • The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius. • The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius. Copy of audited financial statements for FY 2021-22 were attached as Annexure D vide response dated 08.08.2023. • The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis. • The assessee continues to hold the shares in VEDL till date. In addition to the above, the assessee submitted that being a tax resident of Mauritius, it was entitled to the benefits of India-Mauritius DTAA. Placing reliance on Circular 789 dated April 13, 2000, the assessee cited *Union of India and Another vs. Azadi Bachao Andolan and Another: 263 ITR 706* for the purpose of TRC being sufficient evidence for beneficial ownership and commercial substance. The assessee further placed reliance on the following case laws and circulars: • Vodafone Holdings BV vs. UOI: 341 ITR 1 (SC) • Blackstone Capital Partners (Singapore) Vi Fdi Three Pte LTd. v. ACIT (International Taxation): 452 ITR 111 (Delhi) • CBDT issued circular number 682 dated March 30, 1994 • Tiger Global International III Holdings vs. AAR • Little Fairy Limited vs. ACIT : ITA No. 1513/Del/2022 • Golden Bella Holdings td. V. DCIT [2019] • Decision of the Supreme Court of Netherlands in Case No 28.638 dated April 6, 1994 • Decision of the Supreme Court of Canada in the case of Canada vs. Alta Energy Luxemborg S.A.R.L. : 2021 SCC 49

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		• Prevost Car Inc v R (2008) 10 ITLR 736 (TCC) The assessee further cited Article 27A(4) of the India-Mauritius DTAA which states that a resident of Mauritius would be deemed not to be a shell or conduit company if: (a) it is listed on a recognised stock exchange in Mauritius; or (b) its annual expenditure on operations in Mauritius is atleast Mauritian Rs. 1,500,000 in the immediately preceding period of 12 months from the date on which the gains arise; Though Article 27A of the Treaty is not strictly applicable in the present case, nevertheless, the assessee does not fall foul of the rigors of the LOB clause since the assessee is not a shell company considering that its annual expenditure on operations in Mauritius is in excess of Mauritian Rs. 1,500,000 in the assessment year 2022-23. The assessee further cited the furnished board resolution pertaining to each loan facility (including USD 400 million loan agreement with Twin Star Holdings Limited in which USD 100 million had been drawn as on date of agreement, i.e. July 15, 2021) The assessee reiterated its stand on the issue of several employees different entities of Vedanta group being authorized signatories to the bank account. In the response dated December 4, 2024, it provided the same explanation as provided in the response in November, 2024: *"In the administrative tasks of implementing the decisions of the Board, that is placing orders with brokers for board approved investments, for taking Board approved payments in banking channel, group's employees employed in different entities of the group, both downstream and upstream of the Assessee Company are involved. This is cost effective, and enables good controls over execution of administrative tasks. The carrying out of administrative tasks is not indicative of the control being shifted by the assessee outside Mauritius. The core business of the assessee i.e. raising of funds and their deployment/investment are decided upon and mandated by the Board of directors of the assessee in Mauritius."* Regarding the transactions being at Arm's Length, the assessee stated the following: • The assessee was incorporated to acquired shares of VEDL during delisting offer. Once the delisting failed, the assessee acquired the shares of VEDL through bulk deals on the Indian stock exchange • The shares acquired by the assessee were at the prevailing market price on the Indian stock exchange

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		• The funds were raised by the assessee from Oak Tree and other group companies at arm's length • subsequently, dividends were paid by VEDL to all its shareholders including the assessee in accordance with the provisions of the Companies Act, 2013. Regarding the applicability of GAAR, the assessee cited the case of Rogers Enterprises (2015) Inc And Her Majesty The Queen : 2020 TCC 92, in which the Tax Court of Canada ruled that for applicability of GAAR, existence of tax benefit resulting from a transaction based on misuse/abuse of a statutory or treaty provision is essential; for abuse or misuse, the transaction must frustrate or defeat or circumvent the object, spirit or purpose of the relevant income tax provisions conferring the tax benefit. In support of its claim that the bonafide of the transactions cannot be called in question, the assessee made the following submission: • To raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. • Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 2 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee on 29.06.2020. • Since TSH had already borrowed funds and was also a guarantor (explained supra) on different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from Oak Tree for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender. • In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum.

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		• The assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder Making the above submission, the assessee contested that the GAAR provisions were not applicable in the assessee's case. The assessee submitted that the change in its shareholding from Vedanta Resource holdings Limited (VRHL) to Vedanta Holdings Jersey Limited (VHJL) and finally to Finsider International Company Limited. The assessee company furnished details of the source of funds for the loans given by Finsider, copy of the bond offering of USD 1 billion @ 13.875% by VRL in which TSH was one of the guarantors.
15)	Detailed reasons for being satisfied that the arrangement is an impermissible avoidance arrangement	Broadly, reasons for seeking declaration of the arrangement as impermissible avoidance arrangement can be categorised as following: i. <u>The conducted transactions in FY 2021-22 yield no tangible benefit other than tax arbitrage</u> In the return filed for AY 2022-23, the assessee company had stated the following individuals as its directors: a. Shakill Ahmed Toorabally b. Rajiv Mangar c. Nihad Mohammad Akram Agowun. With respect to the directors' details, notice under section 142(1) issued to the assessee on January 5, 2024, the following details were sought: *d. Composition of the board of directors, along with details of residential status of each director* *e. Copy of the minutes of meetings held* *f. List of all signatories of the bank account of the Mauritius-based company. In case they are different from the BoD/directors, reasons thereof.* To the above, the assessee responded on January 12, 2024 and stated the names Shakill Ahmed Toorabally and Bibi Naziah Auleear as directors of the assessee company. It is noted that the director details provided by the assessee in its response is different from the details provided in the ITR. Further, the name Bibi Naziah Auleear does not feature in the assessee's financial statements for the financial year ending March 31, 2022.

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		In the assessment proceedings, notice(s) were issued to the assessee company to ascertain the independence of decision making of the directors and their control of the company. In the assessement proceedings, a notice was issued under section 142(1) dated Febrauary 5, 2024 seeking the following details: *"4. Please elaborate on how the key decisions with respect to investment/divestment of underlying investments in India are taken. Request you to kindly provide minutes of meeting of board of directors substantiating the same. Also, kindly let us know if there were any instances where the Mauritius company has rejected any proposed investment and divestment in Indian companies.* .... *7. Please share copies of due diligence reports while making investments in the Indian company. Whether Mauritius company paid any consultant(s) for undertaking due diligence reports."* To the above, the assessee responded stating that investment decisions are the Group's strategic decision. Another notice under section 142(1) was issued to the assessee on August 20, 2024 seeking the following details: *"1. Please elaborate on how the key decisions with respect to investment/divestment of underlying investments in India are taken. Request you to kindly provide minutes of board meeting substantiating the same.* *2. Please explain the flow of decision making as to how the quantum of purchase/sale of shares is decided upon. Also elaborate on the response keeping the context of you being a part of the Vedanta Group. Also, state whether there were any instances where the Mauritius company has rejected any proposed investment and divestment in Indian companies,. If so, please furnish the same."* To the above, the assessee responded by saying all such decisions are a part of the Group' strategic decision making. This is in contrast to the assessee's previous responses where it had stated that the 'entire functioning' of the company is taken care of by the directors of the company themselves. In the responses furnished by the assessee with regard to investment decisions, the assessee has passed the onus onto Group's strategic decision. By its own admission, it is not the directors themselves taking the decision but what the Group, strategically decides.

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		At this juncture, it is pertinent to note that the intermediate holding company of the assessee is Vedanta Resources Limited, United Kingdom and the ultimate holding *company*, i.e., Volcan Investments Limited is incorporated in the Bahamas. Questions relating to investment/divestment were asked from the assessee company, considering that it had increased its shareholding in VEDL up to 13.26% in the financial year 2021-22 relevant to assessment year 2022-23. As per assessee's own admission dated _, 2024, the source of investment in shares came from the proceeds from borrowings. On December 15, 2024, the assessee company was granted a loan of USD 1313 million by the parent company Finsider International Company Limited. Paragraph 3 of the loan agreement **(Placed as Annexure 5 of this submission)** dated December 15, 2021 mandated the assessee company to use any and all money borrowed under the loan agreement for inter se share transfer of Vedanta Limited and to settle the expenses there to. The usage of loaned funds was premeditated on behalf of the assesse company by the borrower. At the same time, it is noted that the Board Resolution dated December 15, 2021 **(Placed as annexure 10 of this submission, pages 378-391)** furnished by the assessee company in Annexure L of the response dated October 3, 2024 mentioned the purpose of the loan to cater for corporate expenses and further funding requirements. The said Board resolution neither mentions the true purpose of the loan nor sets in the approved terms and conditions that the loan amount is for the express purpose of buying shares of VEDL. It is apparent from the lack of detailing in Board resolutions that they are merely routine in nature, and perfunctory, only existing to make the assessee company meet compliance requirement and without any independent decision-making. This is further consolidated by a look at the agreement between the company Amicorp (Mauritius) Limited and the assessee company. Page 3 of annexure M of the assessee's response dated October 3, 2024 clearly outlines the services being provided by Amicorp to the assessee company. These services include providing 2 resident directors, maintaining a registered office etc. For administration fees, it also carries a *"yearly admin package fees for up to 10 resolutions per year, 10 wires and 2 board meetings"*. From the description of services, it becomes explainable that Board meetings are being provided as a part of the services. It is further seen from open source findings that Shakill Ahmed Toorabally, among other directors, provides directorial services to other companies. An indicative document (obtained from open source intelligence) is placed as **Annexure 11 of**

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this submission.

That the loan amount was utilized wholly towards the purchase of VEDL shares and no other purpose is evident from the transactions conducted by the assessee in the period following the loan granted by Finsider on December 15, 2021. To ascertain details of the transactions conducted by the assessee in December 2021, notice under section 133(6) was issued to the National Stock Exchange and the Bombay Stock Exchange **(Placed as Annexure 8 of this submission)**. Simultaneously, the assessee company's intimation to the National Stock Exchange and the Bombay Stock Exchange dated December 18, 2021, December 27, 2021 were looked at **(Placed as Annexure 8 of this submission)**. The intimation of the assessee to the stock exchanges and the data received from the stock exchanges clearly bears out the following details:

Date of transaction	Nature of transaction	% shareholding of Finsider after the transaction	% shareholding of VHM after the transaction
15.12.21	Loan of USD 1313 million from FIL to VHM	10.80%	5.66%
16.12.21	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	6.22% (decrease of 4.58%)	10.24% (increase of 4.58%)
21.12.21	Use of loaned funds for purchase of VEDL shares by VHM, corresponding sale of shares by Finsider	4.40% (decrease of 1.82%)	12.06% (increase of 1.82%)

Similar is the nature of transactions conducted by the assessee company on December 24, 2021. The assessee bought 1.19% shares of VEDL on the said date, which corresponded with a 1.19% sale of VEDL shares by the company

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		Westglobe Limited, Mauritius. Post-sale, the shareholding of Westglobe reduced to 0%. In the intimations to the NSE and the BSE, the assessee company had stated the purpose of transactions as "internal re-structuring". However, going by the impact of these transactions, the only tangible outcome is that of tax arbitrage. By shifting shareholding from Finsder to VHM, the assessee company not only took its shareholding to beyond 10% (and thus benefitted from India-Mauritius DTAA clause on 5% dividend taxation), it also enabled the group to enjoy the tax arbitrage of 10% (since dividend is taxed at the rate of 15% as per India-UK DTAA). Similarly, the transfer of shareholding from Westglobe Limited to VHM enabled the enjoyment of 5% tax arbitrage on the dividend income that was being previously received by WL. Other than this, there is no tangible ascertainable outcome that the transaction seems to have yielded. Hence, this "arrangement" was with the primary motive to obtain tax benefit. What lends strength to the above position is the response received from third-parties, post issuance of notice under section 133(6). From the data received from the BSE, the NSE, it was seen that the broker for Finsider International Company Limited, Vedanta Holdings Mauritius II Limited and Westglobe Limited was the same: Standard Chartered Securities India Limited ('SCSI'). A copy of the notice under section 133(6) issued to Standard Chartered Securities India has been placed as **Annexure 6 of** this submission. SCSI's response clearly detailed that the instructions of sale purchase of shares of VEDL on behalf of all three entities (i.e.. Finsider International Company Limited, Westglobe Limited and Vedanta Holdings Mauritius II Limited) came from the same person i.e. Mr. Deepak Kumar. The trailing mail communication provided by SCSI clearly bears out the fact that it is not the directors of the assessee company issuing instructions, but the director of its parent company in London. A copy of the response received from Standard Chartered Securities India (with the relevant annexures) has been placed as **Annexure 6 of this submission.** The findings unambiguously establish that the mind of the assessee company is not in Mauritius. In order to verify the flow of funds, the KYC details of the assessee company's Standard Chartered Bank account, a reference was made to Foreign Tax and Tax Research Division for the purpose of obtaining bank account statements with KYC details under Exchange of Information Agreement. The relevant documents were received in this office on October 12, 2024. The documents clearly show the list of authorized signatories including employees of Vedanta Limited, India and of other entities of Vedanta group. Open source findings establishing the

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		same have been placed as **Annexure 11** of this submission. In the interest of principles of natural justice, the findings of the information received by way of exchange of information were duly confronted before the assessee in the notice under section 142(1) dated October 18, 2024. An extract of the response sought is produced hereunder for your convenience: *"d. Upon perusal of the user maintenance accounts (pertaining to the Standard Chartered Bank account) received by way of exchange of information, it is seen that the directors of the company, namely Shakill Ahmed Toorabally, among other tax residents of Mauritius neither have "Access to ALL Account" nor to "Specific Account". Please explain as to why this differentiation exists with the Mauritian tax residents who are serving as directors in the assessee company, along with explaining as to what "Access to ALL Account" and Access to "Specific Account" entails.* *e. Please specify as to which user executed the debit transactions from the Standard Chartered Bank account in Mauritius, along with supporting documentation* *f. Upon perusal of the account opening, KYC forms, it is observed that user, administrator rights have also been granted to persons who are neither employees of Vedanta Mauritius Holdings II Limited nor its directors (example: Sanjay Pandit, Pooja Somani, Divya Gulati, Shankar Gonthia, Shiv Ratan Maheshwari, Mayank Gaba, Hritik Gupta, Anand Banka, Jagdeep Singh, Somya Jain, Prashant Maheshwari, Karishma Bhatia, Aanchal Bhatia, Praveen Purohit, Nitin Gupta etc.). Please explain as to why and in what capacity user and/or administrator rights to the assessee's bank account have been granted to these persons when they are neither employees nor directors nor executives of the assessee company. Since the email ids of these persons has the domain @vedanta.co.in or a related entity, please detail as to which entity of Vedanta group these persons are employees"* The response of the assessee company was recived on November 8, 2024. No details as to who carried out the debit transaction were provided by the assessee company. The assessee merely that *"in the administrative tasks of implementing the decisions of the Board, that is, placing orders with brokers for board approved investments, for making Board approved payments in banking channel, group's employees employed in different entities of the group, bothe downstream and upstream of the Assessee company are involved."*

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		With respect to the details regarding the assessee's Standard Chartered Bank account in Mauritius, there are multiple details which are pertinent. First, the findings regarding authorized signatories is completely opposite to the information the assessee had furnished. In response to the query in notice under section 142(1) dated February 5, 2024 which specified *"Please list down all the signatories of bank account of Mauritius company. Are they different from BoD/directors of Mauritius company. If yes, reasons thereof."* To this, in its response dated February 12, 2024, the assessee had responded stating that: *"The assessee wishes to inform that the Board of directors are the signatories of its Bank account. List of signatories/Borad of directors are as below:* *i.Shakill Ahmed Toorabally* *ii.Rajiv Mangar"* Thus, the assessee chose not to reveal complete details in the course of assessment proceedings. Second, it is noted that from the assessee's response dated April 16, 2025 **(submissions of the assessee in the course of hearings before CIT, IT-(03) placed as Annexure 17 of this submission)** that Oaktree had directed that a separate company be formed in which the loan was to be advanced by Oaktree was to ensure that in case of enforcement event i.e. in case of default by the borrower Oaktree has an option to sell shares of Vedanta India or the borrower, i.e. the assessee. However, the response was furnished to the query seeking documentary evidence of the condition imposed by Oaktree that they will advance loan only to a new company and not to TSH. None of the responses detail any documentary evidence showing that the borrower Oaktree mandated the incorporation of a new entity in Mauritius. The above findings indicate that the directors of the company had no independent decision-making and were enablers to provide the bare minimum compliance requirements for the assessee company's existence in Mauritius. The primary motive of the company's transactions in the financial year concerned was driven by reasons of tax arbitrage, and had no other commercial consideration. Even if the assessee's reasoning for its incorporation be taken at its face value, the manner and the outcome of transactions in financial year 2021-22 show no other purpose except taking benefit of India-Mauritius DTAA and indulging in tax arbitrage. This is further strengthened by a complete absence of the documentary evidence showing the requirement mandated by Oaktree that a new

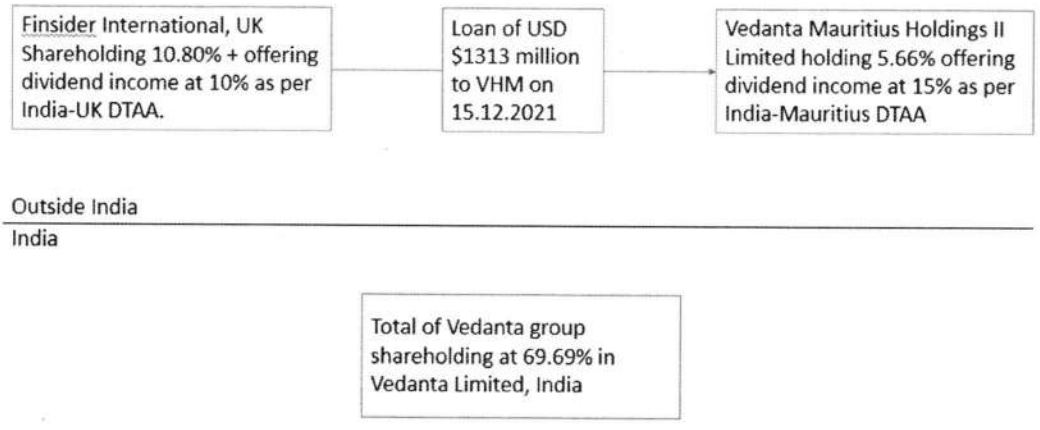


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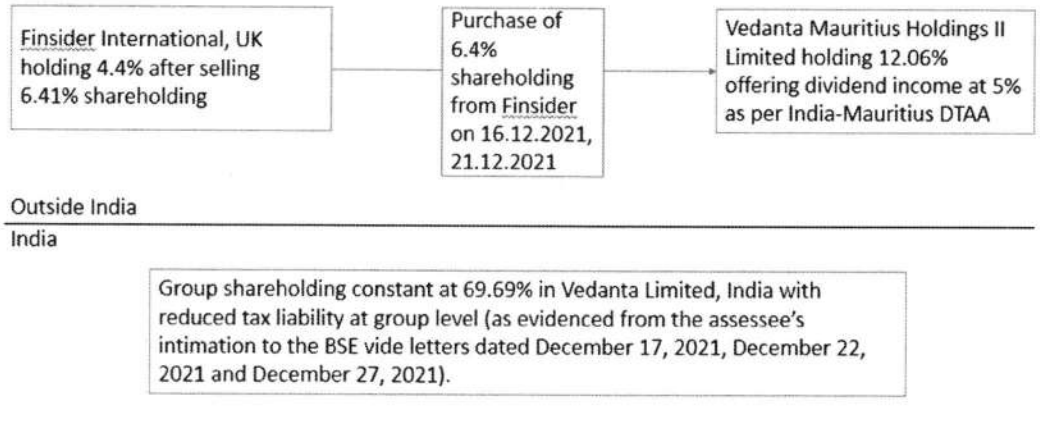
entity be incorporated in Mauritius.

A diagrammatic representation showing the tax benefit accruing to the assesse even while simultaneous purchase and sale of shares offsets each other, is below:

Situation prior to purchase of shares from Finsider:

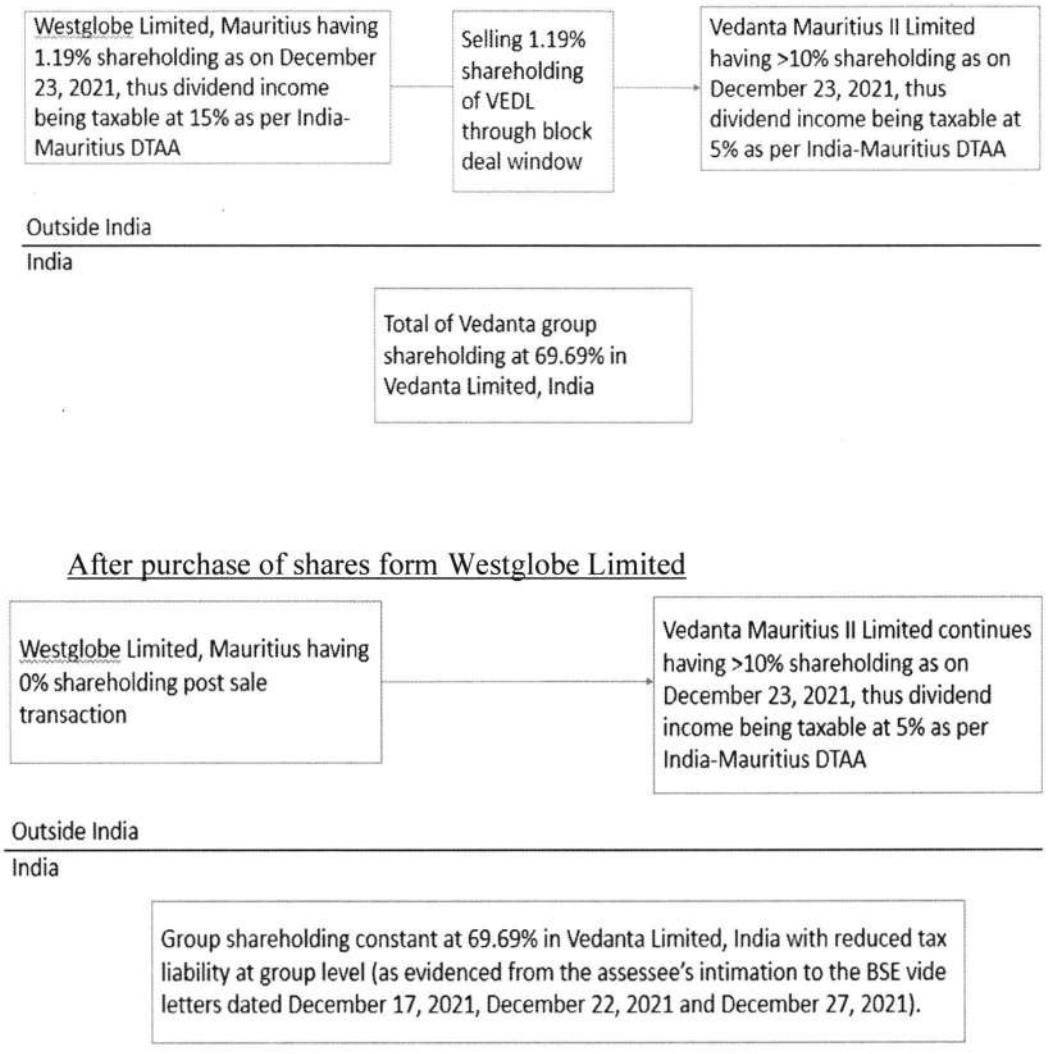


After purchase of shares from Finsider



Before purchase of shares from Westglobe

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ii. Lack of commercial rationale in assessee's incorporation

The assessee company was incorporated on June 29, 2020. In the assessme proceedings, the assessee company was asked the purpose behind incorporation.

In the response dated February 12, 2024, the assessee company had stated that tl *"the group strategically decided to increase the stake in Vedanta Ltd. and for th same created the assessee company to better manage its operations/funds."*

In the response dated September 5, 2024, the assessee company had stated th *"the Group strategically decided to increase its stake in Vedanta Ltd. and for th same created the Assessee company"*

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		In the response dated October 3, 2024, the assessee company stated that its *acquisition of stake in Vedanta Ltd. in the assessee company and not in namely Twin Star Holdings (a two decade old Mauritius holding company of the group) is primarily for the comfort of the external lenders at the promoter level- from security and pledging perspective and hence, the same is driven by commercial consideration and not for tax arbitrage-as there is none.* Departing from the above reasoning of commercial rationale for incorporation, the assessee company in its response dated December 4, 2024 **(submissions in the course of assessment proceedings placed as Annexure 18 of this submission)** furnished a different line of argument. The assessee stated that the incorporation was for the purpose of delisting Vedanta Limited. In the proposal for delisting, the assessee company was listed in the party of acquirers, as per the intimation of Vedanta Limited to SEBI in October 2020.**(Annexure 8 of this submission)** At no point does the assessee company provide any Board resolution, minutes of the meeting which could establish any of the stated reasons behind the assessee's incorporation. The assessee has, during the course of proceedings, shifted stances to establish the commercial rationale for incorporation. The reasoning, at no point, has been complemented with Board resolution, minutes of meeting which could document the factors behind assessee's incorporation in Mauritius. Further, it is observed that in none of the responses does the assessee company's commercial rationale of incorporation seem to be driven by the mind being in Mauritius. It is governed by reasons and mind outside the assessee's resident country. With regard to 'external lenders', specifically in relation to the external lender in the financial year 2021-22, the assessee company was asked to furnish the documentation showing negotiations with the external lenders (query 15 of the notice under section 142(1) dated August 20, 2024). Till the date of submission of this report, no such document has been furnished by the assessee company. There is no documentary evidence furnished by the assessee which clearly records its purpose of incorporation. Putting aside the reasons furnished by the assessee, it is noted that the Vedanta group had companies already existing in Mauritius, much prior to the date of



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		assessee's incorporation. The company Twin Star Holdings Limited was incorporated in 2000 while the company Westglobe Limited was incorporated in 2007. The 'strategic decision' to increase the stake in Vedanta Limited could well have been met through the other two companies. With respect to the company Twin Star Holdings Limited, the assessee company stated that TSH was overleveraged and hence could not be used by the Group to increase the stake in Vedanta Limited. Findings from open source reveal that the company Twin Star Holdings Limited increased its stake in Vedanta Limited even after the assessee's incorporation. The same have been placed as **Annexure 9 of this submission** *(sourced from Trendlyne https://trendlyne.com/equity/share-holding/1289/VEDL/latest/vedanta-ltd/)* It is seen that in the period September 2020 to April, 2021 the company TSH increased its stake in VEDL from 37.11% to 43.60% and further up to 46.40% by December, 2021. Thus, the reason that the TSH entity could not be used to increase the stake does not hold water. In fact, from the period of assessee's incorporation till the end of the financial year 2021-22 (relevant to assessment year 2022-23), TSH increased its stake In VEDL from 37.11% to 46.40%. Further, even if the company TSH be considered overleveraged, it is surprising as to how an overleveraged company which, allegedly (though untrue) could not increase stake in VEDL, would grant a loan of USD 100 million to the assessee company. Since the assessee company's major cash outflow has been in the acquisition of shares, it is not far-fetched to discern that the loaned funds were used to purchase VEDL shares. Further, from the assessee's response, it could nowhere be established as to why the increase of stake in VEDL could not have been achieved through Westglobe Limited, Mauritius. Even while the Group has allegedly aimed to increase stake in VEDL, it has simultaneously decreased the stake that Westglobe Limited, Mauritius held in VEDL. From the period of incorporation to the end of the financial year 2021-22 (relevant to AY 2022-23), the stake of Westglobe Limited in VEDL decreased from 1.19% to 0%. The reasoning for increase of stake falls flat on its face when the assessee company's purchase transactions of VEDL shares in December, 2021 are considered. It is seen that even while the assessee company's shareholding in VEDL increased from 5.66% in November, 2021 to 13.26% in December, 2021, the group shareholding stayed constant at 69.69%. This is evident from the

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assessee's own intimations to SEBI in December, 2021 **(Placed as Annexure 8 of this submission)**. The purchase of shares by the assessee company was accompanied by a nearly equal amount of sale of shares by related companies, namely, Finsider International Company Limited and Westglobe Limited. Further, in the intimation to SEBI, the company stated that the transactions were being undertaken for the purpose of internal restructuring. This entire series of transactions and the consequent intimation to SEBI run counter to the assessee company's stated purpose of increasing stake of the Group in VEDL

iii. Inherent contradictions and inconsistencies in the assessee's response

In addition to the inconsistencies in the assessee's response highlighted above (ex: directors' independence and control in the affairs of the company, submission to SEBI regarding purchase of shares citing internal restructuring and citing 'strategic business decision for the comfort of external lenders' before income-tax authority, even if TSH was overleveraged – the transactions could have been carried out through Westglobe Limited etc.), various other inconsistencies were observed in the response of the assessee. They are as below:

a. TSH was overleveraged and shareholding could not be increased through TSH since there were restrictions on TSH

In the response dated December 4, 2024, the assessee stated that on December 9, 2020, VRL announced bond offering of USD 1 billion 13.875% bonds due for maturity in January, 2024 and TSH being one of the guarantors of the Bond issue was restricted (by Clause 3-Covenants) of the Bond issue from availing any additional borrowings, creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness. The assessee took the stand that TSH was restricted from taking any additional borrowings, creating any mortgage, charge, pledge, lien or any other form of encumbrance. This stand does not seem to hold water since it is seen from the data available with this office that TSH not only continued to acquire shares in VEDL after December 9, 2020, but also continued to pledge the shares. TSH increased its stake in VEDL from 37.11% to 43.60% and further up to 46.40% by December, 2021.

In the course of hearings, the same was duly highlighted before the assessee. In the context of the above contradictions, duly highlighted in the Form 3CEG received by this office, and in the interest of a fair representation of the



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		assessee's own arguments regarding TSH being overleveraged (in the hearing held on April 16, 2025) to furnish details of TSH. Upon perusal of the response submitted on April 24, 2024, it is seen that the entity TSH continued to undertake borrowings well after the restrictions of the bond dated December 9, 2020. It is also seen that the entity TSH not only continued to increase the shareholding, but also later on, pledged the shares acquired. The findings sourced from open-source data evidencing the same, have been placed as **Annexure 9** of this submission In substantiation of why the equity shareholding could not have been increased through TSH, the assessee in its response dated March 6, 2025, stated that on December 9, 2020, VRL had announced Bond offering of USD 1 billion 13.875% Bonds due for maturity in January 2024 and TSH being one of the guarantors, of the Bond issue *clause 3- Covenants* of the Bond issue, covenants were attached restricting the guarantor TSH from creating any encumbrance **(response received on March 6, 2025, placed as part of Annexure 15 of this submission)**. Upon perusal of the intimations made by the Group entity VRL to the BSE dated June 4, 22021 **(placed as Annexure 16 of this submission)**, it is clearly stated that the entity TSH is entering into facility agreements with Deutsche Bank A.G., London Branch, Deutsche Bank A.G. Singapore Branch, Barclays Bank PLC. The said facility agreements, as per VRL's intimation, were to result in creation of encumbrance, which was, going by the restrictions of the covenant in the Bond offering, not permissible. In ordinary circumstances, unrelated parties are less likely engage in financial transactions which are to result in direct contravention of pre-existing Bond agreements, as in the case of the TSH. b. <u>Assessee's claim that the assessee is the legal and beneficial owner of the income</u> In the response dated December 4, 2024, the assessee has claimed that owing to fully functional and independent Board of directors who pass their own resolutions in relation the Company's affairs, the assessee company is the legal and beneficial owner of the income In this connection, a notice under section 133(6) was issued to Orbis Financial Corporation Limited **(placed as Annexure 19 of this submission)**, the financial custodian of assessee's holdings in India. The notice issued sought details such as account opening forms, relevant documentation with regard to account opening. The response received identifies the following parties as the ultimate legal and beneficial owner: a. Vedanta Resources Holdings Limited

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		b. Volcan Investments Cyprus Limited, Cyprus c. Volcan Investments Limited, Bahamas d. Conclave PTC Limited, Bahamas Anil Agarwal Discretionary Trust, Bahamas The findings received from the assessee's financial custodian in India clearly show that beneficial ownership rests in non-Treaty jurisdiction, i.e. Bahamas. By interposition of the assessee company in Mauritius, the tax benefit of India-Mauritius DTAA has been claimed. c. In response dated December 4, 2024, the assessee had stated that since it maintains office premises and the same is also mentioned in its official website, it should be assumed that it is controlled and managed from Mauritius. In this connection, it is submitted that the address 6th floor, Tower 1, Nexteracom Building, Ebene, is shared by multiple companies such as Nestle Mauritius (Private) Limited , Citrus Global Arbitrage Fund etc **(Placed as Annexure 20 of this submission)**. The address is essentially under the care of Amicorp (Mauritius) Limited which is providing directorial services to the assessee company, among others. d. In response dated December 4, 2024, the assessee stated that since it incurs annual expenditure (covering salary expenses, Audit Fees, professional experience etc.) of more than Mauritian Rs. 1.5 million for its operations in Mauritius, it should be taken as a reason to believe that the assessee is controlled and managed from Mauritius. In this regard, it is submitted that the expenses being cited by the assesssee are not operating in nature and are only those expenses which are relevant for its sustenance as a business entity. The expenses have no bearing on the asset quality, earning potential of the company whatsoever. There is no expense in the books of the assessee which is incurred with the purpose of increasing the assessee's income from any other source. The expenses incurred do not, in any way, enhance the revenue streams of the assessee company, which are interest income and dividend income. e. In the response dated December 4, 2024, the assessee company had cited availability of finance at lower rates as one of the reasons for incorporation in Mauritius. In this context, it is pertinent to note that not a single loan amount has been sourced from Mauritius. All the loans that the assessee has entered into are from outside its country of residence. Therefore, the line of reasoning of availability of finance at lower rates in Mauritius holds no merit. f. In the response dated December 4, 2024, the assessee has taken recourse to having two directors constituting an independent Board. While the effective

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		control, the degree of independent decision-making of the directors has been highlighted in the previous paragraphs in this document, it is pertinent to take note that per Financial Services Commission, Mauritius (FSC), there are certain conditions which are required to be met for obtaining GBL license. Content extracted from FSC website is as under: *"A resident corporation which proposes to conduct business outside Mauritius may apply to the FSC"* *"A resident corporation is a body corporate formed or registered in Mauritius, and may include any trust, société, partnership or any body of persons governed by the laws of Mauritius".* *"The FSC assesses whether the ultimate purpose of the applicant is an investment or a service to be made or provided outside Mauritius."* *"The FSC also encourages a Global Business Company (GBC) to have more substance in Mauritius by ascertaining that a GBC :* *has at least 2 directors, resident in Mauritius, of sufficient caliber to exercise independence of mind and judgment;* *maintains at all times its principal bank account in Mauritius;* *keeps and maintains, at all times, its accounting records at its registered office in Mauritius;* *prepares, or proposes to prepare its statutory financial statements and causes or proposes to have such financial statements to be audited in Mauritius;"* (https://www.fscmauritius.org/en/licensing/applying-for-a-licence/global-business#tab-2) This is nothing but a requirement of the FSC, otherwise it will not be in a position to meet the criteria of a Global Business Company. g. It is also pertinent to note that the communication trail sourced from the broker of VHM, i.e., Standard Chartered Securities India (SCSI), **(placed in Annexure 6 of this submission)** clearly brings out the fact that decisions regarding purchase, sale of shares are being taken by Mr. Deepak Kumar, Director of Finsider, and not by any of the directors of the assessee company. There was no exercise of independent mind and judgement by the directors of the assessee company. h. In the response dated December 4, 2024, the assessee has specifically reiterated that it incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc.) of more than Mauritian Rs 1.5 million for its operations in Mauritius. In this regard, to be noted that the assessee is drawing reference to the Article 27A – Limitation of Benefits (LOB), in which a company is deemed to be a shell / conduit company. Nowhere, in the show cause notice under rule 10UB, the LOB has been questioned by the AO, as LOB is to be seen in case of Capital Gains only as per Article 13. Therefore, this point is not relevant. i. The case laws cited by the assessee for the purpose of non-invocation of

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		GAAR were not found to be tenable considering the context, facts and circumstances in the assessee's case. A brief note on the same has been placed as **Annexure 21 of this submission.** iv. Events post acquiring of the shareholding in VEDL by the assessee company: a. As per the Mauritian tax laws, there is no withholding tax on the dividend income earned by a foreign company for its shareholding in Mauritius. The flow of dividend income from VEDL, post acquiring of shareholding by the assessee company, has been majorly to Mauritius. The assessee company itself is 100% owned by Finsider International Company Limited. Upon perusal of the financials of FICL (**placed as Annexure 7 of this submission)**, it is seen that after the arranged transactions, Finsider received more dividend income from VHM in comparison to VEDL. The dividend income from VEDL, rather than going to Finsider directly, underwent the benefit of 0% withholding in Mauritius and concessional tax rate of 5% in India (as per India-Mauritius DTAA) by the virtue of the VHM entity to ultimately reach the coffers of Finsider. This circuitous flow of dividend income served no purpose other than lowering the tax liability of the Vedanta Group entities. First, it lowered the tax liability of Finsider in India. Second, it enabled Finsider to indirectly enjoy dividend income in India by routing the said dividend income through Mauritius entities. Third, it gave the added advantage of 0% withholding on the dividend income from Mauritius. b. The financial statements of Finsider International Company Limited, United Kingdom (for the financial year ended March 31, 2023) specifies that Finsider acquired additional shares in the assessee company (i.e. VHM) in lieu of the loan receivable (the same loan which was used to acquire shareholding by the assessee company from Finsider). The act of converting loan from Finsider into shares held by Finsider in the assessee company has to be read with Mauritian tax laws which mandate a tax withholding on interest income of a non-resident but do not require any withholding on the dividend income. Thus, by conversion of the outstanding loan into equity, Finsider to tax benefit of 0% withholding tax on the dividend income with source in Mauritius. c. The above gives strength to the fact that the assessee company was a medium through which Vedanta Group entities were able to lower their tax liabilities in India and benefit from the 0% withholding on dividend

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income in Mauritius. This continues to explain the fact steady efforts were made to increase the shareholding through the assessee company in Mauritius.

v. The parent company, i.e., Finsider had no independent funds (i.e. funds without any element of borrowing) to lend to the assessee company: Upon perusal of the financials of Finsider, it is seen that the company, in FY 2021-22, borrowed funds of USD 490,000,000 from Richter Holding Limited, Cyprus, an associated enterprise and from Westglobe Limited (by way of novation) of USD 330,000,000 to be in a position to lend USD 1.313 billion to the assessee company. The entire chain of flow of funds was thus pre-meditated to enable the shift in shareholding to the assessee company in Mauritius in order to enjoy a concessional tax rate. This si strengthened by the fact that the dividend amount still indirectly, continued to accrue to Finsider in the later financial years with the added tax benefits of lower tax rate of 5% (as per India-Mauritius DTAA) and 0% withholding tax (as per Mauritian tax laws). Thus, the board resolution furnished by the assessee company, specifying the decision to utilize the loan from Finsider was a perfunctory action, the substance of which had been decided well outside Mauritius.

vi. Post-acquisition of shares by the assessee company (financial year 2021-22 onwards), the declaration of dividend by the increased considerably. The table below shows the same:

Financial Year	Promoter shareholding	Profitability (in Rs. crores)	Total Dividend per share (in Rs.)
2024-2025	56.38%	20,534	43.50
2023-2024	61.95%	7,537	29.50
2022-2023	68.11%	14,506	101.50
2021-2022	**69.69%**	**23,709**	**45**
2020-2021	**55.11%**	**15,033**	**9.5**
2019-2020	50.14%	23,103	3.9
2018-2019	50.14%	25,164	18.85
2017-2018	50.14%	21,332	21

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2016-2017	62.86%	15,151.60	19
2015-2016	62.87%	22,044.60	2

It is also pertinent to note that even while the promoter level shareholding changed for the assessment years after 2022-23, the shareholding for the three entities (i.e. Westglobe, Finsider, VHM) in VEDL stayed unchanged. The tax benefit AY 2022-23 onwards has been calculated accordingly.

Additionally, contained below are the brief reasons for seeking the declaration of the arrangement as impermissible avoidance arrangement:

- Transactions of purchase of shares from related companies with the express purpose of obtaining tax benefit. The assessee company, through its share purchases in December, 2021, took benefit of the lower rate of taxability of dividend income.
- The transactions undertaken served no commercial other than providing tax benefit to the assessee. This is accentuated by the fact that the Vedanta group shareholding stayed constant at 69.69% even after the assessee company such a sizeable quantum of shares in VEDL. This is because the assessee company purchased the shares from related companies, namely, Westglobe Limited and Finsider International Company Limited
- As per the response received from Standard Chartered Securities India, the instructions for purchase and sale of shares on behalf of each entity (i.e. the assessee company, Finsider International Company Limited, UK and Westglobe Limited, Mauritius) were issued by one person, Mr. Deepak Kumar, who is neither a shareholder nor an employee nor a director.
- Though the assessee has repeatedly stated that the mind of the assessee company is in Mauritius, the findings evidence otherwise. That is further strengthened by Mauritian directors "not having access to all accounts", the reasoning for which was not provided by the assessee company (query 1.d of the notice under section 142(1) dated October 18, 2024.
- As per the assessee, the following reasons were furnished by the assessee for it being controlled and managed from Mauritius: independent board with 2 directors who are residents of Mauritius, board meetings being held in Mauritius, maintenance of office premises in Mauritius.
- All these statements, in comparison to the findings of the undersigned, do not establish the fact that the mind of the assessee company is in Mauritius. This is because the operation of the assessee company's bank account is being managed by different employees of Vedanta entities and not by the directors of the assessee company. In fact, findings from the open source reveal that directors of the assessee company are simultaneously directors in various other companies.

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		For instance, Shakill Ahmed Toorabally, in FY 2021-22 was also a Director in Endeavour Trade and Investment Limited **(Placed as Annexure 11 of this submission, sourced from SEBI website** *https://www.sebi.gov.in/sebi_data/commondocs/may-2022/Ambuja%20Cements_DLOF_p.pdf***)** • The assessee company has no employees of its own, has no operating income. The only income that the assesssee has is by way of dividend income, interest income. The major cash outflows are iin the form of investment activities (buying VEDL shares) and interest servicing for the borrowings. There is no value addition being made by virtue of the assessee's incorporation. It is existing as an investment holding in which the decision making is carried out by persons outside the asssessee company's country of residence. • It is also pertinent to note that in case of a related group company of the assessee, i.e., Vedanta Netherlands Investments BV, GAAR proceedings were initiated and the arrangement in the particular instance was held to be an 'impermissible avoidance arrangement'. The Hon'ble GAAR Panel observed the following: *"Going deeper into the question of whether the decision to create a subsidiary in the Netherlands was motivated by reasons of commercial expediency or otherwise, it is noted that the assessee has no business other than buying and holding shares of Vedanta India and receiving dividends on such shares. There is no production of goods and services involved, no sales and marketing, no research and development, etc. Therefore, it does not require any natural resources, technology, manpower, patent, favourable Government policies and regulatory environment, etc, which were not available in the UK. A business needs to relocate to a new country or jurisdiction for the reasons of comparative advantage. In the view of this Panel, the Netherlands provided no comparative advantage over the UK for a business like the assessee's except for the concessional rate of withholding of tax on account of the MFN clause briefly enjoyed by the Netherlands post Delhi High Court's decision in the case of Concentrix Services Netherland B.V. before it was overturned by the Supreme Court in the case of Nestle SA."* The observation of the Hon'ble GAAR Panel is also relevant in the case of the assessee when the entire business operations of the assessee is found to be limited to the buying and holding shares of Vedanta Limited • It is seen that related group entities in case of the assessee company have undertaken 'arranged transactions', as highlighted above. (The directions of the Approving Panel of GAAR, as issued in the case of the entity Vedanta Netherlands Investments BV have been placed as **Annexure 23 of this submission, pages 854-867).** Commentary to OECD also states the following with respect to tax avoidance observed in cases where there is treaty shopping:

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		"A guiding principle is that the benefits of a double taxation convention should not be available where a main purpose for entering into certain transactions or arrangements was to secure a more favourable tax position and obtaining that more favourable treatment in these circumstances would be contrary to the object and purpose of the relevant provisions." The above reasons summarily lead to the conclusion that the assessee has misused, abused the provisions of India-Mauritius DTAA and taken undue tax benefit by way of the arranged transactions. The assessee undertook transactions to take advantage of a more favourable Treaty, thus indulging in Treaty shopping. It is pertinent to note section 90(2A) of the Income-tax Act, 1961 which clearly states that *"Notwithstanding anything contained in sub-section (2), the provisions of Chapter XA of the Act shall apply to the assessee even if such provisions are not beneficial to him"* **Prayer:** It may be noted that the assessee and its related group is a habitual offender so far as the stringent provisions of GAAR are concerned. Hence, it is prayed that going with the spirit of Treaty law jurisdiction, Treaty benefit may be denied to the assessee in entirety.
16)	Consequences in relation to tax likely to arise if the arrangement is declared as an impermissible avoidance arrangement	It is pertinent to note section 90(2A) of the Income-tax Act, 1961 which clearly states that *"Notwithstanding anything contained in sub-section (2), the provisions of Chapter XA of the Act shall apply to the assessee even if such provisions are not beneficial to him"* If the arrangement is declared as an impermissible avoidance arrangement and Treaty benefit is denied to the assessee, the tax liability arising stands as under:

Particulars for AY 2022-23	**Amount (in Rs.)**
Total Dividend Income	1543,74,85,073
Tax liability admitted by the assessee in the ITR	116,11,98,134
Tax Liability under the Act under GAAR (20% plus surcharge and cess), i.e. 21.84%	337,15,46,740
Tax Benefit (liability under GAAR *less* admitted tax liability)	**221,03,48,606**

By virtue of the arranged transactions, the assessee company benefitted from concessional tax rates on the dividend income as contained in India-Mauritius DTAA. The continued benefit of concessional tax rate on dividend income was available to

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<table>
<tr><td></td><td></td><td>the assessee for the subsequent assessment years. Upon the arranged transactions deemed to be an impermissible avoidance arrangement, the access to concessional tax rate as per Treaty should also stand denied to the assessee. Accordingly, an assessment year-wise computation of tax benefit claimed by assessee on account of India-Mauritius DTAA is as below:
<table>
<tr><th>AY</th><th>Dividend Income</th><th>Tax liability admitted</th><th>Liability under the Act</th><th>Tax Benefit</th></tr>
<tr><td>2022-23</td><td>1543,74,85,073</td><td>116,11,98,134</td><td>337,15,46,740</td><td>221,03,48,606</td></tr>
<tr><td>2023-24</td><td>3991,84,54,020</td><td>199,59,22,701</td><td>871,81,90,358</td><td>672,22,67,657</td></tr>
<tr><td>2024-25</td><td>2464,10,21,000</td><td>123,20,51,050</td><td>538,15,98,986</td><td>414,95,47,936</td></tr>
<tr><td colspan="4">Total Tax Benefit</td><td>13,08,21,64,199</td></tr>
</table>
</td></tr>
<tr><td>17)</td><td>The last date for completion of assessment or reassessment proceedings</td><td>31.03.2024 plus excluded time as per Explanation 1 to section 153.
Reference for Exchange of information under the provision of “Exchange of information” article of India-Mauritius agreement for avoidance of double taxation was made on March 28, 2024. The acknowledgement for the same was received on March 29, 2024.
The information was received in the office of the assessing officer on October 16, 2024.
Reference to the CIT, IT-(03) under section 144BA (as per form 3CEG) was made on December 6, 2024.</td></tr>
</table>

Date: 26.05.2025

Place: New Delhi

(Prajna Paramita)
Commissioner of Income Tax,
(International Taxation)-03, Delhi

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ANNEXURE P-48

Secretariat, Approving Panel under General Anti-Avoidance Rules
Room No 395, 3rd Floor, C.R. Building, I.P. Estate, New Delhi-110002
E-mail: secy.approvingpanel@incometax.gov.in

F. No. Secretary/Approving Panel/2025-26/ 1005 **Dated: 07.07.2025**

To,

M/s Vedanta Holdings Mauritius II Ltd. (VHM)

6th Floor, Tower 1, Nextracom Building,

Ebene, Mauritius

Sir/Ma'am,

Sub : Reference under section 144BA of the Act, in the case of M/s Vedanta Holding Mauritius II Ltd. (PAN AAHCV4933B) for AY 2022-23 – Reg.

Kindly refer to the above-mentioned subject.

2. With reference to the matter referred to Approving panel under General Anti-Avoidance Rules u/s 144BA of the Income Tax Act, 1961 (hereinafter referred to as 'Approving Panel') in the above-mentioned case, I am directed to forward the reference received from Commissioner of Income Tax (Intl. Taxation)-3, in the case of M/s Vedanta Holding Mauritius II Ltd. (PAN AAHCV4933B) for A.Y. 2022-23.

3. Further, I am directed to state that you have been given an opportunity to file a rejoinder on the same by 28.07.2025. The Panel would, thereafter, fix a date of hearing on the matter, which would be duly communicated to the assessee.

4. I am also directed to state that if no rejoinder is received by the above-mentioned date, necessary direction as deemed fit will be issued as per the provision of section 144BA of the Income-tax Act, 1961 without giving any further opportunities.

Yours sincerely,

The GAAR Secretariat ★ सत्यमेव जयते ★ New Delhi

(Sumeet Panda)
Secretary, O/o Secretariat for
Approving Panel under GAAR
(General Anti Avoidance Rules)

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Copy to:

1. Chairperson, Approving Panel under GAAR

2. Members of the Approving Panel under GAAR



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Corporate, Tax and Business Advisory Law Firm

1st, 9th & 11th Floor, Mohan Dev Building,
13, Tolstoy Marg, New Delhi - 110001, India
Tel: +91 11 4249 2525
Fax: +91 11 2332 0484
Email: delhi@vaishlaw.com

August 18, 2025

The Approving Panel, General Anti Avoidance Rules
Income Tax Department,
Room No. 395, 3rd Floor,
CR Building, IP Estate
New Delhi-110002

Dear Sir,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B

This is with reference to the notice dated 08.07.2025 issued by the Hon'ble Approving Panel under General Anti Avoidance Rules in the case of the assessee wherein it is proposed to treat the arrangement as described in the Notice as an 'Impermissible Avoidance Arrangement' under the provisions of Chapter X-A of the Act.

In this regard, it is respectfully submitted as under:

Facts of the case

Vedanta Group, a global conglomerate headquartered in United Kingdom is primarily engaged in the business of exploration, mining, processing, and exporting of natural resources, power, and oil and gas.

In UK, the group established Vedanta Resources Limited (VRL), a company incorporated under the laws of UK and listed on the London stock exchange since 2003. Subsequently, in the year 2018, VRL was delisted from the London stock exchange pursuant to corporate simplification process.

In India, the group established Vedanta Limited (VEDL), (in the year 1965) a company incorporated under the erstwhile Companies Act, 1956 and listed on the Indian stock exchange. VEDL is working with primary interests in aluminium, zinc-lead-silver, oil and gas, iron ore, steel, copper, power, ferro alloys, nickel, semiconductor and glass.

For the past 3 decades, the majority shareholding of the group in VEDL has been held through Twin Star Holding Ltd, (TSH) a company incorporated under the laws of Mauritius and having its registered office at IQEQ 33, Edith Cavell Street Port Louis, 11324, Mauritius. At the time of establishing TSH, a detailed feasibility analysis/ study was undertaken and the commercial reason for establishing the company in Mauritius is hereunder:

- Mauritius is a business friendly jurisdiction and has a stable regulatory and financial environment that makes investing and conducting business relatively simple and easy
- Mauritius has a large pool of highly literate, comparatively low-cost and multi-lingual workforce as compared to some other jurisdictions;
- Mauritius provides ease of doing business and state-of-the-art infrastructure;
- Mauritius has good and stable banking system and availability of finance at lower rates

TSH is being controlled and managed in Mauritius and is the legal and beneficial

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owner of 43.60% of the shareholding in VEDL (post acquisition of 6.49% stake in Voluntary Open Offer explained infra). Further, TSH holds valid tax residency certificate ('TRC') issued by the tax authorities in Mauritius and Category 1 Global Business Company (GBC) licence issued by the Financial Services Commission in Mauritius.

The Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2015, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018. The group aimed to attain leadership in diversified natural resources, underpinned by growth, while maintaining a flexible capital structure. Accordingly, the group wished to delist VEDL in order to gain enhanced operational and financial flexibility in a capital intensive business.

At the onset of COVID-19 Pandemic in March 2020, the share price of VEDL fell to Rs. 60 per share which was far below the fair value/ intrinsic value of the shares of the company. Accordingly, in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations).

Accordingly, on 12.05.2020, VRL issued a delisting letter to VEDL wherein it inter-alia informed its willingness to purchase the shares of VEDL @ 87.5 per share in accordance with the Delisting Regulations. The said delisting offer was approved by the board of directors of VEDL during its board meeting held on 18.05.2020.

Thereafter, on 24.06.2020, the shareholders of VEDL approved the Delisting

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Offer by way of a special resolution in accordance with the Delisting Regulations.

Once the delisting officer of VEDL was also approved by its shareholders, for undertaking the aforesaid delisting/ purchase of shares from the public in accordance with the Delisting Regulations, Vedanta group was required to raise funds by way of loans/ issuing of bonds. The Vedanta group had already taken loans/ created a pledge/ charge in TSH.

Accordingly, to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a Special Purpose Vehicle (SPV). The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. This was a pre-condition by the private lender.

Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 3 decades and given the friendly and stable business environment of Mauritius, the group decided to establish two companies in Mauritius viz, Vedanta Holdings Mauritius Ltd (Vedanta Mauritius 1) and Vedanta Holdings Mauritius II Ltd (Vedanta Mauritius 2) on 29.06.2020.

It may be noted that the assessee holds valid TRC for the relevant assessment year issued by the tax authorities in Mauritius and Category 1 GBC licence issued by the Financial Services Commission in Mauritius. **Copy of the TRC is enclosed at Page 1 and copy of the GBC licence is enclosed at Pages 2-3**

It is respectfully pointed out that even though there existed other tax efficient jurisdictions, the commercial rationale for establishing two new companies in Mauritius was the long-standing presence of Vedanta group (TSH) in Mauritius for the past 3 decades which offers better business synergies in case the group decides to simplify its holding structure and consolidate its holdings in one

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country i.e. Mauritius in future. **Copy of the holding structure as on 31.03.2022 is enclosed at Page 4.**

Thereafter, for the specific purpose of delisting of VEDL shares, Assessee was required to raise funds by way of issuance of bonds. Accordingly, on 17.08.2020, Assessee issued bonds amounting to USD 1.4 billion. The said amount received pursuant to issue of the bonds was deposited in an Escrow account (as per SEBI regulations) opened for the purposes of the delisting of VEDL shares (explained infra).

Subsequently, on 25.09.2020, Vedanta Resources Limited, UK, Vedanta Mauritius 1 and Assessee invited the public to tender their equity shares (at Rs. 87.5 per share) pursuant to reverse book building process in accordance with the Delisting Regulations. Relevant extracts of the invitation by Vedanta group to tender equity shares in voluntary delisting of shares of VEDL are reproduced below: Copy of the same is enclosed at **Pages 5-47** of the paperbook

> *"1.4 VRL, pursuant to the Delisting Letter, expressed its intention to the Board to acquire the Offer Shares and consequently voluntarily delist the Equity Shares from the Stock Exchanges by making a Delisting Offer in accordance with the Delisting Regulations and if such delisting is successful, then to also delist the ADS from NYSE and deregister the Company from the SEC, subject to the requirements of the NYSE and the SEC. Further, VRL, inter alia, requested the Board to: (a) take all such other actions as may be required to be undertaken by the Company under the Delisting Regulations in order to give effect to the Delisting Offer, including appointment of a merchant banker to undertake due diligence, provide all relevant information necessary for the due diligence, make relevant applications to Stock Exchanges and/ or to any other regulatory authorities, as may be required in connection to the Delisting Proposal; (b) consider and approve the Delisting Offer under Regulation 8 of the Delisting Regulations; and (c) take necessary steps to: (i) seek approval of the shareholders of the Company through postal ballot; (ii) seek approval of the Stock*

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*Exchanges for the proposed delisting of the Equity Shares in accordance with the Delisting Regulations; and (iii) obtain consent/ waivers from the lenders in connection with the proposed delisting of the Equity shares, as may be required. The receipt of the Delisting Letter was intimated by the Company to the Stock Exchanges on May 12, 2020 ("**Stock Exchanges Notification Date**").*

1.6 *On May 12, 2020, the Company intimated the Stock Exchanges that a meeting of the Board is scheduled to be held on May 18, 2020 in order to: (i) take on record and review the Due Diligence Report in terms of Regulations 8(1A)(ii) and 8(1E) of the Delisting Regulations; (ii) approve/ reject the proposal of voluntary delisting of the Equity Shares; and (iii) any other matters incidental thereto or required in terms of the Delisting Regulations.*

1.7 *Further, in the Delisting Letter, after considering the prevailing market conditions and with a view to provide the Public Shareholders with a fair exit price, VRL informed the Company of its willingness to accept Equity Shares tendered by the Public Shareholders in the Delisting Offer at a price of INR 87.50 (Indian Rupees Eighty Seven and Fifty Paise only) per Equity Share ("**Indicative Offer Price**"). VRL further informed the Company that the Indicative Offer Price should in no way be construed either as an obligation/ restriction on VRL and/ or its subsidiaries to accept the Equity Shares tendered in the Delisting Offer at a price lower than, equal to or higher than the Indicative Offer Price or as a restriction on the Public Shareholders to tender the Equity Shares at price higher than the Indicative Offer Price. The Indicative Offer Price was intimated to Stock Exchanges on May 12, 2020.*

1.8 *On May 18, 2020, the Company received a letter from VRL, providing the details of the floor price for the Delisting Offer, along with a certificate issued by Price Waterhouse & Co LLP, certifying the Floor Price for the Delisting Offer to be INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) determined in accordance with the Delisting Regulations ("**Floor Price Letter**").*

1.9 *The Board, in its meeting held on May 18, 2020, inter-alia, took the following decisions:*

a) The Due Diligence Report, as tabled before them, issued and submitted by the Merchant Banker, was taken on record.

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b) Based on the Due Diligence Report and information available with the Company, the Board, in accordance with Regulation 8(1B) of the Delisting Regulations, certified that:

i. The Company is in compliance with the applicable provisions of securities laws;

ii. The members of the Promoter Group or their related entities are in compliance with Regulation 4(5) of the Delisting Regulations; and

iii. The Delisting Offer is in the interest of the shareholders of the Company.

c) In accordance with Regulation 8(1)(a) of the Delisting Regulations, the Board has approved the Delisting Offer, after having discussed and considered various factors including the Due Diligence Report.

d) The Board granted its approval to the Company to seek shareholders' approval by way of special resolution through postal ballot and e-voting, and thereby approved the draft of the postal ballot notice and the explanatory statement thereto. The Company was authorized to: (i) dispatch the said postal ballot notice and the explanatory statement to the shareholders in accordance with applicable laws; and (ii) obtain approval of the Stock Exchanges in accordance with the provisions under the Delisting Regulations and/ or any other regulatory/ government authority in India and/ or abroad (including the SEC and NYSE), as may be required, in relation to the Delisting Offer.

1.10 The dispatch of the notice of postal ballot dated May 18, 2020 for seeking the approval of the shareholders, through postal ballot and remote e-voting for the Delisting Offer, as required under the Delisting Regulations and the Companies Act, 2013 and the rules made thereunder read with General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, was completed on May 25, 2020.

……

1.11 The shareholders of the Company approved the Delisting Offer by way of a special resolution in accordance with the Delisting Regulations on June 24, 2020 i.e., the last date specified for remote e-voting……

2 NECESSITY AND OBJECTIVE OF THE DELISTING OFFER

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2.1 In the Delisting Letter, VRL specified the following as the rationale for the Delisting Offer:

*a) The Vedanta Group (the "**Group**") has been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with the Company in 2016, and the delisting of Vedanta Resources Plc (subsequently renamed Vedanta Resources Ltd) in 2018.*

b) The Group believes that a delisting of the Company is the next logical step in this simplification process and will provide the Group with enhanced operational and financial flexibility in a capital intensive business. Vedanta Group maintains its strategic priority of attaining leadership in diversified natural resources, underpinned by growth, while maintaining a flexible capital structure.

c) The proposed delisting offer will provide public shareholders of the Company an opportunity to realize immediate and certain value for their shares at a time of elevated market volatility. The price will be determined in accordance with the reverse book building mechanism set out in the Delisting Regulations.

d) The proposed delisting will align the Group's capital and operational structures, streamline the process of servicing the Group's financing obligations and significantly improve a range of important credit metrics. As a result, the transaction is expected to support an accelerated debt reduction program in the medium term and, in turn, support the Group's highly attractive longer-term growth pipeline.

3 BACKGROUND OF THE ACQUIRERS

……

*3.3 **Vedanta Holdings Mauritius II Limited***

3.3.1 VHML II was incorporated on June 29, 2020 as a private limited company under the laws of Mauritius (company registration number 172884 GBC). The registered address of VHML II is situated at C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius.

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3.3.2 The principal activity of VHML II is to carry on the business of holding investments.

3.3.3 Mr. Rajiv Mangar and Mr. Shakill Ahmad Toorabally are the directors of VHML. As on the date of this Letter of Offer, the issued and paid-up share capital of VHML II is USD 1,000 (U.S. Dollars One Thousand only) comprising of 1,000 ordinary shares of USD 1 (U.S. Dollar One only) each. VHML II is a wholly owned subsidiary of Vedanta Holdings Jersey Limited, which in turn is a wholly owned subsidiary of VRL.

……

3.7 The Acquirers have, as detailed in paragraph 22 of this Letter of Offer, made available all the requisite funds necessary to fulfil the obligations of the Acquirers under the Delisting Offer.

……

22 DETAILS OF THE ESCROW ACCOUNTS

*22.1 The estimated consideration payable under the Delisting Regulations, being the Floor Price of INR 87.25/- (Indian Rupees Eighty Seven and Twenty Five Paise only) per Equity Share multiplied by the number of the Equity Shares held by the Public Shareholders as on the Specified Date, i.e., September 25, 2020, is INR 14,809.73 Crore ("**Escrow Amount**"). The Escrow Amount has been deposited by VHML and VHML II in the manner set out below..*

*22.2 In accordance with Regulation 11 of the Delisting Regulations VRL, VHML, VHML II, Axis Bank Limited, a scheduled commercial bank and a banker to an issue registered with SEBI ("**Escrow Bank**"), and the Manager to the Offer have entered into an escrow agreement dated September 19, 2020 pursuant to which (a) VHML has opened an escrow account in the name of "Vedanta Holdings Mauritius Limited-Escrow Account" with the Escrow Bank at their branch at Gurgaon ("**Escrow Account 1**"); and (b) VHML II has opened an escrow account in the name of "Vedanta Holdings Mauritius II Limited-Escrow Account" with the Escrow Bank at their branch at Gurgaon ("**Escrow Account 2**") (collectively "**Escrow Accounts**").*

*22.3 VHML has provided a bank guarantee of INR 4,550 Crore issued by Standard Chartered Bank pursuant to the bank guarantee letter dated September 28, 2020 ("**Bank Guarantee**"), in favour of the Manager to the Offer and **VHML II has deposited an amount of INR 10,299.80 Crore in Escrow Account 2 in cash**, which together with the Bank Guarantee is for an aggregate amount of INR 14,849.80 Crore which covers 100% of the Escrow Amount."*

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The delisting offer (of VEDL shares) was unsuccessful. Accordingly, the bonds issued by the assessee, were redeemed along with interest in October 2020.

On 09.12.2020, VRL announced Bond offering of US$ 1 billion 13.875% Bonds due for maturity in January 2024 and TSHL being one of the guarantors, of the Bond issue c*lause 3 – Covenants* of the Bond issue, covenants were attached restricted the guarantor (TSHL) from availing any additional borrowings, creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness. In other words, TSHL was restricted from taking any additional borrowings, creating any mortgage, charge, pledge lien or any other form of encumbrance. Relevant extracts of *Clause 3 – Covenants* of the Bond issue are reproduced below:

> "***3. Covenants***
>
> ***(a) Negative pledge***
>
> ***So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon any assets directly held by the Issuer or any Guarantor, present or future, to secure any Indebtedness or any guarantee or indemnity in respect of any Indebtedness, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (x) are secured equally and rateably therewith in substantially identical terms thereto, in each case to the satisfaction of the Trustee****; or (y) have the benefit of such other security or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution of the Bondholders; provided that this clause (a) shall not apply to Security (x) arising by operation of law or (y) created in respect of Indebtedness (which for this purpose shall exclude Relevant*

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Debt) in an aggregate principal amount not exceeding 10% of Total Assets. For the avoidance of doubt, the foregoing restriction shall not apply to Security upon assets held by any Subsidiary (other than the Issuer or any Subsidiary Guarantor) (other than assets that are jointly held with the Issuer or any Guarantor).

Covenants . . . . . .
Each of the Parent Guarantor, each Subsidiary Guarantor and the Issuer has agreed to comply with certain covenants limiting its ability and the ability of certain of the Parent Guarantor's subsidiaries to, among other things, create any security interests over assets, create any restrictions on the ability of certain subsidiaries to pay dividends, incur additional borrowings, distribute proceeds from certain asset sales or sell its ownership interest in certain subsidiaries and has agreed to certain other covenants. These covenants are subject to important exceptions and qualifications. See the section entitled "Terms and Conditions of the Bonds — Covenants"."

It is important to point out that since TSH had already borrowed funds and was also a guarantor (explained supra) of different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from OCM VERDE XI INVESTMENTS PTE. LTD ('Oak Tree') for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender. **Copy of the loan agreement is enclosed at Pages 48-244 of the paperbook.**

In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum.

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Assessee has drawn/ taken a loan of USD 750 million out of the aforesaid facility amount. Salient features of the said agreement are as under:

- The loan facility has been guaranteed by (i) Finsider International Company Limited (FICL), a company incorporated in UK holding the entire share capital of Assessee; (ii) VRL; and (iii) Westglobe Limited, a company incorporated under the laws of Mauritius since the year 2007. (Page 134 of the agreement)
- The loan amount is to be used by Assessee solely for acquiring the shares of VEDL. (Clause 3, Page 24 of the agreement)
- On receipt of the first instalment of the loan facility, Assessee to acquire at least 4.65 per cent but not more than 5 per cent of the shares of VEDL. (Clause 5.3, Page 27 of the agreement).
- On receipt of subsequent loan instalment, Assessee to ensure that at least 11.5 percent (or such other percentage as agreed between Oak Tree and Assessee) of the shares of VEDL are acquired by the assessee and/or FICL. (Clause 5.3, Page 27 of the Agreement)
- Assessee will be the sole legal and beneficial owner of its assets including the shares of VEDL acquired by it (Clause 17.20, Page 54 of the Agreement)

Relevant extracts of the loan facility agreement with Oak Tree is as under:

> *(3) THE ENTITIES listed in Part II Schedule 1 (The Original Parties) as original holders (each an "Original Holder");*
>
> *(4) OCM Verde XI Investments Pte. Ltd. as agent for the Finance Parties (in such capacity, the "Agent") and as calculation agent (in such capacity, the "Calculation Agent"); and*
>
> *(5) OCM Verde XI Investments Pte. Ltd. as security agent and trustee for the Secured Parties (in such capacity, the "Security Agent").*

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5.3 Conditions precedent to issuance of Notes

(a) A Holder will only be obliged to subscribe for Notes if:

i. on or prior to the first Issue Date:

(A) the Agent has received (or, acting on the instructions of the Holders, waived the receipt of) all of the documents and other evidence listed in Schedule 2 (Conditions Precedent) in form and substance satisfactory to it; and

(B) such Holder has received all necessary information to enable it to make payment in accordance with Clause 5.1 (Selection of Issue Date);

ii. on the relevant Issue Date:

(A) no Default is continuing or would result from the issuance of the Notes; and

(B) the Repeating Representations are true, accurate and not misleading in all material respects;

iii. on the first Issue Date, the Financed Shares is at least 4.65 per cent. (but not more than 5 per cent.) of the issued shares of VEDL;

iv. on each Issue Date following the first Issue Date (other than an Issue Date that is an Issue Date Exception), the Financed Shares is at least the pro rata percentage of the issued shares of VEDL that ensures that at least 11.5 per cent. (or such other percentage as agreed between the Holders and the Issuer) of the issued shares of VEDL are acquired by the Issuer and/or FICL using the proceeds of all the Notes issued on or before that Issue Date to the extent that the aggregate principal amount of all the Notes is equal to US$1,000,000,000; and……

…….

9 Interest

9.1 Calculation of Interest

The rate of interest applicable to the Notes for each interest period is 13.20 per cent per annum.

……

17.20 Legal and beneficial ownership

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It is the sole legal and beneficial owner of its assets free from all Security, except for the Security created under the Security Documents or expressly permitted by this Agreement."

Thereafter, on 24.12.2020, a portion of the aforesaid loan proceeds were utilised by the assessee for purchasing 18.5 crore shares of VEDL @ Rs. 160 per share through a bulk deal from the open market.

The aforesaid purchase of shares was also approved by the board of directors of the assessee vide Board Meeting dated 24.12.2020

Tabular representation of the summary of the utilization of the USD 750 million received by the assessee from Oaktree is as follows:

Date	**Loan Amount (USD million)**	**Utilization**
Dec-20	400	Acquisition of shares of VEDL
Jan-21	27	
Apr-21	73	
Jul-21	125	• Refinancing and servicing of any existing Financial Indebtedness of any member of the Group; • General Corporate Purpose; • Subscription requests sent to Oaktree are attached.
Aug-21	50	
Sep-21	75	
Total	**750**	

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Subsequently, the assessee had also entered into an unsecured loan facility agreement with effect from 24.12.2020 with VRL in terms of which VRL granted a loan of USD 120 million to the assessee with interest rate @ 13.2 percent per annum. The tenure of the loan was till 21.01.2024. **Copy of the loan agreement is enclosed at Pages 245-431 of the paper book.**

Thereafter, on 23.03.2021 the Vedanta group through TSH, Vedanta Mauritius 1 and the assessee launched an open offer to purchase upto 65.1 crore shares of VEDL @ Rs. 235 per share. The said open offer was completed on 16.04.2021 in which 37.42 crore shares were tendered by the public which were purchased by the aforesaid companies in following manner:

Acquirer/ purchaser in open offer	**Shareholding prior to the open offer**	**Number of shares acquired**	**Shareholding post the open offer**
Twin Star Holdings Limited	**1,379,377,457 (37.11%)**	**24,14,43,115 (6.49%)**	**1,620,820,572 (43.60%)**
Vedanta Holdings Mauritius Limited	**Nil (0%)**	**10,73,42,705 (2.89%)**	**107,342,705 (2.89%)**
Vedanta Holdings Mauritius II Limited (Assessee)	**185,000,000 (4.98%)**	**2,54,45,341 (0.68%)**	**210,445,341 (5.66%)**
Total	**1,564,377,457 (42.09%)**	**374,231,161 (10.07%)**	**1,938,608,618 (52.15%)**

Screenshot of the open offer floated by the Vedanta group is as under (Copy of the same is enclosed at **Page 432**) :

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1	**Name of the Target Company:**	Vedanta Limited
2	**Name of the Acquirer and the PAC:**	Vedanta Resources Limited (**Acquirer**); Twin Star Holdings Limited (**PAC 1**); Vedanta Holdings Mauritius Limited (**PAC 2**); and Vedanta Holdings Mauritius II Limited (**PAC 3**)
3	**Name of the Manager to the Offer:**	J.P. Morgan India Private Limited
4	**Name of the Registrar to the Offer:**	KFin Technologies Private Limited
5	**Offer Details:**	
	a. Date of Opening of the Offer:	Tuesday, March 23, 2021
	b. Date of Closure of the Offer:	Wednesday, April 07, 2021
6	**Date of Payment of Consideration:**	Friday, April 16, 2021
7	**Details of Acquisition:**	

Sl. No	Particulars	Proposed in offer Document	Actuals
7.1	Offer Price (per Equity Share)	INR 235	INR 235
7.2	Aggregate number of Equity Shares tendered in the Offer	651,000,000[1]	374,231,161
7.3	Aggregate number of Equity Shares accepted in the Offer	651,000,000[1]	374,231,161
7.4	Size of the Offer (Number of Equity Shares multiplied by Offer Price)	INR 152,985,000,000[1]	INR 87,944,322,835
7.5	Shareholding of the Acquirer and the PACs before agreements/ public announcement • Number • % of fully diluted voting share capital	**Acquirer:** Nil (0%)[2] **PAC 1:** 1,379,377,457 (37.11%) **PAC 2:** Nil (0%) **PAC 3:** 185,000,000 (4.98%) **Total:** 1,564,377,457 (42.09%)[3]	**Acquirer:** Nil (0%)[2] **PAC 1:** 1,379,377,457 (37.11%) **PAC 2:** Nil (0%) **PAC 3:** 185,000,000 (4.98%) **Total:** 1,564,377,457 (42.09%)[3]
7.6	Equity Shares acquired by way of agreements • Number • % of fully diluted voting share capital	Not Applicable Not Applicable	Not Applicable Not Applicable
7.7	Equity Shares acquired by way of Open Offer • Number • % of fully diluted voting share capital	651,000,000[1] (17.51%)[1]	374,231,161 (10.07%)
7.8	Equity Shares acquired after Detailed Public Statement • Number of Equity Shares acquired • Price of the Equity Shares acquired • % of fully diluted voting share capital	Nil Not Applicable (0.00%)	Nil Not Applicable (0.00%)
7.9	Post Offer shareholding of the Acquirer and the PACs • Number • % of fully diluted voting share capital	2,215,377,457 (59.60%)[1][3][4]	**Acquirer:** Nil (0%) **PAC 1:** 1,620,820,572 (43.60%) **PAC 2:** 107,342,705 (2.89%) **PAC 3:** 210,445,341 (5.66%) **Total:** 1,938,608,618 (52.15%)[5]

The aforesaid purchase of shares of VEDL through open offer was also approved by the board of directors of the assessee vide Board Meeting dated 16.04.2021.

Further, the assessee had also entered into an unsecured loan facility agreement dated 09.09.2020 with TSH in terms of which TSH granted a loan of USD 100 million to the assessee

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with interest rate @ 8.03 percent per annum. TSH vide Assignment Agreement dated 15.07.2021, assigned the receivables and obligations under the said agreement to VRL being the parent company of the assessee and TSH. **Copy of the loan agreement is enclosed at Pages 461-469**

The aforesaid loan agreement was also approved by the board of directors of the assessee vide Board Meeting dated 15.12.2021

Subsequently, the assessee also entered into a loan agreement dated 15.12.2021 with FICL in terms of which FICL granted a loan of USD 1.313 billion to the assessee with interest rate @ LIBOR plus 3.75 percent per annum. As per the terms of the Agreement, the loan granted by FICL shall be used by the assessee *"only for inter se share transfer of Vedanta Limited and to settle expenses incidental thereto"*. Copy of the loan agreement was attached as Annexure K vide response dated 03.10.2024.

The aforesaid loan agreement was also approved by the board of directors of the assessee vide Board Meeting dated 15.12.2021.

The loans received by the assessee were utilised for purchasing the shares of VEDL from FICL and Westglobe through bulk deal on the Indian stock exchange the detail of which as under:

Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Remarks
16.12.2021	17,01,16,200	4.58	352.7	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Acquired from FICL

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23.12.2021	4,43,43,139	1.19	340.4	Acquired from Westglobe

Consequently, the total shareholding of the assessee in VEDL as on date is as under:

Date	**No. of shares acquired**	**% shares acquired**	**Purchase price per share (Rs.)**	**Source of investment**	**Remarks**
24.12.2020	18,50,00,000	4.98	160	Loan form Oaktree	Acquired from market under bulk deal
15.04.2021	2,54,45,341	0.68	235	Loan form Oaktree	Acquired through open offer
16.12.2021	17,01,16,200	4.58	352.7	Loan form FCIL	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Loan form FCIL	Acquired from FICL
23.12.2021	4,43,43,139	1.19	340.4	Loan form FCIL	Acquired from Westglobe
Total	**49,28,20,420**	**13.26**			

It is respectfully submitted that the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. In support of the same, the following may be noted:

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- The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber.
- All the board meetings of the assessee are held in Mauritius only. Copy of the board meeting / resolutions relevant to FY 2021-22 was attached as Annexure L vide response dated 03.10.2024.
- The assessee maintains office premises and the same is also mentioned in its official website.
- Control and management of the assessee is situated and shall continue to be situated in Mauritius
- The assessee is the legal and beneficial owner of shares of VEDL
- The assessee has been subject to enquiry/ scrutiny from the tax authorities in Mauritius and has been regularly depositing taxes (including applicable withholding taxes).
- The assessee maintains a bank account in Mauritius and all income (including dividend income from VEDL) has been received in its bank account in Mauritius. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies. Copy of relevant extract of bank account statement was attached as Annexure B vide response dated 12.01.2024.
- The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius.
- The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius. Copy of audited financial statements for FY 2021-22 were attached as Annexure D vide response dated 08.08.2023.

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- The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis.
- The assessee continues to hold the shares in VEDL till date.

Dividends received by the assessee

During the assessment year 2022-23, the assessee received the following dividends from VEDL:

Date of dividend	Amount of dividend per share	Total dividend	Tax paid on the dividend	Rate of deduction of TDS
08.09.2021	18.5	389,32,38,809	58,39,85,821	15%
20.12.2021	13.5	513,75,80,804	25,68,79,040	5%
10.03.2022	13	640,66,65,460	32,03,33,273	5%

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Submission

Section 4 of the Act provides for levy of tax in respect of the total income of the previous year of every person. The scope of total income is defined in section 5 of the Act. Sub-section (2) of the said section dealing with scope of total income of a person who is a non-resident reads as under:

> *"(2) Subject to the provisions of this Act, the total income of any previous year of a person who is a non-resident includes all income from whatever source derived which—*
> *(a) is received or is deemed to be received in India in such year by or on behalf of such person ; or*
> *(b) accrues or arises or is deemed to accrue or arise to him in India during such year."*

In terms of the charging provisions of section 4 read with section 5, which defines the scope of total income in case of a person resident outside India, only income received or deemed to be received in India or income accruing or arising or deemed to accrue or arise in India is taxable in India in the hands of the non-resident under the provisions of the Act.

Taxability of dividend income (relevant in the present case) is determined in terms of section 115A of the Act. The said section provides that income by way of dividend is taxable in the hands of the non-resident @ 20 percent.

Pertinently, provisions of section 90(2) of the Act provides that where India has entered into Double Tax Avoidance Agreement ('DTAA') with the country of residence of the non-resident recipient country, then, in relation to the (non-resident) assessee to whom such agreement applies, the provisions of the Act shall apply to the extent the same are more beneficial to that assessee.

The benefit of the Indo-Mauritius DTAA is available to "persons who are resident of one or both of the contracting States". [Refer: Article 1 of the Tax Treaty]

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Paragraph 1(e) of Article 3 of the Tax Treaty defines the term 'person' to include, inter alia, "a company and any other entity, corporate or non-corporate, which is treated as a taxable unit under the taxation laws in force in the respective Contracting States".

Article 4(1) of the Tax Treaty provides that the term "resident of a Contracting State" means any person who, under the laws of that State, "is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of similar nature".

The assessee is a GBC domiciled in Mauritius, holding valid tax residency certificate. The control and management of the assessee is in Mauritius and the assessee is liable to tax in Mauritius on its worldwide income. Having regard to the aforesaid, the assessee, is, in our respectful submission, tax resident of Mauritius and, therefore, entitled to the benefits under the Tax Treaty.

The taxability of dividend income arising to a resident of Mauritius is governed by Article 10 of the Tax Treaty, which reads as under:

"ARTICLE 10
DIVIDENDS

1. Dividends paid by a company which is a resident of a Contracting State to a resident of the other Contracting State may be taxed in that other State.
2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is a resident and according to the laws of that State, but if the recipient is the beneficial owner of the dividends the tax so charged shall not exceed—

(a) ***five per cent of the gross amount of the dividends if the beneficial owner is a company which holds directly at least 10 per cent of the capital of the company paying the dividends*** *;*

(b) *fifteen per cent of the gross amount of the dividends in all other cases.*

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This paragraph shall not affect the taxation of the company in respect of the profits out of which the dividends are paid.

3. Notwithstanding the provisions of paragraph (2), dividends paid by a company which is a resident of Mauritius to a resident of India may be taxed in Mauritius and according to the laws of Mauritius, as long as dividends paid by companies which are residents of Mauritius are allowed as deductible expenses for determining their taxable profits. However, the tax charged shall not exceed the rate of the Mauritius tax on profit of the company paying the dividends.

4. The term "dividends" as used in this Article means income from shares or other rights, not being debt-claims, participating in profits, as well as income from other corporate rights which is subjected to the same taxation treatment as income from shares by the laws of the Contracting State of which the company making the distribution is a resident.

5. The provisions of paragraphs (1), (2) and (3) shall not apply if the beneficial owner of the dividends, being a resident of the Contracting State, carries on business in the other Contracting State of which the company paying the dividends is a resident, through a permanent establishment situated therein or performs in that other State independent personal services from a fixed base situated therein and the holding in respect of which the dividends are paid is effectively connected with such permanent establishment or fixed base. In such a case, the provisions of article 7 or article 14, as the case may be, shall apply.

In terms of Article 10 of the India-Mauritius DTAA, tax in India on dividends in the hands of the recipient Mauritian shareholders would not exceed 5% of the gross amount of the dividend if the beneficial owner is a company which holds directly at least 10 per cent of the share capital of the Indian company paying the dividends. In all other cases, the dividend income is taxable @ 15% of such dividend income.

In the present case, the assessee is a tax resident of Mauritius. Till November 2021, the assessee held 5.66% shares in VEDL and with effect from 16.12.2021, the assessee held more than 10% shareholding in VEDL which it continues to

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hold till date. Accordingly, the dividends received by the assessee after 16.12 2021 have been offered to tax in India @5 percent in terms of Article 10 of the DTAA.

In order that benefit of the concessional rate of tax (5%) under the DTAA is available to the recipient, it needs to be established that – (i) the recipient is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA and (ii) the recipient is the beneficial owner of the dividend income.

Re: The assessee is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA

Re: TRC being sufficient evidence to claim benefit under the DTAA

Section 90 and section 90A of the Act have been amended vide Finance Act, 2012 to make submission of TRC containing prescribed particulars, as a necessary condition for availing benefits under the DTAA. Accordingly, in view of provision of section 90(4) and section 90A(4) read with Rule 21AB of the Income Tax Rules, 1962 ("**Rules**") wherever the benefit of the Tax Treaty is sought to be obtained, it will be imperative for the deductor payer to obtain TRC and declaration in Form 10F from the non-resident before making payment.

It is respectfully submitted that, in case of a non-resident, TRC is a sufficient evidence to claim tax residency and benefits (if any) under the applicable DTAA.

The Central Board of Direct Taxes ("CBDT") issued **Circular No. 789 dated 13 April 2000**, wherein it was clarified that TRC issued by the Government of Mauritius is sufficient evidence of the residential status of a person and, consequently, the Revenue cannot require a Mauritian resident to adduce further

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evidence to justify control and management of the Mauritian company. The said Circular reads as under:

> ***"734. Clarification regarding taxation of income from dividends and capital gains under the Indo-Mauritius Double Tax Avoidance Convention (DTAC)***
> ***1.*** *The provisions of the Indo-Mauritius DTAC of 1983 apply to 'residents' of both India and Mauritius. Article 4 of the DTAC defines a resident of one State to mean "any person who, under the laws of that State is liable to taxation therein by reason of his domicile, residence, place of management or any other criterion of a similar nature." Foreign Institutional Investors and other investment funds, etc., which are operating from Mauritius are invariably incorporated in that country. These entities are 'liable to tax' under the Mauritius Tax law and are, therefore, to be considered as residents of Mauritius in accordance with the DTAC.*
>
> ***2.*** *Prior to 1-6-1997, dividends distributed by domestic companies were taxable in the hands of the shareholder and tax was deductible at source under the Income-tax Act, 1961. Under the DTAC, tax was deductible at source on the gross dividend paid out at the rate of 5% or 15% depending upon the extent of shareholding of the Mauritius resident. Under the Income-tax Act, 1961, tax was deductible at source at the rates specified under section 115A, etc. Doubts have been raised regarding the taxation of dividends in the hands of investors from Mauritius.* ***It is hereby clarified that wherever a Certificate of Residence is issued by the Mauritian Authorities, such Certificate will constitute sufficient evidence for accepting the status of residence as well as beneficial ownership for applying the DTAC accordingly.***
>
> ***3. The test of residence mentioned above would also apply in respect of income from capital gains on sale of shares. Accordingly, FIIs, etc., which are resident in Mauritius would not be taxable in India on income from capital gains arising in India on sale of shares as per paragraph 4 of article 13."***

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The Delhi High Court on a writ petition challenging Circular No. 789 dated 13th April, 2000 by way of public interest litigation, quashed the Circular as ultra vires on numerous grounds.

On further appeal, the Supreme Court in the case reported as **Union of India and Another vs. Azadi Bachao Andolan and Another : 263 ITR 706** reversing the order of the Delhi High Court upheld the validity of Circular No. 789 observing as under:

> "… …. … *As early as on March 30, 1994, the CBDT had issued circular no.682 in which it had been emphasised that any resident of Mauritius deriving income from alienation of shares of an Indian company would be liable to capital gains tax only in Mauritius as per Mauritius tax law and would not have any capital gains tax liability in India. This circular was a clear enunciation of the provisions contained in the DTAC, which would have overriding effect over the provisions of sections 4 and 5 of the Income-tax Act, 1961 by virtue of section 90(1) of the Act.* ***If, in the teeth of this clarification, the assessing officers chose to ignore the guidelines and spent their time, talent and energy on inconsequtial matters, we think that the CBDT was justified in issuing 'appropriate' directions vide circular no.789, under its powers under section 119, to set things on course by eliminating avoidable wastage of time, talent and energy of the assessing officers discharging the onerous public duty of collection of revenue***.

The Supreme Court further observed that:

> *"Many developed countries tolerate or encourage treaty shopping, even if it is unintended, improper or unjustified, for other non-tax reasons, unless it leads to a significant loss of tax revenues. Moreover, several of them allow the use of their treaty network to attract foreign enterprises and offshore activities. Some of them favour treaty shopping for outbound investment to reduce the foreign taxes of their tax residents but dislike their own loss of tax revenues on inbound investment or trade of non-residents. In developing countries, treaty shopping is often regarded as a tax incentive to attract scarce foreign capital or technology. They are able to grant tax concessions exclusively to foreign investors over*

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and above the domestic tax law provisions. In this respect, it does not differ much from other similar tax incentives given by them, such as tax holidays, grants, etc.

Developing countries need foreign investments, and the treaty shopping opportunities can be an additional factor to attract them. The use of Cyprus as a treaty haven has helped capital inflows into eastern Europe. Madeira (Portugal) is attractive for investments into the European Union. Singapore is developing itself as a base for investments in South East Asia and China. Mauritius today provides a suitable treaty conduit for South Asia and South Africa. In recent years, India has been the beneficiary of significant foreign funds through the "Mauritius conduit". Although the Indian economic reforms since 1991 permitted such capital transfers, the amount would have been much lower without the India-Mauritius tax treaty. 124. Overall, countries need to take, and do take, a holistic view. The developing countries allow treaty shopping to encourage capital and technology inflows, which developed countries are keen to provide to them. The loss of tax revenues could be insignificant compared to the other non-tax benefits to their economy. Many of them do not appear to be too concerned unless the revenue losses are significant compared to the other tax and non-tax benefits from the treaty, or the treaty shopping leads to other tax abuses.

.....

If the Court finds that notwithstanding a series of legal steps taken by an assessee, the intended legal result has not been achieved, the Court might be justified in overlooking the intermediate steps, but it would not be permissible for the Court to treat the intervening legal steps as non-est based upon some hypothetical assessment of the 'real motive' of the assessee. In our view, the court must deal with what is tangible in an objective manner and cannot afford to chase a will-o'-the-wisp."

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Repelling the contention that the decision in the case of Azadi Bachao Andolan (supra) required reconsideration, the apex Court in the case of **Vodafone Holdings BV vs. UOI: 341 ITR 1 (SC)** held that the dictum laid down in the said judgement was still good law. The Court further observed that it is a common practice for foreign investors to invest in Indian companies through foreign subsidiaries set up in Cayman Islands or Mauritius for both tax and business purposes; in doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. Relevant extracts of the decision are as under:

> *"68. The common law jurisdictions do invariably impose taxation against a corporation based on the legal principle that the corporation is "a person" that is separate from its members. It is the decision of the House of Lords in Salomon v. Salomon (1897) A.C. 22 that opened the door to the formation of a corporate group. If a "one man" corporation could be incorporated, then it would follow that one corporation could be a subsidiary of another. This legal principle is the basis of Holding Structures. It is a common practice in international law, which is the basis of international taxation, for foreign investors to invest in Indian companies through an interposed foreign holding or operating company, such as Cayman Islands or Mauritius based company for both tax and business purposes. In doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. However, taxation of such Holding Structures very often gives rise to issues such as double taxation, tax deferrals and tax avoidance. In this case, we are concerned with the concept of GAAR. In this case, we are not concerned with treatyshopping but with the anti-avoidance rules. The concept of GAAR is not new to India since India already has a judicial anti-avoidance rule, like some other jurisdictions. Lack of clarity and absence of appropriate provisions in the statute and/or in the treaty regarding the circumstances in which judicial anti-avoidance rules would apply has generated litigation in India.*

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Holding Structures are recognized in corporate as well as tax laws. Special Purpose Vehicles (SPVs) and Holding Companies have a place in legal structures in India, be it in company law, takeover code under SEBI or even under the income tax law.

…….

79. When it comes to taxation of a holding structure, at the threshold, the burden is on the Revenue to allege and establish abuse, in the sense of tax avoidance in the creation and/or use of such structure(s). In the application of a judicial anti avoidance rule, the Revenue may invoke the "substance over form" principle or "piercing the corporate veil" test only after it is able to establish on the basis of the facts and circumstances surrounding the transaction that the impugned transaction is a sham or tax avoidant. To give an example, if a structure is used for circular trading or round tripping or to pay bribes then such transactions, though having a legal form, should be discarded by applying the test of fiscal nullity. Similarly, in a case where the Revenue finds that in a holding structure an entity which has no commercial/business substance has been interposed only to avoid tax then in such cases applying the test of fiscal nullity it would be open to the Revenue to discard such interpositioning of that entity. However, this has to be done at the threshold.

80. In this connection, we may reiterate the "look at" principle enunciated in Ramsay [1982 AC 300 : (1981) 2 WLR 449 : (1981) 1 All ER 865 (HL)] in which it was held that the Revenue or the Court must look at a document or a transaction in a context to which it properly belongs to. It is the task of the Revenue/Court to ascertain the legal nature of the transaction and while doing so it has to look at the entire transaction as a whole and not to adopt a dissecting approach. The Revenue cannot start with the question as to whether the impugned transaction is a tax deferment/saving device but that it should apply the "look at" test to ascertain its true legal nature [see Craven v. White (Stephen) [1989 AC 398 : (1988) 3 WLR 423 : (1988) 3 All ER 495 (HL)] which further observed that genuine strategic tax planning has not been abandoned by any decision of the English Courts till date].

81. Applying the above tests, we are of the view that every strategic foreign direct investment coming to India, as an investment destination, should be seen in a holistic manner. While doing so, the Revenue/courts should keep in mind the following factors: the concept of participation in investment, the duration of time during which the holding structure exists; the period of business

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operations in India; the generation of taxable revenues in India; the timing of the exit; the continuity of business on such exit.
82. In short, the onus will be on the Revenue to identify the scheme and its dominant purpose. The corporate business purpose of a transaction is evidence of the fact that the impugned transaction is not undertaken as a colourable or artificial device. The stronger the evidence of a device, the stronger the corporate business purpose must exist to overcome the evidence of a device."

97. We are, therefore, of the view that in the absence of LOB Clause and the presence of Circular No. 789 of 2000 and TRC certificate, on the residence and beneficial interest/ownership, tax department cannot at the time of sale/disinvestment/exit from such FDI, deny benefits to such Mauritius companies of the Treaty *by stating that FDI was only routed through a Mauritius company, by a company/principal resident in a third country; or the Mauritius company had received all its funds from a foreign principal/company; or the Mauritius subsidiary is controlled/managed by the Foreign Principal; or the Mauritius company had no assets or business other than holding the investment/shares in the Indian company; or the Foreign Principal/100% shareholder of Mauritius company had played a dominant role in deciding the time and price of the disinvestment/sale/transfer; or the sale proceeds received by the Mauritius company had ultimately been paid over by it to the Foreign Principal/ its 100% shareholder either by way of Special Dividend or by way of repayment of loans received; or the real owner/beneficial owner of the shares was the foreign Principal Company. Setting up of a WOS Mauritius subsidiary/SPV by Principals/genuine substantial long term FDI in India from/through Mauritius, pursuant to the DTAA and Circular No. 789 can never be considered to be set up for tax evasion."*

Reference is further made to the decision of the Delhi High Court in the case of **Blackstone Capital Partners (Singapore) Vi Fdi Three Pte Ltd. v. ACIT (International Taxation) : 452 ITR 111 (Delhi)**. In that case, the assessee, a company incorporated in Singapore, had sold certain shares for consideration and claimed the gains earned therefrom to be exempt in India by virtue of Article 13(4) of India-Singapore DTAA based on TRC.

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Quashing the notice issued under section 148 of the Act to bring to tax capital gains arising from sale of shares, the High Court held that the attempt of the Revenue in seeking to question the TRC was wholly contrary to the Government of India's repeated assurances to foreign investors by way of CBDT Circulars as well as press releases and legislative amendments and decisions of the Courts in **Union of India v. Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V. vs. Union of India: (Supra), CIT(International Taxation v. JSH (Mauritius) Ltd.** [2017] 84 taxmann.com 37/297 CTR 275 (Bom.) and **Sanofi Pasteur Holding SA v. Department of Revenue, Ministry of Finance** [2013] 30 taxmann.com 222/213 Taxman 504/354 ITR 316 (AP.).

While reaching the above conclusion, the High Court carried out detailed analysis of the relevant articles of the Mauritius/Singapore Tax Treaty, judicial precedents of the Supreme Court / High Court and the Circulars issued by the CBDT in this regard. The High Court concluded that statutorily, TRC is the only evidence required to be eligible for benefit under the tax treaty and the Revenue's attempt to question and go behind the same is wholly contrary to the Government's consistent policy and repeated assurances to foreign investors, taking note of the following:

(i) The Punjab & Haryana High Court in the case of **Serco BPO (P) Ltd v. Authority of Advance Rulings, New Delhi: 379 ITR 256,** after tracing the entire history of CBDT Circulars, legislative amendments and judicial pronouncement, held that TRC is sufficient to claim relief under the tax treaty. The High Court further pointed out that vide Finance Bill, 2013 section 90(5) was proposed to be introduced to provide that *"the certificate of being a resident in a country outside India or specified territory outside India, as the case may be, referred*

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to in sub-section (4), shall be necessary but not a sufficient condition for claiming any relief under the agreement referred to therein."; the proposed sub section (5) to section 90 of the Act was not implemented since the Parliament was conscious of Circular No. 789 of 2000 and vide Circular dated 02.03.2013 clarified that the said Circular no. 789 dated 13.4.2000 shall continue to be in force. The aforesaid decision of Serco BPO (supra) has been accepted by Revenue and the same was not challenged before the Supreme Court.

(ii) As early as March 30, 1994**, CBDT issued Circular No. 682** in which it was emphasized that any resident of Mauritius deriving income from alienation of shares of an Indian company would be liable to capital gains tax only in Mauritius as per Mauritius tax law and would not have any capital gains tax liability in India. The said Circular was a clear enunciation of the provisions contained in the DTAA, which would have overriding effect over the provisions of sections 4 and 5 of the Act by virtue of section 90 of the Act.

(iii) The CBDT vide **Circular No. 789 dated 13th April 2000** once again clarified that the TRC shall serve as sufficient evidence of the taxpayer's residence and beneficial ownership for applying the DTAA.

(iv) The Supreme Court, in the case of **Azadi Bachao Andolan** (supra), upheld the validity and efficacy of the **Circular No. 682 dated 30 March 1994 and the Circular No. 789 dated 13th April 2000**, issued by the CBDT. The apex Court further held that the certificate of residence is conclusive evidence for determining the status of residence and beneficial ownership of an asset under the DTAA; the Revenue authorities were obliged to grant tax treaty relief to Mauritius entities

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so long as such persons were tax resident in Mauritius as confirmed by the Mauritius Revenue Authorities; that it was the only condition required to be satisfied to claim treaty relief; that there were no other provisions either in the domestic law or the tax treaty that permitted the Revenue authorities to exercise any discretion in disregarding the provisions of the Tax Treaty.

(v) In the Finance Bill, 2013 as introduced in the Lok Sabha on 28th February, 2013, the Union of India sought to insert sub-section (5) in section 90 of the Act to stipulate precisely that submission of TRC shall be a necessary eligibility condition for availing the benefit of the DTAA.

(vi) The Finance Minister vide Press release dated 1st March, 2013 clarified, "*The Tax Residency Certificate produced by a resident of a contracting state will be accepted as evidence that he is a resident of that contracting state and the Income-tax Authorities in India will not go behind the TRC and question his resident status*". Consequently, the Government of India vide Press Release dated 1st March, 2013 once again reiterated that TRC shall be treated as a sufficient condition for claiming relief under the DTAA.

The aforesaid decision of **Blackstone Capital Partners** (supra) has been followed by various benches of the Courts/ Tribunals Ain the following cases where it has been held that TRC is sufficient evidence to claim the relief under the applicable Tax Treaty:

- Reverse Age Health Services Pte Ltd. V. DCIT: 147 taxmann.com 358 (Del)

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- Sapein Funds Ltd. v. CIT: 153 taxmann.com 60 (Del)
- Sarva Capital LLC v. ACIT: 153 taxmann.com 618 (Del)
- Saif II-Se Investments Mauritius Ltd. v. ACIT: 154 taxmann.com 617 (Del)

Reference is further made to the recent decision of the Delhi High Court in the case of **Tiger Global International III Holdings v. AAR:165 taxmann.com 850 (Delhi) dated 28.08.2024**. The facts in that were that the assessee was a tax resident of Mauritius and held a Category 1 Global Business License and a TRC issued by the Mauritian authorities; the immediate shareholders of the assessee were also Mauritian companies which, in turn, were part of a foreign private equity fund ('The PE Fund); the PE Fund had raised funds from several investors across the globe; US-based group company was the investment manager of the fund (with no investment in the taxpayer). The assessee had acquired shares of a Singapore based company before 1 April 2017; the Singapore company had investment in the shares of the Indian companies; in 2018, the assessee sold shares of the Singapore company which derived their value substantially from the assets in India.

The assessee filed an application before the AAR to determine the tax implications in India considering that gains arising from the sale of shares are not taxable in India as per the India Singapore Tax Treaty. The AAR held that the transaction was designed for the avoidance of tax and rejected the application filed by the assessee.

The High Court held that TRC issued by a jurisdiction is 'sacrosanct' sans tax fraud/sham transaction proof presented by Revenue and it would be impermissible for the Revenue to manufacture additional roadblocks or standards that parties would be required to meet in order to avail of the Tax Treaty, as it

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would be contrary to the CBDT Circulars as well as decisions of the Courts in **Union of India v. Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V. vs. Union of India: (Supra).**

While reaching the above conclusion, the High Court observed as under:

- **Law does not presume tax evasion** - It is always open for the multinational to expand their activities and presence in various markets by choosing a tax neutral and investor friendly jurisdiction; the law does not raise a presumption of tax evasion, treaty abuse, illegality, or disreputability to the foreign investments made through entities domiciled in Mauritius, nor such entities are obliged to satisfy a separate/stricter standard of legitimacy.

- **TRC as sufficient evidence** - The High Court referring to CBDT Circular No. 789 and clarification issued by the Finance Ministry that the TRC will be accepted as sufficient evidence for the treaty benefit and the Revenue will not question or go behind the TRC observed that taking any other view would result in erosion of faith and the trust reposed by the parties to the treaty in each other; Treaty shopping should not be frowned upon unless there is tax evasion and is contrary to the underlying and stated objectives of the treaty countries; the Indian Government appears to have accepted the legal position as enunciated in **Azadi Bachao Andolan (supra)**, **Vodafone International Holdings B.V (supra)** that the invocation of the substance over form principle should be confined to extreme cases.

- **Beneficial ownership** – Concluding that the allegation that the

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assessee was not a beneficial owner was thoroughly misconceived and untenable, the High Court held that the beneficial ownership test requires determination as to whether the recipient of income holds the income in the capacity of an administrator/trustee or has no right or control over the income or merely holds the income to be deployed on the instruction of another; the Revenue failed to substantiate that the assessee was under a contractual or legal obligation to remit its revenue to the US company; the entire case against the assessee was based on the erroneous and factually unsustainable premise that the US company was the holding company of the taxpayer and controlled major decisions taken by the assessee; and the Revenue failed to prove that the US company was the beneficial owner of investments made by the assessee.

- **Applicability of GAAR -** When the Treaty was renegotiated, and the LOB provisions were incorporated in the treaty in 2016, GAAR and indirect transfer provisions had already been enacted in the Act. India and Mauritius were aware of the GAAR provisions and indirect transfer provisions, but still chose to grandfather the gains from the shares acquired prior to 1 April 2017. The LOB clause was restricted to shares acquired after that date. This is also evident from the grandfathering provisions in the domestic GAAR (Rule 10U(1)(d) of the Rules).

  The Revenue argued that the GAAR provision will apply to the transaction irrespective of the taxpayer's reliance on the grandfathering clause of the treaty and that even though an arrangement was entered into prior to 1 April 2017, any tax benefit from an arrangement on or after 1 April 2017 would be subject to the GAAR provisions as per

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Rule 10U(2) which overrides Rule 10U(1)(d) of the Rules. The High Court rejected the Revenue's argument and held that it would result in sub-rule (2) taking away what stood saved in Rule 10U(1)(d) of the Rules and further observed that the term 'without prejudice' is intended to mean that sub-rule (2) would operate in contingencies not contemplated by sub-rule (1)(d) of Rule 10U of the Rules.

Importantly, the High Court observed that the domestic tax legislation cannot be interpreted in a manner which brings it in direct conflict with a treaty provision or with an overriding effect over the treaty provisions, as it would amount to accepting the right of one country to unilaterally amend the treaty provisions.

The Bombay High Court in the case of **Indostar Capital vs. ACIT: 105 taxmann.com 96 (Bom.)** wherein the Court on the argument of the Revenue that TRC is not sufficient evidence held that in case the transaction is fraudulent or fictitious, the Court can go beyond the requirement to obtain TRC and ascertain economic substance of the company. Relevant observations of the Court are as under:

21…… Legal position that the Assessing Officer has taken, cannot be grudged. Despite the existence of DTAA, despite the availability of the TRC of the petitioner issued by the Mauritius Authorities and despite the CBDT circular that such certificate as long as in operation would be a valid consideration for applying the DTAA, it is not that as laid down by the Supreme Court through series of judgments has shut out the case of the revenue totally when it comes to a fraudulent or fictitious transaction

"23……..Mere fact that the assessee company has not transacted any other business by itself may not be conclusive. The reference to the assessee unable to produce TRC of the companies which hold

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> *shares in the assessee company is erroneous. The petitioner would point out that such certificates were produced before the Assessing Officer. The observation that mere transfer of money though banking channel would not be conclusive, maybe quite correct but the same cannot be a ground against the assessee unless there is adverse material. It is true that the extent of administrative expenditure and the employment structure maybe some of the factors which eventually would go to establish whether the transaction was sham and the very existence of the assessee was fraudulent, however by themselves may not be sufficient. All these aspects can and need to be gone into in the assessment proceedings."*

Caveat to the aforesaid effect was also added by the Delhi High Court in the case of *Tiger Global (supra)* observing as under:

> *199. The significance and the salutary purpose underlying the issuance of a TRC cannot be overemphasized. Its importance stands duly acknowledged by the Union Government itself as is manifest from a reading of Circular 789 of 2000. Of equal import is the withdrawal of the amendments which were proposed to be introduced in Section 90 and were ultimately shelved. It becomes important to note that a TRC once found to have been issued by the competent authority must be accorded due weightage and its sanctity duly acknowledged. The TRC represents the first level of certification of the holder being a bona fide business entity domiciled in the Contracting State. The issuance of a TRC constitutes a mechanism adopted by the Contracting States themselves so as to dispel any speculation with respect to the fiscal residence of an entity. It therefore can neither be cursorily ignored nor would the Revenue be justified in doubting the presumption of validity which stands attached to that certificate bearing in mind the position taken by the Union itself of it constituting ―sufficient evidence‖ of lawful and bona fide residence. Taking any other view would clearly be destructive of what Serco BPO aptly described as resulting in an erosion of faith and the trust reposed by the parties to the convention in each other.*
>
> *200. Regard must also be had to the fact that when Vodafone was rendered, the DTAA was yet to incorporate provisions regulating entitlement of benefits. The TRC concept came to be adopted subsequently followed by the incorporation of a specific LOB clause in the Treaty itself. The observations appearing in Vodafone are thus liable to be appreciated bearing in mind the crucial amendments*

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which have subsequently come to be included in the DTAA. Even otherwise the observations appearing in Vodafone in the context of piercing of the corporate veil and the extent to which the Revenue could enquire and investigate despite a TRC were confined to cases of tax fraud, sham transactions, where the entity has no vestige of economic substance or the transaction is alleged to be aimed at camouflaging an illegality. These charges if raised would have to meet an extremely high and exacting standard of proof, since expressions such as fraud or sham though loosely used in common parlance, have a specific connotation in law. The Revenue would thus have to base such an allegation on cogent and convincing evidence as opposed to a mere conjecture, doubt or a perceived need to investigate and enquire. Such an allegation would have to be established at the outset itself before the Revenue being recognised as entitled to discard the presumption of validity which would spring into existence once a TRC is produced and the LOB conditions shown to be fulfilled. "

Accordingly, in view of the above and having regard to the entire sequence of events, namely, the Finance Bill, 2013, the clarification issued by the Finance Ministry regarding the TRC dated March 1, 2013 and the Finance Act, 2013, TRC issued by the appropriate tax authorities of other tax jurisdictions should be accepted as the basis for allowing benefit of the applicable tax treaty to the person holding valid TRC.

Accordingly, since the assessee holds a valid TRC issued by the Mauritian tax authorities and is a tax resident of Mauritius and thereby entitled to the benefits of the DTAA.

In this regard, reliance in placed on the ruling in the case of ***Bid Services Division (Mauritius) Ltd. vs. AAR*** **[2023] 148 taxmann.com 215 (Bom)** wherein, dealing with an identical issue, the Hon'ble Bombay High Court held as follows:

"47. Reference has been made to article 27A of the Mauritius DTAA on LOB which was inserted by Notification dated 10th August, 2016 by

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amending the said DTAA pursuant to which shell/ conduit companies claiming residence of a contracting State shall not be entitled to benefits of the convention……

48. It is observed that this Article disentitles benefits of Article 13(3B) if the affairs were arranged for the primary purpose to take advantage of the benefits of Article 13(3B). The Article has been inserted with effect from 1st April 2017. According to this Article, with effect from 1st April 2017, a shell or conduit company that claims to be a resident of a contracting State shall not be entitled to benefits of Article 13(3B).

49. The Petitioner has also made reference to Press Release dated 29th August 2016 issued by CBDT post amendment to Mauritius DTAA which was effective from 1st April 2017. ……

50. The said press release expressly provides for grandfathering of capital gains exemption provided under the erstwhile Mauritius DTAA. The protocol provides for source-based taxation of capital gains arising from alienation of shares acquired with effect from 1st April 2017 in a company resident in India viz. from Financial Year 2017-18. Investments made before 1st April 2017 have been grandfathered and will not be subject to capital gains taxation in India.

51. The Authority appears to have clearly missed the clear import of this Circular as the entire sale by the Petitioner was prior to 1st April, 2017. The arguments of the Revenue with respect to shell company/ conduit can only be considered for investments with effect from 1st April 2017 and not the case at hand."

In the present facts, the assessee is a bonafide resident of Mauritius and eligible to avail the benefit of India-Mauritius DTAA, having regard to the undernoted factors:

a) The assessee holds valid TRC issued by the Mauritius authorities and has an independent board of directors who are residents of Mauritius. All board meetings are held in Mauritius only and control and management of the assessee is undisputably situated in that country.

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b) The assessee is a tax resident of Mauritius and regularly files its tax returns in Mauritius declaring its worldwide income therein and paying taxes in accordance with the Mauritian laws. Thus, the assessee cannot be called a fly by night operator which has been created for tax avoidance purposes.

c) The assessee maintains a bank account in Mauritius and all income (including dividend income from VEDL) has been received in its bank account in Mauritius. A portion of the dividends received is spent on meeting the annual expense of the company.

d) The assessee maintains its books of accounts in Mauritius which are also duly audited in Mauritius.

e) The assessee is the legal and beneficial owner of shares of VEDL and the assessee has the exclusive and unconditional right on the dividend income to be received from VEDL.

f) The extracts from Board meetings of the assessee **enclosed at Pages 480-493 of the paperbook**, highlights the involvement of directors in operational matter and key strategic and financial decisions taken by it; dominion and control of the assessee over its investments and also the involvement and responsibility of the Board for administering the investments.

g) The assessee used independent sources of funds to invest in group companies. Further, the exclusive possession and control over the income received lies with the assessee in as much as the

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income/funds available with the assessee are utilized for various purposes viz. repayment of interest and loans, distribution as dividend to the parent company, at the discretion of board of directors of the assessee.

h) Further, the assessee is not constrained with any obligation or any economic arrangement to distribute/remit the dividend income received from VEDL to VRL or the family trust in Bahamas.

Re: Recipient (the assessee) is the beneficial owner of the dividend income received from VEDL

The term "beneficial owner" is not defined in the Tax Treaty. The OECD Model Tax Commentary, 2017 on Article 10(2) provides that the term "*beneficial owner*" is not used in a narrow technical sense; rather, it should be understood in its context, in particular in relation to the words ***"paid … to a resident"***, and in light of the object and purpose of the DTAA. The Commentary further provides that in instances of agent, nominee, conduit company acting as a fiduciary, the direct recipient of dividend is not the beneficial owner because the recipient's right to use and enjoy the dividends is constrained by a contractual or legal obligation to pass on the payment received to another person.

Further, the OECD Report 2010 on "The Granting of Treaty Benefits with respect to the Income of Collective Investment Vehicles" observes that in order to qualify as a "beneficial owner", only one of the two tests needs to be satisfied, viz. the beneficial owner should be in position to decide (i) whether or not the asset should be used or made available for use by others; or (ii) on how the yields therefrom should be used or (iii) both. In other words, the 'beneficial owner' is he who is free to decide (i) whether or not the capital or other assets should be used or made

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available for use by others or (ii) on how the yields therefrom be used or (iii) both.

The Protocol dated 30 August 2010 to the India-Switzerland Tax Treaty (1994) deals with "conduit arrangements" as follows:

> *"The provisions of Articles 10… shall not apply in respect to any dividend … paid under, or as part of a conduit arrangement. The term 'conduit arrangement' means a transaction or series of transactions which is constructed in such a way that a resident of a Contracting State entitled to benefits of the Agreement receives an item of income arising in the other contracting state but that resident pays, directly or indirectly, all or substantially all of that income (at any time or in any form) to another person who is not a resident of either contracting state and who, if it received that item of income directly from the other contracting state, would not be entitled under a Convention or Agreement for the avoidance of double taxation between the State in which that other person is resident and the Contracting State in which the income arises, or otherwise, to benefits with respect to that item of income which are equivalent to, or more favorable than, those available under this Agreement to a resident of a contracting ; and the main purpose of such structuring is obtaining benefits under this Agreement".*

The purpose of the "beneficial ownership" test, in other words, is to prevent tax avoidance in source state by persons not entitled to protection by a particular treaty but claiming the same with the help of interposed entities. In such circumstance, benefit of the treaty may be denied where "beneficial owner" is not a resident of the other state (State R) even if intermediary collecting evidence is its "resident". However, an interposed entity/intermediary will be the "beneficial owner" if there is a business reason to place it between the payer and the final recipient of the dividends beyond the reduction of tax in source state. *[Refer: IBFD Case No. 283314 (Supreme Court of France) and IBFD Case No. 1110/2003 (National Court of Spain)]*

The US Model Commentary, dated 2006, observes that a person is not a "beneficial owner" of shares if that person receives dividend or sale proceeds

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nominally instead of for his own use and enjoyment and does not assume complete risk, dominion, and control over such funds.

The Delhi High Court in the case of **CIT vs. Fujitsu America Inc: 452 ITR 311**, was considering a case wherein a company incorporated under the laws of United States of America, rendered branding and management services to an Indian entity. The assessing officer sought to tax the said receipts on gross basis, while denying the assessee the benefit of the India-USA DTAA alleging that the assessee had back-to-back arrangement of passing on fee received to its holding company. The Court taking note of the concurrent findings of fact, namely, that (i) the assessee was playing the role of a service provider after procuring the same from other group companies and had dominion over the fees received; (ii) there was no back-to-back arrangement; (iii) in order to deny the assessee the status of beneficial owner, the assessing officer had to find that the assessee was either an agent or conduit for the holding company, held that since there was no back-to-back arrangement and the assessee had dominion and control over the fees received, the assessee company was entitled to status of 'beneficial owner'.

Reference is made to the recent decision of the Delhi High Court in the case of **Tiger Global International III Holdings v. AAR:165 taxmann.com 850 (Delhi)** wherein the Court held that the allegation that the assessee was not a beneficial owner was thoroughly misconceived and untenable, since the beneficial ownership test requires determination as to whether the recipient of income holds the income in the capacity of an administrator/trustee or has no right or control over the income or merely holds the income to be deployed on the instruction of another; the Revenue failed to substantiate that the assessee was under a contractual or legal obligation to remit its revenue to the US company; the entire case against the assessee was based on the erroneous and factually unsustainable premise that the US company was the holding company of the

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taxpayer and controlled major decisions taken by the assessee; and the Revenue failed to prove that the US company was the beneficial owner of investments made by the assessee. Relevant observations of the Court are reproduced below:

> *"242. As is manifest from the aforesaid passages and the views expressed by leading authorities on international tax planning, emphasis is essentially laid on the facet of ownership attributes. The views so expressed thus bid us to discern a legal obligation which binds the recipient to forward the income to another person. The views expressed commends the question to be posed being whether the intermediary could claim the income for its own account and benefit. It thus proposes that if it were found that the conduit was able to avail the income itself, and was not contractually obligated to forward that income to another person, it would clearly be incorrect to impute the principles of beneficial ownership in such a contextual setting. The core of the aforesaid precepts would appear to be aspects of ownership and control over the income, a right of disposal or a contractual obligation to pass on the same to another.*
> *243. Both Vogel and Baker thus bid us to ascertain and discern the true controller of the income, the entity which decides the use of the asset and the income and which could also include an administrator or trustee. Tested on the basic rule of substance over form, the concept of beneficial owner would get attracted to cases where the recipient of income or the holder of the asset is found to be merely the ostensible depository and which may hold the income either in the capacity of an administrator or even as a trustee. For this charge to be accepted, it would have to be established that the recipient or holder of income has no right or control over the income and merely holds the same to be deployed on the instruction of another. While the obligation to forward the income or gain may be either legal or contractual dependent upon the position of parties, it would certainly require a finding on fact that the income is held at the behest of another, is controlled and regulated by a third party entity and the ostensible owner having no real or substantive control over the same.*
> *244. Tested on the aforesaid precepts, it becomes manifest that the allegation of the revenue earned from the transfer of shares being beneficially held by the petitioner, TG III and TG IV is thoroughly misconceived and untenable. Thus since the respondents do not rest or found this allegation on any material or evidence which may be read as even remotely suggestive of the petitioners being under a contractual or legal obligation to transmit the revenues to TGM LLC. The respondents also do not base these submissions on any material which may have tended to indicate that the revenue obtained from the transfer of shareholding was*

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an action undertaken by the writ petitioners acting for and on behalf of TGM LLC. In fact and as was noted by us in the preceding parts of this decision, the allegation of beneficial ownership itself rested on straws with the respondents still seeking to discover the ultimate beneficiaries of the revenue earned from the transfer of shares."

Further, the Delhi Tribunal in the case of **Little Fairy Limited vs. ACIT: ITA No. 1513/Del/2022)** while examining whether the assessee, a tax resident of Cyprus as per Article 4 of India-Cyprus DTAA, was the beneficial owner of interest income earned by it on Compulsory Convertible Debentures, held that since the assessee had the complete right to receive the said interest income and was under no compulsion or contractual obligation to simultaneously pass on the same to another entity, it would be held as the beneficial owner entitled to being taxed at a concessional rate as provided under Article 11(2) of India-Cyprus Treaty. The relevant extracts of the decision are reproduced below:

"9. It is not in dispute that assessee is a tax resident of Cyprus as per Article 4 of India-Cyprus Double Taxation Avoidance Agreement (DTAA). The assessee also furnished the tax residency certificate issued by Republic of Cyprus, Ministry of Finance clearly stating that its worldwide income is liable to income tax in accordance with income tax law and Republic of Cyprus. This tax residency certificate issued for the fiscal years 2016 and 2017 are enclosed in pages 8 and 9 of the paper book. The assessee pleaded that it would be entitled for the benefit provided in India-Cyprus DTAA. The assessee had determined the taxability of the interest income arising in India to a resident of Cyprus to be taxed in India @10% of the gross amount of interest if the beneficial owner of the interest income is a resident of Cyprus. As stated in the earlier part of this order, the assessee had got complete control over the interest income on investment in CCDs and is free to enjoy the same as per its own wish. The assessee is not obliged to pass on the same to any other person. Hence, it could be safely concluded that the assessee is indeed the beneficial owner of such interest income and as per Article 11(2) of India-Cyprus treaty, the same would be taxed in India @10% as all the conditions stipulated in Article 11(2) are complied with. We find that the ld AO had denied this benefit to the assessee. We find that the ld AO had denied the benefit of applicability of Circular 789 dated 13.04.2000 in the context of India-Mauritius

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Treaty to the facts of the instant case. In this regard, the ld AO stated that the Circular 789 was only regarding India-Mauritius and Hon'ble Supreme Court in the case of Azadi Bachao Andolan reported in 263 ITR 706 (SC) had decided the issue in the same context, and accordingly, the benefit of the India-Mauritius Treaty cannot be made applicable to India-Cyprus Treaty. The AR placed reliance on the decision of the coordinate bench decision of Mumbai Tribunal in the case ADIT Vs. Universal International Music BV reported in 45 SOT 219 (Mum), wherein, it was held that the tax residency certificate issued by the tax authority of Netherland is sufficient evidence of the beneficial ownership as per Circular No. 789 dated 13.04.2000. This ruling of the Mumbai Tribunal was confirmed by the Hon'ble Bombay High Court which is reported in 31 taxmann.com 223 (Bombay), wherein it was held that the assessee which is incorporated under the laws of Netherland and being beneficial owner of royalty receipts in respect of music tracks given to Indian companies would be entitled to benefit of concessional rate of tax provided under Article 12 of India-Netherland DTAA. Hence, the objection made by the ld AO in respect of this issue is not sustainable."

The Mumbai bench of the Tribunal in the case of **Golden Bella Holdings Ltd. v. DCIT [2019] 109 taxmann.com 83 (Mum)**, while examining whether a Cyprus company qualified as the "beneficial owner" of interest earned from an Indian Company, observed that the mere fact that the investment in debt instrument was funded using a portion of an interest-free shareholder loan and share capital did not affect the taxpayer's status as the "beneficial owner" of interest income and such a fact pattern did not make the arrangement a back-to-back transaction. The ITAT placed reliance on the OECD Commentary and held that the taxpayer qualified as the "beneficial owner" of interest as the tax payer (i) had received the same for its own exclusive benefit and not for or on behalf of any other entity; (ii) wholly assumed and maintained the foreign exchange risk on the debt instruments (which were INR denominated) and the counter party risk on interest payments arising on the debt instrument.

The Tribunal further observed that the Revenue failed to prove fulfilment of

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following essential requirements for testing the "beneficial ownership":

(i) the taxpayer did not have exclusive possession and control over the interest income received;

(ii) the taxpayer was required to seek approval or obtain consent from any entity to invest in the Indian Company or to utilize interest received at its own discretion; and

(iii) the taxpayer was not free to utilize the interest income received at its sole and absolute discretion, unconstrained by any contractual, legal, or economic arrangements with any other third party.

Reference is made to the decision of the AAR in the case of **E Trade Mauritius Ltd., In Re [2010] 324 ITR 1 (AAR)**, wherein the assessee was holding a global business company's licence and was a tax resident of Mauritius. It was a subsidiary of Converging Arrows Inc., USA which in turn was a subsidiary of E*TRADE Financial Corporation, USA. It held equity shares in an Indian company (IL&FS) which were acquired by way of direct purchases as well as upon conversion of the Global Depository Receipts. The applicant transferred the said shares to HSBC, Mauritius in September, 2008 and realized long-term capital gains thereon in India. The Mauritius Company approached the AAR to determine whether by virtue of being a Mauritius resident, it is eligible to the benefits of the India-Mauritius DTAA and, hence, not subject to tax in India on the capital gains realized.

The AAR observed that merely because there is a relationship of holding-subsidiary and the subsidiary is financed by holding company and retains control over the subsidiary, it would not go against the concept of separate legal entity. The observations of the AAR is as under:

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"....The tax residency certificate issued by the Mauritius authorities is at least a presumptive evidence of the beneficial ownership of the shares and the gains arising therefrom, even if it does not give rise to a conclusive presumption. The indisputable facts noted above together with the normal course of dealings between a subsidiary and its holding company, viewed in the background of the law declared in Azadi Bachao Andolan's case (supra), do not go to displace the presumption arising from the operation of the circular. ***The fact that the source of funds for the purchase of shares is traceable to the holding company or that the holding company had played a role in suggesting or negotiating the sale or that the consideration received ultimately goes to the parent company in the form of dividends or the diminution of capital does not lead to a legal inference that the holding company in reality owned the shares and/or the recipient of capital gains arising from transfer of shares to the holding company but not to subsidiary. To take such a view would be clearly contrary to the ground realities of the mutual business and economic relations between a holding and subsidiary company and the inter se legal structure.*** *The fact that the subsidiary has its own corporate personality and is a separate legal entity cannot be overlooked. The fact that the holding company exercises acts of control over its subsidiary does not, in the absence of compelling reasons, dilute the separate legal identity of the subsidiary.* ***It is unrealistic to expect that a subsidiary should keep off the clutches of the holding company and conduct its business independent of any control and assistance by the parent company. In the present state of law, i.e., the treaty provision, the circular of the CBDT, the law laid down in Azadi Bachao Andolan's case (supra) and the legal incidents of corporate personality, the attempted distinction between legal and beneficial ownership cannot be sustained on any reasonable basis****."*

Reference is also made to the decision of the Pune transfer of the Tribunal in the case of **Imersys Asia Pacific (P) Ltd vs DDIT [2016] 69 taxmann.com 454 (Pune),** wherein while examining whether the taxpayer qualified as "*beneficial owner*" of royalty received from an Indian company on sub-licensing of know-how originally licensed from its principal in the UK, the Tribunal held that where the taxpayer had entered into an agreement with the principal and received the know-how (for a fee of 2% of net sales of the Indian entity), which, in turn, was sub-licensed and had in furtherance thereof provided services to the sub-licensee and received sub-licensee fees (i.e., royalty @ 5% of net sales of the Indian entity)

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from the sub-licensee, then, such royalty income having been received by the assessee non-resident company in its own right as the "*beneficial owner*" thereof was to be subjected to tax at the concessional tax rate under the applicable tax treaty.

Similar view has been expressed in the undernoted judgements:

- ADIT vs Universal International Music BV [2011] 10 taxmann.com 29 (Mumbai) [upheld by the Bombay High Court in the case of DIT vs Universal International Music BV [2013] 31 taxmann.com 223 (Bom.)]
- HSBC Bank (Mauritius) Ltd vs DCIT [2018] 96 taxmann.com 544 (Mumbai – Trib)
- DCIT vs. Worldpart Limited: ITA No. 740 & 741/Chny/2023

In the case of **KSPG Netherlands Holding BV, In re ((2010) 322 ITR 696)**, the facts were that a Dutch company (D) having German parentage (G), acquired shares of an Indian Company (ICO) from the holding company. The Authority for Advance Ruling (AAR) held that D was the "*beneficial owner*" of ICO's shares, negativing the stand of the Revenue that G was the beneficial owner of shares held in ICO on the basis of the following facts:

- D was a special legal entity having its own board of directors and management systems;
- D made a significant investment in ICO with a view to broaden the capital base of ICO;
- D had acquired ICO's Shares from G at a price determined as per Indian exchange control guidelines;
- Capital Gain on sale of ICO's share will enter the profit & loss account of D.

While coming to the aforesaid conclusion, the AAR made the following pertinent

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observations:

> *"…. ….. …. we find no factual or legal basis to hold that the German Company is the real beneficial owner of the shares and the capital gains that would accrue. The transferor, i.e., the Netherlands Company though a subsidiary of the aforementioned Germany Company is a distinct legal entity having its own board of directors and management systems. The glaring fact which is to be taken note of in this context is that the applicant which was incorporated towards the end of 2008 made significant investments in the Indian Company. It is stated that from September 2009 onwards, it invested nearly 17 million Euros (110 crores) in Pierburg India. It is seen from the facts stated by the applicant that the applicant had initially acquired the shares of the Indian Company from Pierburg GmbH at a price determined as per the evaluation guidelines prescribed under the Foreign Exchange Management Act, 2000. The substantial investments it has made was with a view to broaden the capital base of the Indian company, as stated by the applicant. The implied suggestion of the Revenue that the applicant is a sham entity or a conduit company deliberately set up to avoid the tax liability relating to capital gains is wholly misconceived. It would be presumptuous to predicate that the gains accruing to the applicant by the transfer of shares held in the Indian company would not enure to the benefit of the applicant or will not enter into the profit and loss account of the applicant or that the gains will be just passed on to the ultimate holding company (i.e., German company), dictated by its mandate. It is not possible to assume that the applicant would merely act as a conduit to syphon off the gains to the ultimate holding company by means of a colourable device contrary to its corporate status and the stake in the Indian company. It is of course open to the tax authorities to look to the facts at the time of transfer, but, on principle and in the light of the facts stated and substantiated in this application, we cannot reach the conclusion that the beneficial ownership in the gains resulting from the transfer of shares is vested with the ultimate holding company, i.e., German company. As stated earlier, we find no reason and no basis to characterize the proposed transaction as a mere device to avoid the capital gains tax by unlawful means."*

The Supreme Court of Netherlands in **Case No 28.638 dated 6 April 1994 (Supreme Court of Netherlands)** observed that the expression "beneficial

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owner" envisages a person who profits economically from dividend income or who is fully entitled to enjoy its benefit directly or who can freely avail of the dividend and deal with it without being accountable to anyone.

The Supreme Court of Canada (vide majority decision) in the case of Canada *vs.* Alta Energy Luxembourg S.A.R.L.: 2021 SCC 49 holding the conduit company set up in Luxembourg to be entitled to the benefit of Canada – Luxembourg DTAA, observed as under:

> *79 The remaining question is whether the contracting states intended that persons without "sufficient substantive economic connections" to their state of residence be able to take advantage of the carve-out to avoid paying any taxes. Put simply, the question is whether the use of conduit corporations in this context perverts the bargain struck between Canada and Luxembourg. In my view, it does not.*
>
> ……..
>
> *86…… The fact that the capital gains may not be taxed in Luxembourg, leading to double*
> *non-taxation, and the fact that conduit corporations can take advantage of the carve-out are tax planning outcomes consistent with the bargain struck between Canada and Luxembourg. Although Canada had a greater claim to tax such income based on the theory of economic allegiance and would have most likely received more tax revenues without the carve-out given its traditional status as a source state, Canada agreed to forego its right to tax such capital gains, regardless of whether they would be taxed in Luxembourg, in order to attract foreign investment in business assets embodied in immovable property located in Canada (e.g. hotels, mines, or oil shales) and to reap the economic benefits generated by that investment. This is what was actually agreed upon. It appears that Canada was aware of tax planning strategies using conduit corporations in Luxembourg but that it made a deliberate choice not to include anti-avoidance provisions that would have addressed this situation in the Treaty.*
>
> ……
>
> *90……. for the abuse analysis is "to examine the factual context of a case to determine whether the avoidance transaction defeated or frustrated the object, spirit or purpose of the provisions in issue"*
>
> …… ……

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96……The courts' role is limited to determining whether a transaction abuses the object, spirit, and purpose of the specific provisions relied on by the taxpayer. It is not to rewrite tax statutes and tax treaties to prevent treaty shopping when these instruments do not clearly do so.

Reference may be made to the decision of the Supreme Court of Canada, in the case of **Canada v. Alta Energy Luxembourg S.A.R.L.[2021 SCC 49]**, dealing with eligibility of treaty benefit in respect of capital gain realized by a Luxembourg registered Corporation on sale of shares whose value derived principally from immovable property situated in Canada, claiming exemption from Canadian tax on basis that shares of were protected property under tax treaty between Canada and Luxembourg.

In that case, in 2011, two American firms founded an American company for the purpose of acquiring and developing unconventional oil and natural gas properties. Alta Energy Partners Canada Ltd. ("Alta Canada"), a wholly owned Canadian subsidiary of that company, was incorporated in order to carry on that business. A restructuring of Alta Canada was undertaken in 2012. As part of the restructuring, Alta Energy Luxembourg S.A.R.L. ("Alta Luxembourg") was incorporated under the laws of Luxembourg and its shares were issued to a new Canadian partnership. On the same day, Alta Luxembourg purchased all of the shares of Alta Canada. In 2013, it sold those shares, realizing a capital gain in excess of $380 million. Payment for the shares was organized so that Alta Luxembourg did not receive any of the sale proceeds. Following the sale, Alta Luxembourg did not conduct any other business or hold any other investments.

The Supreme Court of Canada (vide majority decision) holding the conduit company set up in Luxembourg to be entitled to the benefit of Canada – Luxembourg DTAA, observed as under:

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"79 The remaining question is whether the contracting states intended that persons without "sufficient substantive economic connections" to their state of residence be able to take advantage of the carve-out to avoid paying any taxes. Put simply, the question is whether the use of conduit corporations in this context perverts the bargain struck between Canada and Luxembourg. In my view, it does not.

……..

86…… The fact that the capital gains may not be taxed in Luxembourg, leading to double non-taxation, and the fact that conduit corporations can take advantage of the carve-out are tax planning outcomes consistent with the bargain struck between Canada and Luxembourg. Although Canada had a greater claim to tax such income based on the theory of economic allegiance and would have most likely received more tax revenues without the carve-out given its traditional status as a source state, Canada agreed to forego its right to tax such capital gains, regardless of whether they would be taxed in Luxembourg, in order to attract foreign investment in business assets embodied in immovable property located in Canada (e.g. hotels, mines, or oil shales) and to reap the economic benefits generated by that investment. This is what was actually agreed upon. It appears that Canada was aware of tax planning strategies using conduit corporations in Luxembourg but that it made a deliberate choice not to include anti-avoidance provisions that would have addressed this situation in the Treaty.

……

90……. for the abuse analysis is "to examine the factual context of a case to determine whether the avoidance transaction defeated or frustrated the object, spirit or purpose of the provisions in issue"

……

96……The courts' role is limited to determining whether a transaction abuses the object, spirit, and purpose of the specific provisions relied on by the taxpayer. It is not to rewrite tax statutes and tax treaties to prevent treaty shopping when these instruments do not clearly do so."

Further, in the decision of **Prévost Car Inc v R (2008) 10 ITLR 736 (TCC); [2009] 11 ITLR 757 (FCA)** decided by the Canadian Court**,** the entire shares of Canada-based Prevost Car Inc ("PC Inc") were held by Prevost Holding BV ("PH

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BV"), a Netherlands-based company, incorporated under Dutch law. The shares of PH BV were held by Volvo Bus Corporation ("Volvo"), based in Sweden and Henleys Group plc ("Henleys") based in the UK. PC Inc. paid dividend to PH BV and based on shareholders' agreement between Volvo and Henleys, PH BV was required to pay at least 80% of its profits to Volvo and Henleys. In the aforesaid facts, the Canadian Revenue concluded that PH BV was not the beneficial owner of the dividends and, therefore, was not entitled to the concessional rate of tax on dividends under the tax treaty with the Netherlands.

The Canadian Court allowed the appeal of the taxpayer on the basis of the following underlying considerations:

> *"I therefore reach the conclusion, that for the purposes of interpreting the Tax Treaty, the OECD Conduit Companies Report (in 1986) as well as the OECD 2003 Amendments to the 1977 Commentary are a helpful complement to the earlier Commentaries, insofar as they are eliciting, rather than contradicting, views previously expressed (...)"*
> *"(...) the "beneficial owner" of dividends is the person who receives the dividends for his or her own use and enjoyment and assumes the risk and control of the dividend (italicizing WM) he or she received (...)".*
> *"Where an agency or mandate exists or the property is in the name of a nominee, one looks to find on whose behalf the agent or mandatory is acting or for whom the nominee has lent his or her name. When corporate entities are concerned, one does not pierce the corporate veil unless the corporation is a conduit for another person and has absolutely no discretion as to the use or application of funds put through it as conduit, or has agreed to act on someone else's behalf pursuant to that person's instructions without any right to do other than what that person instructs (italicizing WM) it, for example, a stockbroker who is the registered owner of the shares it holds for clients."*
> *"The (lower, red.) Judge's formulation captures the essence of the concepts of "beneficial owner", "bénéficiaire effectif" as it emerges from the review of the general, technical and legal meanings of the terms. Most importantly, perhaps, the formulation accords with what is stated in the OECD Commentaries and in the Conduit Companies Report. (italicizing WM)"*

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Reference is further made to the decision of the Korean Supreme Court in the case of **Korea vs CJ E&M Co., Ltd.: Case no. 2017/ 33008** wherein payment of royalty was to be made by the Korean company to an unrelated Hungarian Company. The officer denied treaty benefit since the tax officer held that the Hungarian company was interposed by the Dutch company to avail the exemption from tax under the Hungary-Korea treaty. To disregard the benefit, the Korean GAAR was applied by the Korean tax authorities. The High Court ruled in favour of the tax authorities and held that the Hungarian company was a mere conduit used for treaty shopping purposes.

The Supreme Court of Korea, however, reversed the High Court's decision on the ground that beneficial ownership should not be denied by the mere fact that tax benefits were derived from the relevant tax treaty if the foreign entity was otherwise engaged in genuine business activities in line with the entity's business purpose. The Supreme Court further held that the Hungarian entity should be entitled to the treaty benefits since (i) it did not bear any legal or contractual obligation to transfer the royalty income and thus should be regarded as the beneficial owner of the income; and (ii) it had the ability to manage and control the license rights that gave rise to the royalty income, and therefore the GAAR should not apply.

The commercial rationale for incorporating the assessee, as explained supra, was that in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange. Once the delisting offer of VEDL was approved by its shareholders and directors, for undertaking the aforesaid delisting/ purchase of shares from the public in accordance with the Delisting Regulations, Vedanta group was required to raise funds by way of loans/ issuing of bonds. The Vedanta group had already taken loans/ created a

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pledge/ charge in TSH. Accordingly, in order to raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 3 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee in Mauritius on 29.06.2020.

Even though there existed other tax efficient jurisdictions (such as Slovenia), the commercial rationale for establishing the assessee in Mauritius was the long-standing presence of TSH in Mauritius for the past 3 decades which offers better business synergies in case the group decides to simplify its holding structure and consolidate its holdings in one country i.e. Mauritius in future.

Shares could have been acquired in TSH but for the stipulation/mandate of the lender and the fact that the asset of TSH were already mortgaged.

It is respectfully submitted that the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder in name which is evidenced by the following:

- The assessee files its return of income in Mauritius and is assessed to tax in that country. Copy of the return of income filed in Mauritius was enclosed as Annexure C vide response dated 08.08.2023.

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- The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber. The Board meetings are held in Mauritius and decisions with respect to investing / divesting of investments in VEDL and advancing or obtaining loans from other companies are taken in the board meetings, including repatriation of dividends to its holding company. In other words, control and management of the assessee is situated and shall continue to be situated in Mauritius

- The bank accounts of the assessee are managed by the employees of the assessee. Only for administrative convenience and implementing the decision of the board of directors, some employees of the group company have been authorised to operate the bank account on behalf of the company

- The assessee does not have any legal or contractual obligation to pass its income to its holding company and decision with respect to utilization of funds are taken by the Board of the company. In other words, the decision with respect to utilization of revenues received by the assessee from its operation or investments rests with the Board which is independent and no other person has control over the disposition of such income. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies

- The assessee is the legal and beneficial owner of all its investments including shares of VEDL

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- The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius.

- The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius.

- The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis.

- The assessee continues to hold the shares in VEDL till date.

It is also respectfully submitted that the Mauritian Government issued the Income Tax (Amendment No. 2) Regulations 2019 applicable with effect from 01.07.2019 which, inter-alia, provide that a Mauritian company (GBC) in order to keep a valid global business licence and qualify for the exemptions, will have to satisfy the following new enhanced economic substance requirements at all times:

- they are managed and controlled from Mauritius;
- they are administered by a management company in Mauritius; and
- their core income-generating activities (CIGA) are being carried out in or from Mauritius, by:
  - employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the CIGA; and
  - having a minimum level of expenditure, which is proportionate to

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their level of activities.

The assessee being a GBC is complying with the aforesaid guidelines issued by the Mauritian government to establish commercial substance under the laws of Mauritius. Such compliance proves beyond doubt and discharges the onus on the assessee of establishing that it is the bona fide tax resident of Mauritius.

Even otherwise and without prejudice, Article 27A of the Tax Treaty provides that a Mauritian resident shall not be entitled to the benefits of paragraph 3B of Article 13 of this Agreement (though the said Article is not applicable in the present case) if its affairs were arranged with the primary purpose to take benefit of the Tax Treaty [commonly referred to as the Limitation of Benefits (LOB) clause]. Article 27A of the Treaty reads as under:

"*ARTICLE 27A*
LIMITATION OF BENEFITS

1. A resident of a Contracting State shall not be entitled to the benefits of Article 13(3B) of this Convention if its affairs were arranged with the primary purpose to take advantage of the benefits in Article 13(3B) of this Convention.

2. A shell/conduit company that claims it is a resident of a Contracting State shall not be entitled to the benefits of Article 13(3B) of this Convention. A shell/conduit company is any legal entity falling within the definition of resident with negligible or nil business operations or with no real and continuous business activities carried out in that Contracting State.

3. A resident of a Contracting State is deemed to be a shell/conduit company if its expenditure on operations in that Contracting State is less than Mauritian Rs.1,500,000 or Indian Rs. 2,700,000 in the respective Contracting State as the case may be, in the immediately preceding period of 12 months from the date the gains arise.

4. A resident of a Contracting State is deemed not to be a shell/conduit company if:

(a) it is listed on a recognized stock exchange of the Contracting State; or

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(b) its expenditure on operations in that Contracting State is equal to or more than Mauritian Rs.1,500,000 or Indian Rs.2,700,000 in the respective Contracting State as the case may be, in the immediately preceding period of 12 months from the date the gains arise.

Further, Article 27A(4) provides that a resident of Mauritius would be deemed not to be a shell or conduit company if:

(a) it is listed on a recognised stock exchange in Mauritius; or

(b) its annual expenditure on operations in Mauritius is atleast Mauritian Rs. 1,500,000 in the immediately preceding period of 12 months from the date on which the gains arise;

Though Article 27A of the Treaty is not strictly applicable in the present case, nevertheless, the assessee does not fall foul of the rigors of the LOB clause since the assessee is not a shell company considering that its annual expenditure on operations in Mauritius is in excess of Mauritian Rs. 1,500,000 in the assessment year 2022-23.

In view of the aforesaid, the assessee cannot, in our submission, be said to have been set up with a motive/ main objective of tax avoidance / obtaining treaty benefits; rather the assessee has been set up for a valid business purpose, i.e., for investing in the shares of VEDL and consolidating the holding of the Vedanta group in Mauritius. Accordingly, the assessee be considered as the beneficial owner of the dividend income for the purposes of availing benefit of the concessional rate under Article 10 of the DTAA.

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Re: Incorporation of the assessee and the subsequent transactions lack commercial substance deeming the arrangement to be impermissible avoidance arrangement under section 96 of the Act

The assessing officer has alleged that incorporation of the assessee and the subsequent transactions lack commercial substance and hence, provisions of GAAR are sought to be invoked

The provisions of GAAR under Chapter X-A of the Act, applicable w.e.f 01.04.2018 (assessment year 2018-19/ previous year 2017-18), were introduced with the intent to specifically deal with instances of transactions which lack commercial substance and were entered into only with the intent of obtaining tax benefit. The relevant provisions read as under :

"

CHAPTER X-A

GENERAL ANTI-AVOIDANCE RULE

Applicability of General Anti-Avoidance Rule.

95.(1) Notwithstanding anything contained in the Act, an arrangement entered into by an assessee may be declared to be an impermissible avoidance arrangement and the consequence in relation to tax arising therefrom may be determined subject to the provisions of this Chapter.

(2) This Chapter shall apply in respect of any assessment year beginning on or after the 1st day of April, 2018.

Explanation.—For the removal of doubts, it is hereby declared that the provisions of this Chapter may be applied to any step in, or a part of, the arrangement as they are applicable to the arrangement.

Impermissible avoidance arrangement

96. (1) An impermissible avoidance arrangement means an arrangement, ***the main purpose of which is to obtain a tax benefit,*** *and it—*

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*a) creates rights, or obligations, which are **not ordinarily created between persons dealing at arm's length**;*

b) results, directly or indirectly, in the misuse, or abuse, of the provisions of this Act;

*c) **lacks commercial** substance or is deemed to lack commercial substance under section 97, in whole or in part; or*

d)** is entered into, or carried out, by means, or in a manner, **which are not ordinarily employed for bona fide purposes

(2) An arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

Arrangement to lack commercial substance.

97. (1) An arrangement shall be deemed to lack commercial substance, if—

(a) the substance or effect of the arrangement as a whole, is inconsistent with, or differs significantly from, the form of its individual steps or a part; or

(b) it involves or includes—

(i) round trip financing;

(ii) an accommodating party;

(iii) elements that have effect of offsetting or cancelling each other; or

(iv) a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction; or

(c) it involves the location of an asset or of a transaction or of the place of residence of any party which is without any substantial commercial purpose other than obtaining a tax benefit (but for the provisions of this Chapter) for a party; or

(d) it does not have a significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the tax benefit that would be obtained (but for the provisions of this Chapter).

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(2) For the purposes of sub-section (1), round trip financing includes any arrangement in which, through a series of transactions—

(a) funds are transferred among the parties to the arrangement; and

(b) such transactions do not have any substantial commercial purpose other than obtaining the tax benefit (but for the provisions of this Chapter),

without having any regard to—

(A) whether or not the funds involved in the round trip financing can be traced to any funds transferred to, or received by, any party in connection with the arrangement;

(B) the time, or sequence, in which the funds involved in the round trip financing are transferred or received; or

(C) the means by, or manner in, or mode through, which funds involved in the round trip financing are transferred or received.

(3) For the purposes of this Chapter, a party to an arrangement shall be an accommodating party, if the main purpose of the direct or indirect participation of that party in the arrangement, in whole or in part, is to obtain, directly or indirectly, a tax benefit (but for the provisions of this Chapter) for the assessee whether or not the party is a connected person in relation to any party to the arrangement.

(4) For the removal of doubts, it is hereby clarified that the following may be relevant but shall not be sufficient for determining whether an arrangement lacks commercial substance or not, namely:—

(i) the period or time for which the arrangement (including operations therein) exists;
(ii) the fact of payment of taxes, directly or indirectly, under the arrangement;
(iii) the fact that an exit route (including transfer of any activity or business or operations) is provided by the arrangement.'

Consequences of impermissible avoidance arrangement.

98. (1) If an arrangement is declared to be an impermissible avoidance arrangement, then, the consequences, in relation to tax, of the arrangement, including denial of tax benefit or a benefit under a tax treaty, shall be determined, in such manner as is deemed

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appropriate, in the circumstances of the case, including by way of but not limited to the following, namely:—

(a) disregarding, combining or recharacterising any step in, or a part or whole of, the impermissible avoidance arrangement;
(b) treating the impermissible avoidance arrangement as if it had not been entered into or carried out;
(c) disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;
(d) deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;
(e) reallocating amongst the parties to the arrangement—
(i) any accrual, or receipt, of a capital nature or revenue nature;

or

(ii) any expenditure, deduction, relief or rebate;

(f) treating—
(i) the place of residence of any party to the arrangement; or

(ii) the situs of an asset or of a transaction,

at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement; or

(g) considering or looking through any arrangement by disregarding any corporate structure.

(2) For the purposes of sub-section (1),—

(i) any equity may be treated as debt or vice versa;

(ii) any accrual, or receipt, of a capital nature may be treated as of revenue nature or vice versa; or

(iii) any expenditure, deduction, relief or rebate may be recharacterised.

……

Definitions

102. In this Chapter, unless the context otherwise required,--

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……..

(10) "tax benefit" includes,—

(a) a reduction or avoidance or deferral of tax or other amount payable under this Act; or
(b) an increase in a refund of tax or other amount under this Act; or
(c) a reduction or avoidance or deferral of tax or other amount that would be payable under this Act, as a result of a tax treaty; or
(d) an increase in a refund of tax or other amount under this Act as a result of a tax treaty; or
(e) a reduction in total income; or
(f) an increase in loss,
in the relevant previous year or any other previous year;"

The Finance Act, 2013 only codified GAAR, which have evolved and been applied by Courts over years. The GAAR provisions incorporated in the Act and applicable from financial year 2017-18, enable the Revenue to disregard or restructure a transaction, only if the main purpose of the transaction / arrangement is to obtain tax benefit and such transaction:

- creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length ("**Arm's Length Test**");
- results, directly or indirectly, in the misuse or abuse of the provisions of this Act ("**Misuse or Abuse Test**");
- lacks commercial substance or is deemed to lack commercial substance, in whole or in part ("**Commercial substance Test**"); or
- is entered into or carried out, by means or in a manner which are not ordinarily employed for bonafide purposes ("**Bonafide Purpose Test**"). [refer: section 96]

Further, in terms of section 97 of the Act a transaction is deemed to lack "commercial substance" in the following circumstances:

- substance or effect of the arrangement as a whole, is inconsistent with,

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or differs significantly from the form of its individual step or a part; or

- it involves or includes –
  - ✓ round trip financing;
  - ✓ an accommodating party;
  - ✓ elements that have effect of offsetting or cancelling each other; or
  - ✓ a transaction which is conducted through one or more persons and disguises value, location, source, ownership, or control of funds which is the subject matter of such transaction; or
- it involves the location of an asset or of a transaction or of the place of residence of any party which would not have been so located for any substantial commercial purpose other than obtaining a tax benefit for a party; or
- it does not have a significant effect upon the business risks or net cash flows of any party to the arrangement apart from any effect attributable to the tax benefit that would be obtained. Copy of the cash flow statement was attached as Annexure B vide response dated 12.02.2024.

For applicability of GAAR, any of the conditions laid down above in section 96(1) read with section 97 of the Act, coupled with the test that the main purpose of the arrangement is to obtain tax benefit, is required to be satisfied to treat the arrangement as "impermissible avoidance arrangement" and to consequentially disregard the same.

In the case of **Rogers Enterprises (2015) Inc And Her Majesty The Queen : 2020 TCC 92**, the Tax Court of Canada ruled that for applicability of GAAR, existence of tax benefit resulting from a transaction based on misuse/abuse of a statutory or treaty provision is essential; for abuse or misuse, the transaction must frustrate or defeat or circumvent the object, spirit or purpose of the relevant

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income tax provisions conferring the tax benefit.

Section 98 lists out the consequences of an impermissible avoidance arrangement. The consequences are broad and far reaching. Section 98(1) of the Act states that if an arrangement is considered to be an impermissible avoidance arrangement, the consequences, in relation to tax, of that arrangement, including the denial of a tax benefit or the benefit under a Double Taxation Avoidance Agreement (DTAA or tax treaty), shall be determined in such manner, as may be deemed appropriate, in the circumstances of the case, including by way of, but not limited to the following:

(a) disregarding, combining or recharacterising any step in, or a part or whole of, the impermissible avoidance arrangement;

(b) treating the impermissible avoidance arrangement as if it had not been entered into or carried out;

(c) disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;

(d) deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;

(e) reallocating receipts or expenditure (capital or revenue) amongst the parties to the arrangement;

(f) treating the place of residence of any party to the arrangement; or the situs of an asset or of a transaction, at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement;

(g) considering or looking through any arrangement by disregarding any corporate structure.

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Re: GAAR provisions not applicable since no tax benefit derived by the Assessee by incorporating the company in Mauritius

It is respectfully submitted that incorporation of the assessee and subsequent transaction of purchase of shares of VEDL and consequent receipt of dividends cannot be regarded as impermissible avoidance arrangement within the meaning of section 96 of the Act, considering that – (i) there is no tax benefit derived by the Assessee by incorporating the company in Mauritius; (ii) The investment by the assessee in VEDL is for bonafide commercial business reasons and thus, not for the purpose of any tax benefit; (iii) The assessee is the beneficial owner of the dividend income since it has (a) exclusive possession and control over the dividend income received from its investment; (b) freedom to utilize the income received at its sole and absolute discretion, unconstrained by any contractual, legal, or economic arrangements with any other third party. In particular, the assessee has no obligation to pass on the dividend income to any third person.

Re: Applicability of clause (a) of section 96(1) ~ Arm's Length Test

As stated supra, clause (a) of section 96(1) of the Act provides that an arrangement would fall in the category of impermissible avoidance arrangement if it creates rights or obligations which are not ordinarily created between parties dealing at arm's length.

In the present case, the following facts cumulatively establish, without any doubt whatsoever, that the entire transaction did not fall foul of the Arm's Length Test–

(a) The assessee was incorporated to acquired shares of VEDL during delisting offer. Once the delisting failed, the assessee acquired the shares of VEDL through bulk deals on the Indian stock exchange

(b) The shares acquired by the assessee were at the prevailing market price on the Indian stock exchange

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(c) The funds were raised by the assessee from Oak Tree and other group companies at arm's length

(d) subsequently, dividends were paid by VEDL to all its shareholders including the assessee in accordance with the provisions of the Companies Act, 2013.

Re: Applicability of clauses (b) and (d) of section 96(1) ~ Misuse or Abuse Test/ Bonafide Purpose Test

As elaborately explained in supra, incorporation of the assessee, purchase of shares of VEDL and subsequent receipt of dividends did not result in misuse / abuse of any of the provisions of the Act so as to be covered in clause (b) of section 96 thereof. Further, the bonafide of the transactions cannot be called in question considering the following:

- To raise additional funds by way of loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan.

- Further, since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 3 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee on 29.06.2020.

- Since TSH had already borrowed funds and was also a guarantor (explained supra) on different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from Oak Tree for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not

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have any external borrowing and had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender.

- In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum.

- the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder

The fact that as a result of acquisition of shares of VEDL, the assessee is able to claim a concessional rate on taxability of dividends should not be a ground to hold that the said transaction of receipt and taxability of dividends is sham / collusive / device to defraud the Revenue.

It is reiterated that the Supreme Court in the case of **Vodafone Holdings BV vs. UOI (SC)** observed that it is a common practice for foreign investors to invest in Indian companies through foreign subsidiaries set up in foreign jurisdictions for business purposes; in doing so, foreign investors are able to avoid the lengthy approval and registration processes.

With regard to establishing a company in tax friendly jurisdiction, the Delhi High Court in the case of **Tiger Global International III Holdings** (supra) held as under:

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*"**N. INTERNATIONAL PERSPECTIVES ON TREATY SHOPPING***

201. Having reviewed the Indian position, we then deem it apposite to briefly dwell upon the international perspectives pertaining to treaty shopping. Action 6 of the BEPS Action Plan was principally concerned with the development of treaty provisions which would prevent the extension of benefits in inappropriate circumstances.

Action 6 was responsible for the adoption of measures such as LOB clauses in treaties and the evolution of the PPT. As is evident from a reading of the OECD Commentary on Article 29 and which deals with Entitlement to Benefits, treaties incorporate disentitlement provisions to deprive persons who are otherwise not entitled to treaty benefits and who may adopt indirect methods to avail of those benefits and thus violate the bilateral and reciprocal understanding of Contracting States and which constitutes the foundation of all conventions. However, even the Commentary recognises and acknowledges the establishment of an entity for legitimate business reasons. It goes on to explain that where entities resident in a Contracting State undertakes business activities in that State, it would be inappropriate to characterize its activities as constituting treaty shopping. Cadbury Schweppes is yet another decision which holds that the mere establishment of a subsidiary in a favourable tax location would not in itself or per se amount to treaty shopping. It cautions against the adoption of a test which may amount to a "general presumption" of tax evasion or avoidance. Cadbury Schweppes lays emphasis on the charge of abuse or fraudulent conduct being based on objective evidence that may obtain in the facts of a particular case.

202. This decision, too thus reinforces our view that there cannot be an assumption of treaty shopping or abuse merely because a subsidiary or a related entity is established in a tax friendly jurisdiction. An allegation of abuse or fraudulent conduct would ultimately depend upon cogent material and evidence that may be found to exist in a particular case. In any case, the Revenue would be wholly unjustified in basing that view on a hypothetical and initial presumption. Each case would thus have to be tested on the basis of facts which obtain and which require the Revenue to

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examine and ascertain whether actual and tangible business activity was undertaken by such an entity. What treaties abhor are artificial arrangements and those which fail to pass the test of economic reality.

203. Similar was the view expressed in Burlington and which was a tax convention case where the Court held that the guiding principle should be that of denial of treaty benefits where it be found that the main purpose of entering into a transaction was to secure a ―more favourable tax position‖ and where that favourable treatment would be "contrary to the object and purpose of the relevant provisions". Thus, the quest or search for a more favourable tax position would result in a disentitlement only if it were found that the extension of that benefit would be contrary to the underlying spirit of the treaty and its avowed objectives. Burlington too frowns upon abusive arrangements and transactions which fail to satisfy the economic substance test.

204. The position which thus emerges is that authorities across various jurisdictions appear to have taken the consistent position of treaty benefits being liable to be denied in cases where fraud is sought to be perpetrated, where the transaction is a mere sham, entities are mere dummies and have come to be created to merely act as conduits and where the extension of benefits would be contrary to the object and purpose of the treaty itself. However, a conclusion in that respect cannot be based on some unstated presumption of invalidity or founded upon a failure to holistically examine the transaction as a whole and the Revenue coming to the irresistible and justifiable conclusion that the sole intent of the transaction was to evade taxes, perpetuate an illegality and to obtain an inappropriate advantage. A finding based on objective evidence that the activity would fall in the category of an abusive transaction would constitute a sin qua non and a legal imperative before denial of benefits or the rendering of a verdict of disentitlement."

It is an accepted fact that the group structure with its headquarters in UK has been present for more than 20 years with operating companies in various countries including India. The department, cannot, in our respectful submission, caste

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baseless allegations to disregard the accepted shareholding structure so as to invoke the provisions of GAAR and deny treaty benefits to the assessee.

Re: Applicability of clause (c) of section 96(1) ~ Commercial substance Test

Clause (c) of section 96(1) of the Act states that an arrangement would be an impermissible avoidance arrangement if the same lacks commercial substance. Thus, "commercial substance" is the pivot on which the provisions of GAAR revolves. Although, section 97 prescribes transactions which would be deemed to be lacking commercial substance, but the phrase "commercial substance" has not been defined in the Act; the said phrase, in our submission, could deem a transaction as impermissible which is not commercially prudent or would not have been entered into between unrelated parties in normal/ordinary circumstances.

The Revenue cannot question the prudence of commercial expediency of the decision of the assessee and Vedanta group to incorporate the assessee and purchase the shares of VEDL; it is the sole prerogative of the assessee as the transaction is within the four corners of the law.

In the case of **CIT vs M/s Parry and Company Ltd** (supra), the High Court has held that – "***when the transaction is within the parameters of law, then the Income Tax Authorities cannot enter into the shoe of the assessee to decide the prudence of commercial expediency of a particular transaction."***

The incorporation of the assessee, funds raised by way of loans which were used for purchasing the shares of VEDL and subsequent receipt of dividends which was taxable as concessional rate under Article 10 of the DTAA were based on sound commercial principles. The said transactions, being legitimate business arrangements, having no disguised purpose/ element involved therein, cannot, it

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can, in our submission be said to have been undertaken solely for the purpose of achieving the tax benefit; the tax benefit (if any) is only incidental thereto.

In this regard, it may be noted that an assessee is free to conduct business in a manner most conducive/ advantageous to the assessee. The Revenue cannot step into the shoes of the businessman and determine as to how the business ought to have been carried out. In simple words, it is entirely the choice of an assessee to determine as to in what manner business is to be run; transactions are to be undertaken, to carry on the business in an efficient and profitable manner.

Reference can be made to the decision of **the Supreme Court in the case of Eastern Investment Ltd. vs. ITO 20 ITR 1** (SC), wherein it was observed that, "*there are usually many ways in which a given thing can be brought about in business circles but it is not for the Court to decide which of them should have been employed when the Court is deciding a question under Section 12(2) of the Income-tax Act.*"

The Courts have repeatedly held that in applying the test of commercial expediency for determining whether the expenditure was wholly and exclusively laid out for the purpose of business, reasonableness of the expenditure has to be judged from the point of view of the businessman and not of the Revenue. Reference in this regard is invited to the following decisions of the apex Court:

- CIT vs. Malayalam Plantations Limited: 53 ITR 140 (SC)
- CIT v. Walchand & Co. etc. (1967) 65 ITR 381
- J K Woollen Manufacturers v. CIT: 72 ITR 612(SC)
- CIT v. Birla Cotton Spg. And Wvg. Mills Ltd.: 82 ITR 166 (SC)
- Madhav Prasad Jatia v. CIT U.P.: 118 ITR 200 (SC)
- S.A. Builders Ltd. vs. CIT : 288 ITR 1 (SC)

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The freedom available to carry on business in a manner most conducive to the assessee is, however, not unfettered. The assessee cannot, under the shield of such freedom, for instance, carry out transaction(s) which are sham, bogus or device to evade tax. So long as the transaction is within the framework of law, the Revenue has no authority in law to re-write the transaction, notwithstanding that the transaction may result in mitigation of tax liability.

Useful reference in this regard may be made to the decision of the Supreme Court in the case of **Vodafone International Holdings B.V (supra),** wherein the apex Court after considering the jurisprudence that has developed in India and England over the years on the issue of tax avoidance and tax evasion, permissible and impermissible transaction, sham, bogus and colourable devices, held that on application of judicial anti-avoidance rule, the Revenue may, in the facts of a given case, invoke the "substance over form" principle or "piercing the corporate veil" test and disregard the transaction/structure, if there is abuse of organization/legal form without reasonable business purpose, which results in tax avoidance.

The Supreme Court further held that the onus would be on the Revenue to identify the scheme and its dominant purpose. It was observed that the corporate business purpose of a transaction is evidence of the fact that the transaction is not undertaken as a colourable or artificial device; conversely, the stronger the evidence of a device, still stronger corporate business purpose must exist to overcome such evidence. The relevant findings of the Supreme Court read as follows:

> *""……. The concept of GAAR is not new to India since India already has a judicial anti-avoidance rule, like some other jurisdictions. Lack of clarity and absence of appropriate provisions in the statute and/or in the treaty regarding the circumstances in which judicial anti-avoidance rules would apply has generated litigation in India.*

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> *…… In the application of a judicial anti-avoidance rule, the Revenue may invoke the "substance over form" principle or "piercing the corporate veil" test only after it is able to establish on the basis of the facts and circumstances surrounding the transaction that the impugned transaction is a sham or tax avoidant.*
>
> *To give an example, if a structure is used for circular trading or round tripping or to pay bribes then such transactions, though having a legal form, should be discarded by applying the test of fiscal nullity. Similarly, in a case where the Revenue finds that in a Holding Structure an entity which has no commercial/business substance has been interposed only to avoid tax then in such cases applying the test of fiscal nullity it would be open to the Revenue to discard such inter-positioning of that entity. …… In short, the onus will be on the Revenue to identify the scheme and its dominant purpose. The corporate business purpose of a transaction is evidence of the fact that the impugned transaction is not undertaken as a colorable or artificial device. The stronger the evidence of a device, the stronger the corporate business purpose must exist to overcome the evidence of a device…"*
>
> (emphasis supplied)

The apex Court further observed, as under:

> *"…… In transnational investments, the use of a tax neutral and investor-friendly countries to establish SPV is motivated by the need to create a tax efficient structure to eliminate double taxation wherever possible and also plan their activities attracting no or lesser tax so as to give maximum benefit to the investors. Certain countries are exempted from capital gain, certain countries are partially exempted and, in certain countries, there is nil tax on capital gains. Such factors may go in creating a corporate structure and also restructuring. ……*
>
> *79…… Courts have evolved doctrines like piercing the corporate veil, substance over form etc. enabling taxation of underlying assets in cases of fraud, sham, tax avoidant, etc. However, genuine strategic tax planning is not ruled out."* (emphasis supplied)

In essence, the Supreme Court held that if the arrangement, re-organization, restructuring, etc. are undertaken for sound commercial and legitimate tax planning reasons, then, the same could not be disregarded by the Revenue. Thus,

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so long as the sole motive of the transaction is not to avoid tax, which otherwise does not lack business / commercial substance, the same cannot be interfered with.

The basic principle that the tax authorities have no mandate to re-write/re-characterize the transaction unless the same is found to be sham or bogus is also applicable to fiscal statutes and should be applicable to GAAR provisions inserted in the Act, which have come into effect from previous year commencing 1.4.2017.

Reference is made to the comments of the Expert Committee (2012) chaired by Dr. Parthasarathi Shome. Evaluating the nuances of GAAR provisions, the Expert Committee noted in the "Background" on page 16 of the "*Final Report on General Anti Avoidance Rules (GAAR) in Income-tax Act, 1961*" ("**Final Report**") that intention of the Legislature while introducing the provisions of GAAR was to prevent aggressive tax avoidance, instead of curbing tax mitigation / planning, in the following words :

> ***" 1.2 Background***
>
> **.....**
>
> *With this backdrop, there useful points may be noted –*
> ***The Indian government (henceforth Govt.) has no problem with tax mitigation by which is implied the use of tax incentives in not only a legal, but also transparent, manner by means of legitimate tax planning with the objective of achieving what tax professionals term "tax efficiency". Instead, Govt's intention is to target tax avoidance which is technically legal (in that it is not evasion which is illegal) but may represent tax planning with the sheer objective of obtaining a tax benefit without any supporting justification in terms of commercial, economic, or business purpose****. The determination of this separation of objectives comprises a crucial challenge in modern global practices in designing complex corporate structures with good or bad motives....."* (emphasis supplied)

On page 19 of the Final Report, the Expert Committee has brought about the

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difference between tax mitigation, tax evasion and tax avoidance and has re-iterated that tax mitigation by complying to the conditions of tax legislation is allowable under the tax statute, in the following words :

> ***"Tax Evasion, Tax Mitigation and Tax Avoidance***
> ***Tax mitigation is a situation where the taxpayer uses a fiscal incentive available to him in the tax legislation by submitting to the conditions and economic consequences that the particular tax legislation entails. An example of tax mitigation is the setting up of a business undertaking by a taxpayer in a designated area such as a Special Economic Zone (SEZ). In such a case the taxpayer is taking advantage of a fiscal incentive offered to him in the SEZ provisions in the Income-tax Act e.g., setting up the business only in the SEZ areas and exporting from the SEZ area. Tax mitigation is, thus, allowed under the tax statute.***
> *Tax avoidance, on the other hand, is by and large not defined in taxing statutes. Tax avoidance is, nevertheless, the outcome of actions taken by the assessee, none of which or no combination of which is illegal or forbidden by the law as such. International literature, on the subject tends to describe it as:*
>
> - *Tax avoidance involves the legal exploitation of tax laws to one's own advantage.*
> - *Every attempt by legal means to prevent or reduce tax liability which would otherwise be incurred, by taking advantage of some provisions or lack of provisions in the law…it presupposes the existence of alternatives, one of which would result in less tax than the other… except where the taxpayer adopts the same course for business or personal reasons.*
> - *An arrangement entered into solely or primarily for the purpose of obtaining a tax advantage……..."*

By way of below example in the Final Report, the Expert Committee has clearly explained the taxpayer's right to select the most efficient jurisdiction:-

> *"Example -18:*
>
> ***Facts:***
>
> *A company "A" in country F6, a company "B" in country F7 and a*

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company "C" in country F8 pool their resources and form a special purpose vehicle (SPV) as a company N situated in country F1 which has a provision of residence based taxation of capital gains in its tax treaty with India.

N further invests the funds in equities in India and earns capital gains. The taxpayer claims that –

(i) as SPV, a neutral jurisdiction was needed and, after exploring various options, country F1 was selected;

(ii) it is easy to incorporate a company in F1; it is easy to operate; cost of compliance is low; and it is easy to migrate;

(iii) there is no tax liability in country F1;

(iv) the treaty network of country F1 protects investments and also saves taxes in jurisdictions including India.

Can GAAR be invoked in such a case?

Interpretation:

The arrangement results into a significant tax benefit to the investors by routing their investments through country F1. Can it be said that obtaining tax benefit in India is the main purpose of the arrangement? ***Given the facts, it may be held that forming an SPV in an efficient jurisdiction was the main purpose of the arrangement and obtaining tax benefit was not the main purpose of the arrangement.***

Hence, the Revenue would not invoke GAAR with regard to this arrangement."

In the case of **The Queen vs. Canada Trustco Mortgage Company :2005 SCC**

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54, the Supreme Court of Canada held that despite the enactment of GAAR within the statute, it was imperative for the Court to adopt an interpretation which resulted into "consistent, predictable and fair results". Dealing with the claim of tax authorities to apply GAAR on tax deferral benefits obtained by the tax-payer by adopting a "sale and lease-back" transaction, the Court extensively examined the principle of literal interpretation of fiscal statutes and also noted the fact that the principle laid down in the case of IRC v. Duke of Westminster [1936] AC 1 by House of Lords, viz. " *Every man is entitled, if he can, to order his affairs so that the tax attaching under the appropriate Acts is less than it otherwise would be*", was still applicable. Noting the setting of enactment of GAAR, explanatory notes to the legislation and despite acknowledging that "*the GAAR's purpose is to deny the tax benefits of certain arrangements that comply with a literal interpretation of the provisions of the Act, but amount to an abuse of the provisions of the Act*", the Court went on to reject the projection of the tax-administration. The Canadian Supreme Court, *inter alia,* observed as under:

> *"1 ....* ***The Act continues to permit legitimate tax minimization; traditionally, this has involved determining whether the taxpayer brought itself within the wording of the specific provisions relied on for the tax benefit. Onto this scheme, the GAAR has superimposed a prohibition on abusive tax avoidance, with the effect that the literal application of provisions of the Act may be seen as abusive in light of their context and purpose. The task in this appeal is to unite these two approaches in a framework that reflects the intention of Parliament in enacting the GAAR and achieves consistent, predictable, and fair results.*** *.....*
> *41 ....* ***The courts cannot search for an overriding policy of the Act that is not based on a unified, textual, contextual, and purposive interpretation of the specific provisions in issue. First, such a search is incompatible with the roles of reviewing judges.*** *The Income Tax Act is a compendium of highly detailed and often complex provisions.* ***To send the courts on the search for some overarching policy and then to use such a policy to override the wording of the provisions of the Income Tax Act would inappropriately place the formulation of taxation policy in the hands of the judiciary, requiring judges to perform a task to***

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> ***which they are unaccustomed and for which they are not equipped.*** *Did Parliament intend judges to formulate taxation policies that are not grounded in the provisions of the Act and to apply them to override the specific provisions of the Act? Notwithstanding the interpretative challenges that the GAAR presents, we cannot find a basis for concluding that such a marked departure from judicial and interpretative norms was Parliament's intent.*
>
> *42.* ***Second, to search for an overriding policy of the Income Tax Act that is not anchored in a textual, contextual, and purposive interpretation of the specific provisions that are relied upon for the tax benefit would run counter to the overall policy of Parliament that tax law be certain, predictable, and fair, so that taxpayers can intelligently order their affairs. Although Parliament's general purpose in enacting the GAAR was to preserve legitimate tax minimization schemes while prohibiting abusive tax avoidance, Parliament must also be taken to seek consistency, predictability, and fairness in tax law****. These three latter purposes would be frustrated if the Minister and/or the courts overrode the provisions of the Income Tax Act without any basis in a textual, contextual and purposive interpretation of those provisions*." (emphasis supplied)

Having held so, the Canadian Supreme Court went on to vindicate the tax-payer's stand by declaring that the "*Parliament intends taxpayers to take full advantage of the provisions of the Act that confer tax benefits. Parliament did not intend the GAAR to undermine this basic tenet of tax law*".

In the case of Canada *vs.* Alta Energy Luxembourg S.A.R.L.: 2021 SCC 49 (supra), the majority of the Supreme Court laid down the principles, for invoking GAAR for denying Tax Treaty benefit to a structure, in the following terms:

> *"The GAAR acts as a legislative limit on both tax certainty and the well accepted principle that taxpayers are entitled to arrange their affairs to minimize the amount of tax payable. It bars abusive tax avoidance transactions, including those in which taxpayers seek to obtain treaty benefits that were never intended by the contracting states, but it cannot be used to fundamentally alter the criteria under which a person is entitled to the benefits of a treaty. Applying the GAAR involves a three part process meant to determine: (1) whether there is a tax benefit arising from a*

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transaction; (2) whether the transaction is an avoidance transaction; and (3) whether the avoidance transaction is abusive. To determine whether a transaction is abusive, the Court has set out a two step inquiry. Under the first step, the provisions relied on for the tax benefit are interpreted to determine their object, spirit, and purpose. In cases of treaty interpretation, this must be done with a view to implementing the true intention of the parties. Under the second step, a factual analysis determines whether the avoidance transaction at issue frustrates the object, spirit, and purpose of the provisions."

As stated above, "commercial substance" is the pivot on which provisions of GAAR resolves. So long as the transaction is within the framework of law, having "commercial substance" (than merely/ mainly to avoid payment of taxes), the authorities have no right to re-write the transaction, notwithstanding that the transaction may result in mitigation of tax liability.

Reference, in this regard may be made to the decision of the **Delhi High Court** in the case of **CIT v. EKL Appliances Ltd. 345 ITR 241**wherein, the Court, in the context of transfer pricing provisions, frowned upon re-characterization of the transaction, inter-alia, observing as under:

> "*The significance of the guidelines of OECD lies in the fact that they recognize that barring exceptional cases,* ***the tax administration should not disregard the actual transaction or substitute other transactions for them and the examination of a controlled transaction should ordinarily be based on the transaction as it has been actually undertaken and structured by the associated enterprises****. It is of further significance that the guidelines discourage restructuring of legitimate business transactions. The reason for characterization of such restructuring as an arbitrary exercise, as given in the guidelines, is that it has the potential to create double taxation if the other tax administration does not share the same view as to how the transaction should be structured*."

The aforesaid test was reiterated by the same Court in the case of **Pr. CIT vs. Kusum Healthcare Pvt. Ltd.**: [2017] 398 ITR 66 (Del).

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Support for the aforesaid maybe derived from the FAQs issued by CBDT vide Circular No. 7 of 2017 dated 27th January 2017 which, *inter alia*, provides as under:

> *"Question no. 3: Will GAAR interplay with the right of the taxpayer to select or choose method of implementing a transaction?*
> *Answer:* ***GAAR will not interplay with the right of the taxpayer to select or choose method of implementing a transaction***. *....."*(emphasis supplied)
>
> *Question no. 4: Will GAAR provisions apply where the jurisdiction of the FPI is finalised based on non-tax commercial considerations and such FPI has issued Pnotes referencing Indian securities?* ***Further, will GAAR be invoked with a view to denying treaty eligibility to a Special Purpose Vehicle (SPV), either on the ground that it is located in a tax friendly jurisdiction or on the ground that it does not have its own premises or skilled professional on its own roll as employees?***
>
> ***Answer: For GAAR application, the issue, as may be arising regarding the choice of entity, location etc., has to be resolved on the basis of the main purpose and other conditions provided under section 96 of the Act. GAAR shall not be invoked merely on the ground that the entity is located in a tax efficient jurisdiction.*** *If the jurisdiction of FPI is finalized based on non-tax commercial considerations and the main purpose of the arrangement is not to obtain tax benefit, GAAR will not apply."*

Attention is also invited to the following illustrations given in the Final Report by the Expert Committee as a guide to the overall intent of GAAR, which would be relevant to the facts of the present case. The relevant excerpts of the said illustrations are, for the sake of ready reference, reproduced as under:

> "*Example-3*
> ……..
> ***Interpretation:***
> *As regards setting off of losses,* ***the provisions*** *relating to merger and amalgamation already* ***contain specific anti-avoidance safeguards. Therefore,*** ***GAAR would not be invoked when SAAR is applicable***.
> …….. ……..

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Example -9: Facts: A company sets off losses in the stock market against gains which is aimed at balancing the portfolio.
Interpretation: Sale/purchase through stock market transactions would not come under GAAR provisions. ***Moreover, timing of a transaction by a taxpayer would not be questioned under GAAR.*** ……..

In the instant case, the entire transaction should not be questioned under GAAR since it has been undertaken for Bonafide business purpose.

Having regard to the above, in the present case, the entire arrangement was legitimate/ genuine and backed by commercial prudence and does not specifically fall under any of the four clauses of section 96(1) of the Act, for the reasons elaborately discussed supra, the applicability of GAAR provisions should, in our respectful submission, stand ousted.

In view of the above, incorporation of the assessee and the subsequent transactions should not be held to lack commercial substance and therefore, the arrangement should not be held to be an impermissible avoidance arrangement under section 96 of the Act.

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Rebuttal to the allegations of the Commissioner of Income Tax

Re (1) : The assessee did not furnish any diligence report for the purpose of investment, any explanation with regard to the flow of decision making as to how the quantum of purchase/sale of shares is decided

For the past 3 decades, the majority shareholding of the group in VEDL has been held through TSH, Mauritius. At the time of establishing TSH, a detailed feasibility analysis/ study was undertaken and the commercial reason for establishing the company in Mauritius is hereunder:

- Mauritius is a business friendly jurisdiction and has a stable regulatory and financial environment that makes investing and conducting business relatively simple and easy
- Mauritius has a large pool of highly literate, comparatively low-cost and multi-lingual workforce as compared to some other jurisdictions;
- Mauritius provides ease of doing business and state-of-the-art infrastructure;
- Mauritius has good and stable banking system and availability of finance at lower rates

As stated above, at the onset of the COVID-19 pandemic in March 2020, the share price of Vedanta Limited (VEDL) declined sharply to ₹60 per share, significantly below its fair market or intrinsic value. In light of this undervaluation, Vedanta Resources Limited (VRL) decided in April 2020 to initiate a voluntary delisting of VEDL's equity shares from the Indian stock exchanges, in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations").

Accordingly, on 12.05.2020, VRL issued a delisting letter to VEDL, expressing its intention to acquire the shares of VEDL at a price of ₹87.50 per share, as per

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the Delisting Regulations. This proposal was subsequently approved by the Board of Directors of VEDL in its meeting held on 18.05.2020.

To raise the requisite funds—through loans or bonds—for financing the acquisition of VEDL shares, the Vedanta Group was required to incorporate a Special Purpose Vehicle (SPV). The shares of VEDL, once acquired by the SPV, were to be pledged as collateral for the loan. Furthermore, since the shareholding in VEDL had historically been routed through Mauritius (TSH) for over three decades, and given Mauritius' stable and investor-friendly business environment, the Group decided to incorporate the assessee (SPV) in Mauritius on 29.06.2020.

If the purpose of the assessee was to avail benefit of the DTAA then the shares of VEDL would have been purchased by TSH instead of the assessee which was in existence for more than 20 years. It was due to commercial considerations viz, raising of funds from third parties that the assessee was incorporated to purchase the shares of VEDL.

As explained in detail (supra) the board of directors of the assessee passed a board resolution determining when the shares are to be purchased and quantum of the shares to be purchased. On perusal of the same, it is evident that each transaction for sourcing of funds and investments in shares of VEDL was discussed and deliberated. A snapshot of the purchase of shares of VEDL is as under:

Date	No. of shares acquired	% shares acquired	Purchase price per share (Rs.)	Source of investment	Remarks
23.12.2020	18,50,00,000	4.98	160	Loan form Oaktree	Acquired from market

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					under bulk deal consequent to the Loan agreement with Oak Tree
15.04.2021	2,54,45,341	0.68	235	Loan form Oaktree	Acquired through open offer
16.12.2021	17,01,16,200	4.58	352.7	Loan form FCIL	Acquired from FICL
21.12.2021	6,79,15,740	1.83	334.1	Loan form FCIL	Acquired from FICL
23.12.2021	4,43,43,139	1.19	340.4	Loan form FCIL	Acquired from Westglobe
Total	**49,28,20,420**	**13.26**			

Further, each and every decision has been discussed in detail by the board of the assessee which is evidenced by the minutes of the board meetings placed before your gooself. A summary of specimen minutes of the meeting is as under:

- *Written resolutions, read and approved by the director on this 13th Day of October 2020 in accordance with section 7 of the eight schedule of the companies act 2001 wherein on seeking* ***Loan from Twin Star Holding Limited*** *from it was resolved that:*

  – the terms and conditions of the Loan Agreement been approved and any one Director be authorized to sign the said Agreement and any other

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related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and

– Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

- *Written resolutions, read and approved by the director on this 13th Day of October 2020 in accordance with section 7 of the eight schedule of the companies act 2001 wherein on grant of* ***Loan to Vedanta Resources Holding Limited*** *it was resolved that:*

  – the terms and conditions of the Loan Agreement been approved and any one Director be authorized to sign the said Agreement and any other related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and
  – Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

- *Written resolutions of the directors of assessee* ***read and approved by directors on this 24 December 2020*** *in accordance with section 7 of the eight schedule of the companies act 2001 wherein it was resolved that:*

  – The acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited be approved;
  – Any one Director of the Company be authorized to execute singly on the abovementioned disclosures and all the necessary agreements/documents and complete the documentation for acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited; and

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– Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the acquisition of 185,000,000 equity shares in the share capital of Vedanta Limited.

- *Minutes of the proceedings of the board meeting of assessee held on **16 April 2021 at 13.45** P.M. by conference on telephone wherein it was resolved that:*

  – the Company had opened a custody and demat account in India in order to facilitate the Voluntary Open Offer (VOO), being subscribed by Vedanta Resources Limited ("VRL"), a company incorporated in the United Kingdom and the ultimate parent company of the Company.
  – VRL along with Twin Star Holdings Limited ("PAC 1"), Vedanta Holdings Mauritius Limited ("PAC 2") and the Company ("PAC 3"), acting in concert with VRL, had made a Voluntary Open Offer in accordance with Takeover Regulations of Securities and Exchange Board of India (SEBI), for the acquisition of up to 651,000,000 equity shares of Vedanta Limited ("Equity Shares"), representing 17.51% of the voting share capital of Vedanta Limited ("VEDL") at a price of INR 235 (Indian Rupees Two Hundred Thirty- Five only) per Equity Share ("Open Offer")
  – Pursuant to the VOO, it was proposed that PAC 1, PAC 2 and PAC 3 acquire 241,443,115 Equity Shares, 107,342,705 Equity Shares and 25,445,341 Equity Shares, respectively, on 16 April 2021.

- *Minutes of the proceedings of the board meeting of assessee held **on 15 July 2021 at 15.00 p.m.** by conference on the telephone wherein it was unanimously resolved that:*

  – the Company had entered into a Loan Agreement with Twin Star Holdings Ltd \for an aggregate facility amount of USD 400 million at

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an interest rate of 8.03% per annum, of which USD 100 million has been drawn as on date of the Agreement.

– Twinstar shall absolutely assign to VRL, all of its receivables, rights and obligations and VRL agrees to assume all the receivables, rights and obligations as a Lender under the Loan Agreement;

– The Company acknowledges that all of its obligations under the Loan Agreement will be payable by VRL, and VRL acknowledges that the further drawdowns available to the Company shall now be undertaken by VRL.

- *Written resolutions, read and approved by the director* ***on this 15th Day of December 2021*** *in accordance with section 7 of the eight schedule of the companies act 2001 wherein seeking* ***loan from Finsider International Company Limited*** *it was resolved that:*

  – the terms and conditions of the Loan Agreement be approved and any one Director be authorized to sign the said Agreement and any other related documents for and on behalf of the Company and to do all such acts necessary to perform the obligations under the said Agreement; and
  – Any one Director of the Company or the appointed representatives of the Company be authorized to undertake all necessary actions to give effect to the Loan Agreement.

Re (2) Several employees of different entities of Vedanta group were authorized signatories to the bank account

Instruction for sale of shares (of VEDL) by Finsider (as well as Westglobe Limited) and for purchase of shares (of VEDL) by VHM is given to the broker by the same person, i.e., Deepak Kumar on the same day for the same

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quantity of shares. Deepak Kumar is neither an employee, nor a director, nor a shareholder in the assessee company (similar the case being for Westglobe Limited). Between persons dealing at arm's length, instruction for a transaction on behalf an entity would not ordinarily be given by a person who is not a part of the entity.

The Assessee Company is a part of Vedanta group and the group for its administrative convenience has arrangements for the group as a whole to process the approved payments via internet banking platform (IBP) in standard format. Decision to implement the administrative steps including raising funds from other group companies and supplementing it with borrowed funds from the lenders willing to lend to the Assessee Company (funds being the most important ingredient for a holding company) as also to invest the funds in acquisition of shares of Vedanta Ltd - a decision in line with the reason for incorporation of the Assessee Company - are decisions taken by the Board of the assessee Company in Mauritius. In the administrative tasks of implementing the decisions of the Board, that is placing orders with brokers for board approved investments, for taking Board approved payments in banking channel, group's employees employed in different entities of the group, both downstream and upstream of the Assessee Company are involved. This is cost effective, and enables good controls over execution of administrative tasks. The carrying out of administrative tasks is not indicative of the control being shifted by the assessee outside Mauritius. The core business of the assessee i.e. raising of funds and their deployment/investment are decided upon and mandated by the Board of directors of the assessee in Mauritius.

It is pointed out that the decision to acquire VEDL's shares has been taken by the board of the assessee and only administrative assistance in relation to execution

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of the acquisition of shares was done by Deepak Kumar which was delegated by the board of directors of the assessee pursuant to Para 3.3 of the board resolution dated 09.12.2021. **Copy of the board resolution dated 09.12.2021 is enclosed at pages 496-497 of the paperbook.**

Attention is also invited to the decision in the case of Tiger Global , wherein the honorable Delhi high Court acknowledged the fact that a parent or a holding company would have a legitimate right to exercise oversight over a subsidiary and did not hold that to be adverse while deciding the matter in favour of the assessee that it was entitled to the India- Maurtius tax treaty. It held:

> *"E. A parent or a holding company would have a legitimate right to exercise oversight and broad supervision over the affairs of its subsidiaries which could conceivably take the form of seats on the BoD, appointment of key managerial personnel, auditing of affairs of the subsidiary and so on. Subsidiaries are also recognised in law to have a distinct and independent legal persona which is liable to be ignored only in the event of apparent fraud, being interposed with a view to camouflage sham transactions or of being created to perpetuate an illegality and of being a mere puppet and lacking in economic substance.*
>
> *F. Merely because a parent entity may exercise shareholder influence over its subsidiary that would not lead to an assumption that the subsidiary in question was operating as a mere puppet or that it was wholly subservient to the parent entity. In light of the aforesaid, it is clear that merely because two of the members of the Board of the petitioner, namely, Mr. Charles P. Coleman and Mr. Steven Boyd are connected with the TG Group does not in itself render credence to the argument that the writ petitioners are mere puppets. An overall conspectus of the board resolutions reveals that the decisions were undertaken by the BoD of the petitioner collectively. Furthermore, though Mr. Charles P. Coleman was authorised to permit expenditures exceeding USD 250 million, the power thus conferred was a decision taken by the Board as a whole and any such decisions were necessarily required to be countersigned by the Group C Mauritian based directors. Moreover, the members of the BoD were also signatories to the Constitution document. In view of the aforesaid facts, the BoD of the writ*

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petitioners cannot be said to be deprived of decision making powers or reduced to a subservient status."

The fact that the assessee is a SPV and is part of a group and administrative function are partly performed by its officers and party by the officers of the group is not a relevant consideration in as much as notwithstanding the administrative function performed by the group entities and persons not located in Mauritius, the existence of the assessee company in Mauritius and TRC are not doubted.

In the Assessee's case, the Vedanta Group employee, issuing the orders on the basis of the decision which was taken the BOD of the Assessee, was only an administrative convenience. It cannot be said that the Assessee did not operate out of Mauritius. VRL and group entities employees provided administrative convenience / support services to group entities like any other parent company/ group.

Re (3): The assessee furnished the rationale that TSH was one of the guarantors and had restrictions placed on it due to which acquisition of stake by TSHL was not possible

On 09.12.2020, VRL announced Bond offering of US$ 1 billion 13.875% Bonds due for maturity in January, 2024 and TSHL being one of the guarantors of the Bond issue. As per *Clause 3 – Covenants* of the Bond issue, covenants were attached which restricted the guarantor (TSHL) from availing any additional borrowings, creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon any assets directly held by it, present or future, to secure any indebtedness, or any guarantee or indemnity in respect of any indebtedness. In other words, TSHL was restricted from taking any additional borrowings, creating any mortgage, charge, pledge lien or any other form of encumbrance.

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It is important to point out that since TSH had already borrowed funds and was also a guarantor (explained supra) on different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from Oak Tree for purchasing the shares of VEDL. In any case, as stated, further borrowing from Oak Tree could not be availed by TSHL since a specific pledge /charge over VEDL shares could not be created. It was thus imperative to form a new company rather than TSHL to borrow and make acquisition of shares, the new company was the assessee company. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and had not issued any guarantee **since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender. It is important to note that if it had been permissible to take the loan in TSH, there would have been no reason for the management to route it through VHM2L instead. Furthermore, it would kindly be appreciated TSH was paying tax on dividend distributed / received on shareholding in Vedanta Ltd. only @ 5%, whereas VHM2L had to pay a higher dividend tax @ 15% on the first tranche of dividend income distributed / received on shares acquired in Vedanta Ltd. from the loan taken in VHM2L. Thus the group was at a disadvantage.**

In view of the aforesaid precondition for granting the loan, it was agreed that Oak Tree will advance a loan to the assessee. Accordingly, in December 2020, Assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum.

Re (4): By transfer of shareholding from UK to Mauritius, the parent company Finsider lowered its tax liability in India under India-UK DTAA (since dividend is taxable at the rate of 10% as per India-UK DTAA) and by acquiring 6.41% shareholding of VEDL (4.58% acquired on December 16,

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2021 when Finsider sold the same percentage of shareholding on the same day and 1.83% acquired on December 21, 2021 when Finsider sold the same percentage of shareholding in the same day) the assessee company offers dividend for taxation at lower rate of 5% (as per India Mauritius DTAA), as against the 15% tax rate where the shareholding is less than 10%. [Para 3.3.1, 3.3.5.1, Page 9, 11 of the SCN]

The Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018. Further, the group also wished to consolidate its shareholding in Mauritius.

Additionally, as explained supra, the assessee executed a secured loan facility agreement with Oak Tree for a facility amount of USD 1 billion bearing an interest rate of 13.2 percent per annum. On receipt of the first installment of the loan facility, assessee was required to acquire at least 4.65 per cent but not more than 5 per cent of the shares of VEDL. Accordingly, assesse acquired 4.98 percent shares of VEDL on 24.12.2020. Thereafter, on receipt of subsequent loan installment, assessee was to ensure that at least 11.5 percent of the shares of VEDL are acquired by the assessee or FICL. Since the Vedanta group had been pursuing a process of corporate simplification, FICL shares were transferred to the assessee for completion of said corporate simplification (even though inter se) on the Indian stock exchange. For undertaking the said transaction, FICL entered into a loan agreement with the assessee in terms of which FICL granted a loan of USD 1.313 billion to the assessee. As per the terms of the Agreement, the loan granted by FICL shall be used by the assessee *"only for inter se share transfer of Vedanta Limited and to settle expenses incidental thereto"*.

Thus, in any case, the acquisition of 4.98% VEDL shares and by acquiring additional VEDL shares from FICL, the dividend income of the Assessee

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increased. With the interest expenses not being allowable, the quantum of gross dividend would be larger and thus the payment of larger tax by the Assessee. The fact is that the Assessee is paying higher tax.

The fact that FICL will not pay tax on dividend consequently is irrelevant.

There being no saving of tax by the Assessee, GAAR ought not to apply.

Perhaps at Group level, the tax liability reduced but that is at the Group level. The Assessee has infact paid larger tax due to larger dividend income.

Be that as it may, the apex Court in the case of **Vodafone Holdings BV vs. UOI: 341 ITR 1 (SC)** observed that it is a common practice for foreign investors to invest in Indian companies through foreign subsidiaries set up in Cayman Islands or Mauritius for both tax and business purposes; in doing so, foreign investors are able to avoid the lengthy approval and registration processes required for a direct transfer (i.e., without a foreign holding or operating company) of an equity interest in a foreign invested Indian company. Accordingly, merely because the assessee purchased the shares of VEDL (a group company) from another group company (FICL) would not make the transaction sham/ devoid of merit moreso when the Vedanta group had been pursuing a process of corporate simplification for several years, including the merger of Sterlite with Sesa Goa to form Sesa-Sterlite (subsequently renamed Vedanta Limited) in 2012, the merger of Cairn India with VEDL in 2016 and delisting of VRL in 2018.

It is trite that the assessing officer cannot sit in the armchair of businessman and decide what one has to do to maximize his profits. It is for the assessee to run the show and he is the best judge to manage the affairs of the business. The Revenue cannot step into the shoes of the businessman and determine as to how the business ought to have been carried out. In simple words, it is entirely the choice

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of an assessee to determine as to in what manner business is to be run; transactions are to be undertaken, to carry on the business in an efficient and profitable manner.

Reference may be made to the decision of the **Supreme Court** in the case of **Eastern Investment Ltd. vs. ITO 20 ITR 1** (SC), wherein it was observed that, "*there are usually many ways in which a given thing can be brought about in business circles but it is not for the Court to decide which of them should have been employed when the Court is deciding a question under Section 12(2) of the Income-tax Act.*"

Reference may be made to following decisions where the Court, in context of applying the test of commercial expediency for determining whether the expenditure was wholly and exclusively laid out for the purpose of business, held that reasonableness of the expenditure has to be judged from the point of view of the businessman and not of the Revenue:

- CIT vs. Malayalam Plantations Limited: 53 ITR 140 (SC)
- CIT v. Walchand & Co. etc. (1967) 65 ITR 381
- J K Woollen Manufacturers v. CIT: 72 ITR 612(SC)
- CIT v. Birla Cotton Spg. And Wvg. Mills Ltd.: 82 ITR 166 (SC)
- Madhav Prasad Jatia v. CIT U.P.: 118 ITR 200 (SC)
- S.A. Builders Ltd. vs. CIT: 288 ITR 1 (SC)

In view of the above, the test of prudence is to be determined from the point of view of the businessman and not the income tax department and the assessing officer cannot seek to conduct business of an assessee by sitting on the armchair of the businessmen since the businessmen knows best how to do his business.

Therefore, the allegations levelled by the assessing officer lack merit and have no legs to stand on.

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Re (5): The assessee stated that in the administrative tasks, group's employees employed in different entities of the group, both downstream and upstream of the Assessee company are involved. From your financial statements, it is observed that no such element of compensation/remuneration is involved for intra group services(IGS). This aspect points to obligations, tasks being carried out by upstream, downstream entities which are not ordinarily created between persons dealing at arm's length.

It is at the outset submitted that VRL has entered into a Services Agreement dated 20.05.2014 in terms of which VRL has availed the accounting function/ services of VEDL for VRL and its group companies. Under the said Agreement, the administrative services have been rendered by VEDL to the assessee and other group companies. For availing the said services, VEDL is remunerated at arm's length. **Copy of the Services Agreement dated 20.05.2014 is enclosed at pages 498-507 of the paperbook**

Re (6) You have high interest cost, interest income from related entities which is without any interest-rate benchmarking as per transfer pricing norms. The financial statements furnished by you do not point to any such arm's length benchmarking of interest expense, interest income.

At the outset, the assessee fails to understand as to how such allegation affects determination of the arrangement as described in the Notice as an 'Impermissible Avoidance Arrangement'

Be that as it may, it may be noted that the assessee has offered to tax dividend income on gross basis and no deduction of any expense has been claimed against the dividend income.

Even otherwise, the aforesaid allegation of assessing officer/CIT is incorrect inasmuch as all the inter company loans are computed at an at arm's length price basis the prevailing transfer pricing regulations of the respective country and it is

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trite that the financial statements of a company (including an Indian company) do not contain a bench marking analysis of a transaction subject to transfer pricing.

Rs: (7) It is seen that there are no physical assets based in the assessee's country of residence

It is pertinent to note that the business of the company is holding/ making investments and such nature of business does not require the assessee to hold/ own any physical assets.

Be that as it may, the assessee fails to understand as to how holding physical assets is a determinative factor to allege that the assessee is not beneficial owner of the dividend income

Re (8): Commercial rationale behind transfer of Westgloble shares, a resident of Mauritius, to the Assessee considering the shareholding was already consolidated in the group concerns.

The commercial rationale of establishing the company in Mauritius has been explained above (not reproduced for sake of brevity). It is respectfully submitted that the rationale behind transfer of Westgloble shares, a resident of Mauritius, to the assessee was to reduce the number of promotor holding companies in Mauritius in order to effectively conclude the consolidation process.

Re: (9): Documentary evidence of the condition imposed by Oaktree that they will advance loan only to a new company and not to TSH

It is respectfully submitted that Oaktree had directed that a separate company be formed in which the loan was to be advanced by Oaktree was to ensure that in case of enforcement event i.e. in case of default by the borrower Oaktree has an option to sell shares of Vedanta India or the borrower i.e. the assessee. In other words, the pledge in favour of Oak Tree had to be solely for the benefit of OAK Tree. This was only possible in a new SPV and not in existing entity already

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holding Vedanta India's shares. The group wanted that the new lenders to have access to only those Vedanta India's shares that were acquired from the proceeds of the Borrowing made from Oaktree and not the existing shares of Vedanta India, already held by other companies.

As explained earlier, since TSH had already borrowed funds and was also a guarantor of different group companies' loans/borrowings, therefore, additional funds could not be raised by TSH. Vedanta group sought to raise funds from Oak Tree for purchasing the shares of VEDL. However, Oak Tree agreed to provide loan facility only to that company of Vedanta group which did not have any external borrowing and **had not issued any guarantee since the precondition laid down by Oak Tree was that security for loan should be solely pledged with it and not pledged for any other loan/ with any other lender.**

This condition could be met only by setting up a new company, to ensure that the pledge of VEDL (to be acquired) would remain solely with Oaktree. This would not have been possible at TSHL level given the Bond issue covenants.

Re: (10): Commercial rationale for consolidation of shares in Mauritius by transferring shares from Finsider to the assessee especially when the group level shareholding remained constant

The commercial rationale for incorporating the assessee, as explained supra, was that in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange. Once the delisting offer of VEDL was approved by its shareholders and directors, for undertaking the aforesaid delisting/ purchase of shares from the public in accordance with the Delisting Regulations, Vedanta group was required to raise funds by way of loans/ issuing of bonds. The Vedanta group had already taken loans/ created a pledge/ charge in TSH. Accordingly, in order to raise additional funds by way of

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loans/ bonds required for purchasing the shares of VEDL, Vedanta group was required to incorporate a SPV. The assets of the SPV (shares of VEDL to be purchased by the SPV) were to be pledged as a collateral for raising a loan. Further, as elaborated earlier , since the shareholding of VEDL was primarily held through Mauritius (TSH) for the past 3 decades and given the friendly and stable business environment of Mauritius, the group decided to establish the assessee in Mauritius on 29.06.2020.

Even though there existed other tax efficient jurisdictions (such as Slovenia), the commercial rationale for establishing the assessee in Mauritius was the long-standing presence of TSH in Mauritius for the past 3 decades which offers better business synergies in case the group decides to simplify its holding structure and consolidate its holdings in one country i.e. Mauritius in future.

Shares could have been acquired in TSH but for the stipulation/mandate of the lender and the fact that the assets of TSH were already mortgaged.

It is respectfully submitted that the assessee is controlled and managed from Mauritius and is beneficial owner of the shares of VEDL. The assessee has economic substance in Mauritius; is the dejure and defacto owner of shares in VEDL and not merely the registered shareholder in name which is evidenced by the following:

- The assessee files its return of income in Mauritius and is assessed to tax in that country. Copy of the return of income filed in Mauritius was enclosed as Annexure C vide response dated 08.08.2023.

- The assessee has an independent board with 2 directors who are residents of Mauritius, are employees of professional services firm and persons of appropriate caliber. The Board meetings are held in

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Mauritius and decisions with respect to investing / divesting of investments in VEDL and advancing or obtaining loans from other companies are taken in the board meetings, including repatriation of dividends to its holding company. In other words, control and management of the assessee is situated and shall continue to be situated in Mauritius

- The bank accounts of the assessee are managed by the employees of the assessee. Only for administrative convenience and implementing the decision of the board of directors, some employees of the group company have been authorised to operate the bank account on behalf of the company

- The assessee does not have any legal or contractual obligation to pass its income to its holding company and decision with respect to utilization of funds are taken by the Board of the company. In other words, the decision with respect to utilization of revenues received by the assessee from its operation or investments rests with the Board which is independent and no other person has control over the disposition of such income. A portion of the dividends received is spent on meeting the annual expense of the company and also for granting loans to its group companies

- The assessee is the legal and beneficial owner of all its investments including shares of VEDL

- The assessee incurs annual expenditure (covering salary expense, Audit Fees, professional expense, etc) of more than Mauritian Rs 1.5 million for its operations in Mauritius.

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- The assessee maintain its books of accounts in Mauritius which are also duly audited in Mauritius.

- The assessee has entered into loan agreements with its group companies in an independent capacity and the rate of interest has been charged on an arm's length basis.

- The assessee continues to hold the shares in VEDL till date.

It is also respectfully submitted that the Mauritian Government issued the Income Tax (Amendment No. 2) Regulations 2019 applicable with effect from 01.07.2019 which, inter-alia, provide that a Mauritian company (GBC) in order to keep a valid global business licence and qualify for the exemptions, will have to satisfy the following new enhanced economic substance requirements at all times:

- they are managed and controlled from Mauritius;
- they are administered by a management company in Mauritius; and
- their core income-generating activities (CIGA) are being carried out in or from Mauritius, by:
  - employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the CIGA; and
  - having a minimum level of expenditure, which is proportionate to their level of activities.

The assessee being a GBC is complying with the aforesaid guidelines issued by the Mauritian government to establish commercial substance under the laws of

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Mauritius. Such compliance proves beyond doubt and discharges the onus on the assessee of establishing that it is the bona fide tax resident of Mauritius.

Even otherwise and without prejudice, Article 27A of the Tax Treaty provides that a Mauritian resident shall not be entitled to the benefits of paragraph 3B of Article 13 of this Agreement (though the said Article is not applicable in the present case) if its affairs were arranged with the primary purpose to take benefit of the Tax Treaty [commonly referred to as the Limitation of Benefits (LOB) clause].

Further, Article 27A(4) provides that a resident of Mauritius would be deemed not to be a shell or conduit company if:

(c) it is listed on a recognised stock exchange in Mauritius; or

(d) its annual expenditure on operations in Mauritius is atleast Mauritian Rs. 1,500,000 in the immediately preceding period of 12 months from the date on which the gains arise;

Though Article 27A of the Treaty is not strictly applicable in the present case, nevertheless, the assessee does not fall foul of the rigors of the LOB clause since the assessee is not a shell company considering that its annual expenditure on operations in Mauritius is in excess of Mauritian Rs. 1,500,000 in the assessment year 2022-23.

In view of the aforesaid, the assessee cannot, in our submission, be said to have been set up with a motive/ main objective of tax avoidance / obtaining treaty benefits; rather the assessee has been set up for a valid business purpose, i.e., for investing in the shares of VEDL and consolidating the holding of the Vedanta group in Mauritius. Accordingly, the assessee be considered as the beneficial owner of the dividend income for the purposes of availing benefit of the

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concessional rate under Article 10 of the DTAA.

Re (11): Upon perusal of the financial position of Finsider, it is seen that outstanding loan receivable (with interest component) from VHM was never repaid back and was in fact, converted into equity. Considering the above fact of conversion of loan to equity, it is seen that the so-called "internal restructuring" only enabled the enjoyment of dividend income at a concessional rate (by way of India-Mauritius DTAA)

It is respectfully submitted that the transfer of shares by Finsider to the Assessee was stock exchange and actually settled via cash. The conversion of loan to equity happened in subsequent years & not in the year under consideration. This conversion was a part of group's decision to manage its business affairs.

It is respectfully submitted that how debt was taken from Finsider and its subsequent conversion into equity is not relevant. The fact that the group has been simplifying the group structure and has had a more than three decades of working from Mauritius, decided to set- up another new company (necessitated due to the stringent pledging condition imposed by the lender) is explained earlier.

There is no new point being brought out by the above-mentioned point. The fact that the dividend enjoyed a concessional rate under the India Mauritius tax treaty has been dealt with at preceeding paras.

Re (12): It is seen that in the period September 2020 to April, 2021 the company TSH increased its stake in VEDL from 37.11% to 43.60% and further upto 46.40% by December, 2021. Thus, the reason that the TSH entity could not be used to increase the stake does not hold water. In fact, from the period of assessee's incorporation till the end of the financial year 2021-22 (relevant to assessment year 2022-23), TSH increased its stake in VEDL from 37.11% to 46.4%

As mentioned in above paras, it is respectfully submitted that Oaktree being a private creditor/lender imposed condition that it will lend only if VEDL shares acquired from the borrowings are provided as security/pledged with it. This fact

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is evident from the loan agreement of the Assessee with Oaktree. Since TSH was restricted to pledge any of the VEDL's shares due to covenant as per earlier bonds issue, it could not borrow from Oaktree.

In the subsequent borrowings taken by TSH, lenders did not impose conditions to pledge VEDL shares, it only put condition / negative covenant that TSH will not create encumbrance/pledge/reduce its shareholding of VEDL. Thus, TSH was able to subsequently borrow since it did not pledge any VEDL shares & only agreed not to create any encumbrance on VEDL share and this was permissible with no breach of covenants created in earlier bonds issue.

As respectfully submitted earlier Oak Tree agreed to advance loan to a new SPV to ensure that in case of enforcement event i.e. in case of default by the borrower (Assessee), Oaktree has an option to sell shares of Vedanta India or the borrower i.e. the assessee. In other words, the **pledge in favour of Oak Tree had to be solely for the benefit of OAK Tree. This was only possible in a new SPV and not in existing entity** already holding Vedanta India's shares. The group wanted that the new lenders to have access to only those Vedanta India's shares that were acquired from the proceeds of the Borrowing made from Oaktree and not the existing shares of Vedanta India, already held by other companies.

TSH subsequent borrowings to make the abovemnetioned market purchase of VEDL shares did not have condition to pledge VEDL shares, , it only put condition / negative covenant that TSH will not create encumbrance/pledge/reduce its shareholding of VEDL below a certain %.

As is clear, acquisition by TSHL does not ringfence the asset, whereas acquisition through the SPV ringfences the VEDL shares acquired. The decision who acquires is also driven by how the funding is arranged and other commercial

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aspects of rate of interest, collaterals, repayment terms, rate of interest, process and timelines etc.

Re (13): It is noted that the director details provided by the assessee in its response is different from the details provided in the ITR. Further, the name Bibi Naziah Auleear does not feature in the assessee's financial statements for the financial year ending March 31,2022.

It is respectfully submitted that Mr. Bibi Naziah Auleear was appointed as a director of the Assessee Company on 23.08.2023. In the Assessee's reply dated 12.01.2024, the names of the directors were disclosed as on the date of the reply, i.e., 12.01.2024. Since Mr. Auleear was a director on that date, his name was correctly included in the submission.

However, as on the date of filing of the Income Tax Return (ITR) for the relevant assessment year—i.e., 28.11.2022—Mr. Auleear was not a director of the company. Accordingly, his name does not appear in the ITR for that year. Furthermore, since he was not a director during the financial year ending 31.03.2022, his name is also not reflected in the financial statements for that year. His name is duly reflected in the financial statements and ITR of the subsequent financial year ending 31.03.2024.

Re (14): Upon perusal of the financials of Finsider, it is seen that the company, in FY 2021-22, borrowed funds of USD 490,000,000 from Richter Holding Limited, Cyprus, an associated enterprise and from Westglobe Limited (by way of novation) of USD 330,000,000 to be in a position to lend USD 1.313 billion to the assessee company.

The funding for the aforementioned loan of USD 1.313 billion was initially arranged through a bridge loan facility obtained from Standard Chartered Bank. This amount was subsequently routed internally through various group entities, ultimately reaching Finsider, and thereafter, the Assessee.

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It is respectfully submitted that the manner in which Finsider sourced or routed the funds to the Assessee is not relevant to the issue under consideration—namely, how the Assessee acquired the funds to purchase the VEDL shares. Therefore, we submit that this fact has no bearing on the current discussion and should not impact the assessment of the Assessee's actions or the commercial rationale underlying the transaction.

Re (15): Upon perusal of the intimations made by the Group entity VRL to the BSE dated June 4,2021 it is clearly stated that the entity TSH is entering into facility agreements with Deutsche Bank A.G., London Branch, Deutsche Bank A.G. Singapore Branch, Barclays Bank PLC. The said facility agreements, as per VRL's intimation, were to result in creation of encumbrance, which was, going by the restrictions of the covenant in the Bond offering, not permissible

As stated in the preceding paragraphs, it is respectfully submitted that Oaktree, being a private creditor/lender, imposed a specific condition that it would provide funding only if the VEDL shares acquired using the loan proceeds were pledged exclusively in its favour. However, TSH was contractually restricted from pledging any VEDL shares due to covenants agreed upon under a previous bond issuance. Consequently, TSH was not eligible to borrow from Oaktree.

In contrast, in subsequent borrowings undertaken by TSH from other lenders, no such requirement to pledge VEDL shares was imposed. Instead, the lenders included a negative covenant, stipulating only that TSH would not create any encumbrance, pledge, or reduce its shareholding in VEDL. Therefore, TSH was able to raise funds without breaching any covenants under the earlier bond issuance, as it complied by not creating any encumbrance over VEDL shares.

Prayer

In case your goodself were to, for any reason whatsoever, not agree with the

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aforesaid written submissions, then, it is respectfully submitted that before taking any adverse view, the specific point of disagreement may kindly be intimated and thereafter, the assessee should be granted an opportunity of: (a) personal/ oral hearing; and (b) for filing further submissions on the said specific aspects and/ or any other issue that may be indicated by your goodself.

We trust our request shall be acceded to.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

Tavish

Neeraj Jain/ Tavish Verma

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November 03, 2025

The Approving Panel, General Anti Avoidance Rules
Income Tax Department,
Room No. 395, 3rd Floor,
CR Building, IP Estate
New Delhi-110002

Dear Sir,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B

This is with reference to the hearing held on 15 September 2025 before your Honour, during which the assessee had filed a written submission challenging the contention of the Revenue with respect to the treatment of the arrangement as an "Impermissible Avoidance Arrangement" under the provisions of Chapter X-A of the Income-tax Act, 1961 ("the Act").

The assessee is hereby filing a supplementary submission in continuation of the aforesaid hearing, to further substantiate and support its contentions on the matter:

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1. Background

1.1 Servicing Group-level Obligations & Credit Optimization

On 12 May 2020, Vedanta Resources Limited ("VRL") publicly announced its intention to voluntarily delist the equity shares of its Indian subsidiary, Vedanta Limited ("VEDL"), from all Indian stock exchanges in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations"). The proposal marked not a new direction but a calibrated extension of the Group's consistent endeavour toward corporate simplification and financial optimization.

1.1.1 Historically, the Vedanta Group has rationalised its structure through significant mergers – the merger of Sterlite Industries in 2012, the amalgamation of Cairn India in 2016, and the delisting of Vedanta Resources Plc in 2018. The 2020 delisting initiative of VEDL was thus an intended continuum in this sequence, aimed at strengthening operational efficiency, improving transparency of internal cash flows, and facilitating sustainable deleveraging. As a result, the delisting was expected to support an accelerated debt reduction program in the medium term

1.1.2 As on 31 March 2020, VRL's consolidated debt exposure stood at approximately USD 7 billion, comprising multiple series of bonds and loan facilities. Being a non-operating holding company, VRL possessed negligible EBITDA and was almost entirely dependent on dividend inflows from VEDL and, indirectly, Hindustan Zinc Limited ("HZL"). This structural dependency created significant financial vulnerability, particularly when viewed alongside the dividend outflow leakages to minority shareholders – approximately 35 percent at HZL and 45 percent at VEDL.

1.1.3 This continuous leakage constrained VRL's capacity to deleverage. A reduction in dividend cash-ouflow losses was therefore an economic imperative. The global disruption induced by the COVID-19 pandemic intensified this necessity. Vedanta was subject to temporary disruptions leading to production being down to 80% of the capacity during the relevant lockdown periods as applicable to the respective

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mines and production facilities; simultaneously, VEDL's share price fell to around ₹ 60 per share, substantially below its intrinsic value.

1.1.4 Faced with these headwinds, VRL's Board evaluated the optimal course to preserve group liquidity and investor confidence. The delisting of VEDL was strategically chosen as it would *inter-alia*-

(i) enable consolidation of ownership,

(ii) reduce dividend leakage to minorities,

(iii) facilitate quicker upstreaming of cash for debt servicing, and

(iv) provide a fair exit to public shareholders during a period of market uncertainty.

This was an appropriate time to offer public shareholders the opportunity to release their investments far above at market price prevailing at that time and to recapture the promotor's control over the Indian operations. Having diligently observed the situation supported by internal debt maturity accruals due for repayment and external factors, in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations).

1.1.5 Consequently, on 12 May 2020, VRL formally launched the delisting offer, proposing to acquire VEDL shares at ₹ 87.50 per share – a 9.9 percent premium over the market price of ₹ 79.60 (as on 11 May 2020). The floor price was certified by an independent professional firm vide its certificate dated 18 May 2020, establishing procedural integrity under the Delisting Regulations.

1.1.6 Mr. Anil Agarwal, Chairman of the Vedanta Group, succinctly articulated the rationale:

"Vedanta Group continues it's efforts to simplify the group structure. This proposed transaction is fully aligned to the robust strategy

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which has been pursued over the years. Due to the impact of Covid 19 pandemic, ***we have accelerated the strategy in this challenging environment to ensure support for meaningful deleveraging and to enable us to continue to invest in the growth of the business.*** *The proposed transaction will* ***transform the Group's credit profile*** *while offering a fair exit price to minority shareholders. Provided it can be completed at a price that balances the needs of all stakeholders, this transaction has the potential to fundamentally reposition our business for the future."*

1.1.7 The statement encapsulates Group's underlying philosophy – that structural simplification and fiscal prudence must operate in tandem. The shareholders of VEDL approved the delisting proposal and acquisition of publicly held shares with the requisite majority on 25 June 2020, reaffirming alignment of stakeholder interests.

1.1.8 In substance, the delisting was an exercise in legitimate financial management: a commercially sound initiative to deleverage the parent balance sheet, mitigate cash-flow inefficiencies, and sustain group-wide growth potential amid volatile market conditions. No tax-motivated element can be inferred from the contemporaneous facts or the commercial intent demonstrated.

1.2 **Structuring and Financing of the Delisting Transaction**

1.2.1 Once the shareholders of VEDL approved the delisting proposal, the next practical challenge was arranging the substantial funding required for acquisition of the publicly held shares**.** The transaction demanded liquidity of approximately ₹ 14,809 crores, a figure too material to be internally sourced without contravening existing bond covenants at the parent level.

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1.2.2 At that stage, the Vedanta Group was already over-leveraged. Multiple tranches of USD-denominated bonds were outstanding across different maturities, each governed by restrictive covenants limiting further borrowings, pledges, or encumbrances. These contractual restrictions, embedded in prior bond documentation, necessitated a restructuring of financial headroom before any new capital could be raised.

1.2.3 Recognizing this constraint, the Group initiated a **Consent Solicitation Process** on 5 June 2020, seeking approval from bondholders to amend certain restrictive clauses. The key objectives were three-fold:

(i) to increase borrowing headroom under the indebtedness covenant to enable consummation of the delisting transaction (referred to internally as the "Take-Private Transaction");

(ii) to secure flexibility to refinance existing debt and utilise group entities with higher debt-carrying capacity; and

(iii) to align the "negative pledge" clause across all bond series for consistency and future fund-raising agility.

1.2.4 The Consent Solicitation covered USD 4.4 billion of outstanding bonds comprising:

- $900.0 million 8.25% bonds due 2021,
- $1,000.0 million 6.375% bonds due 2022,
- $500.0 million 7.125% bonds due 2023 and
- $1,000.0 million 6.125% bonds due 2024
- $400.0 million 8% bonds due 2023 and
- $600.0 million 9.25% bonds due 2026

This comprehensive exercise was aimed at harmonising covenants across maturities and securing financial autonomy critical for executing the delisting.

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1.2.5 On 30 June 2020, the extraordinary resolutions were duly approved by the requisite majority of bondholders. This approval represented a clear endorsement by international investors of the Group's creditworthiness and the commercial logic underlying the delisting proposal.

1.2.6 As on that date, the promoter and promoter-group shareholding in VEDL was at **aggregated 50.13 percent**, distributed as follows:

Twin Star Holdings Ltd. ("TSHL") – 37.1%; Finsider International Company Ltd. ("FICL") – 10.8%; Westglobe Ltd. ("WG") – 1.19%; and Welter Trading Ltd. – 1.03%. Any further acquisition required new external financing and careful navigation of existing contractual pledges.

1.2.7 It is pertinent to note that VRL's ability to raise incremental funds directly was limited by the "negative pledge" and cross-default provisions embedded in its bonds. Therefore, it was imperative to identify a fresh entity within the group—free of legacy encumbrances—that could serve as a Special Purpose Vehicle (SPV) to raise debt without violating existing restrictions.

1.2.8 The financing architecture thus designed was not an artificial layering exercise but a commercially necessary structuring framework consistent with international financing norms. The purpose was to isolate new borrowing from existing bond obligations and ensure compliance with global credit standards.

1.2.9 The Consent Solicitation and subsequent financing steps collectively illustrate the Group's genuine commercial intent to achieve deleveraging through legitimate capital-market transactions. Each procedural and financial step was supported by contemporaneous approvals, contractual documentation, and independent certifications.

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1.3 **Incorporation of Vedanta Holdings Mauritius II Limited ("VHM2L/Assessee"): Commercial Necessity and Functional Role in Group Restructuring**

1.3.1 Following the delisting approval and completion of the Consent Solicitation process, the Vedanta Group sought to raise external financing for acquiring public shares. However, its principal holding entity, TSHL was already encumbered by existing bond guarantees and pledge obligations. Any additional borrowing by TSHL would have breached those covenants, potentially impairing the Group's global credit profile.

1.3.2 To navigate these constraints, **the Group incorporated Vedanta Holdings Mauritius II Limited ("VHM2L/Assessee") on 29 June 2020** as an unencumbered Special Purpose Vehicle to facilitate the financing leg of its corporate simplification plan. Mauritius was selected not for tax motives but for its established commercial and regulatory ecosystem, where Vedanta has operated for over three decades through TSHL. Establishing VHM2L in the same jurisdiction ensured operational synergy, governance continuity, and structural alignment within the Group's existing international framework.

1.3.3 On 17 August 2020, VHM2L successfully raised USD 1.4 billion through the issuance of 13.00% Guaranteed Senior Secured Bonds due 2023, guaranteed by Vedanta Resources Limited, Vedanta Holdings Mauritius Limited, and Vedanta Holdings Jersey Limited. The funds raised were deposited into a designated escrow account, as mandated by SEBI's delisting framework, for the sole purpose of financing the acquisition of VEDL shares.

1.3.4 It is crucial to emphasize that these funds were not diverted, layered, or re-routed for any non-commercial purpose. The creation of VHM2L was therefore a legitimate commercial response to regulatory borrowing constraints, not a device for tax mitigation or treaty arbitrage.

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1.3.5 Unfortunately, the response from public shareholders was insufficient to achieve the required 90% threshold, and the offer was accordingly deemed unsuccessful.

1.3.6 Following the lapse of the delisting process, the bonds issued by VHM2L were duly redeemed along with accrued interest in October 2020, thereby extinguishing any external debt obligation of the company. It is pertinent that VHM2L did not acquire any shares of VEDL either directly or indirectly during this period, reflecting the Group's adherence to financial discipline and regulatory compliance.

1.3.7 **Notwithstanding the delisting setback, the Group's efforts towards structural consolidation continued. The objective of simplifying the corporate structure and aligning financing flows remained strategically intact.**

1.3.8 The downgrades in the Group's international credit ratings during the interim period were not reflective of governance lapses but symptomatic of broader pandemic-induced financial tightening. On 28 July 2020, Moody's reaffirmed Vedanta Resources Limited's Corporate Family Rating at 'B1' and its senior unsecured bond rating at 'B3', while revising the outlook to negative on account of an anticipated stretch in the Group's credit profile during FY 2021 amidst COVID-19 headwinds. Subsequently, on 11 August 2020, S&P Global Ratings assigned a preliminary 'B' rating to Vedanta Resources Limited's proposed senior secured notes, reflecting the expectation that the Group's privatisation and structural consolidation would enhance liquidity and refinancing flexibility, potentially leading to an improvement in credit quality upon completion of the transaction.

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2. Key Contentions: Why GAAR Should Not Apply

2.1 Vedanta Holding Mauritius II Limited as "Investment Company": Valuation, Cash Flows and Credit Metrics Optimization

2.1.1 As stated in foregoing paragraphs, post approval of the delisting proposal and completion of the Consent Solicitation process, the Vedanta Group was positioned to raise external financing for the acquisition of public shares. The Group's existing major shareholding entity TSHL was already encumbered by prior bond guarantees and pledge obligations. Any fresh borrowings by TSHL would have constituted a technical breach of those covenants, jeopardizing the Group's global credit standing.

In view of these constraints, the Group required a new, unencumbered entity capable of independently raising funds for the delisting process and assessee was incorporated on 29 June 2020 in Mauritius as a dedicated SPV to execute this financing leg of the corporate simplification strategy.

2.1.2 Mauritius was deliberately chosen as the jurisdiction of incorporation, not for tax considerations, but for long-standing commercial, regulatory, and administrative reasons. The Vedanta Group has had an established presence in Mauritius for over three decades through TSHL, providing an efficient, stable, and business-friendly legal environment for group investments into India. The incorporation of a second entity in the same jurisdiction offered greater synergy, control, and structural consistency within the existing holding framework.

2.1.3 This is to kindly state that internationally, core commercial objective of a holding company, carrying a large group, lies *inter-alia* in the following:

1. To enable consolidated control and governance over international subsidiaries.

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2. To facilitate efficient capital raising and investor participation through centralized vehicle.
3. To simplify group restructuring, mergers, and inter-company transactions.
4. To enhance valuation and ease investor exit through globally recognized jurisdictions.
5. To streamline dividend repatriation and capital redeployment across jurisdictions.

2.1.4 **It is respectfully submitted that the incorporation and operational activities of VHM2L were driven by *bona-fide* commercial imperatives integral to the Group's global financing and structural rationalization strategy. The strategic consolidation and aggregation of Vedanta Limited's shareholding at the Mauritius level—whether through direct open-market acquisitions or intra-group transfers represent a commercially coherent exercise aligned with international norms of group-level capital management and investment structuring. The establishment and functioning of VHM2L stand on sound commercial footing, substantiating the legitimacy of its role within the Vedanta Group's global corporate architecture**.

2.1.5 With regard to GAAR panel's contention that why TSHL could not be used to undertake the acquisition of VEDL shares and inter- company transfer of shares from FICL & WG, it is submitted that , without prejudice to above, even if shares held by FICL and WG were to be transferred to TSHL, there would have been same tax consequences as per India- Mauritius DTAA as in hands of TSHL as actually incurred by VHM2L in given factual context.

2.1.6 **Furthermore, without prejudice to above, the Indian Supreme Court has recognized that multi-tier holding and SPV structures are legitimate instruments of international investment and corporate finance. Vedanta's multi-layered structure with TSHL, VHM1L, and VHM2L merely represents a**

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continuation of such lawful structuring aligned with its historical presence in Mauritius. Courts have repeatedly held that such legal structures cannot be disregarded merely because they yield incidental treaty benefits.

It bears emphasis that the Mauritius platform of the Vedanta Group has existed for over three decades. The incorporation of VHM2L in 2020 is not a standalone event but a natural extension of that long-standing investment base, reflecting continuity of presence, management, and governance in Mauritius.

2.2 **Inter-se transfer of Shares- Optimized Cash Flow and Treasury Management**

2.2.1 Although the formal delisting of VEDL could not be consummated due to insufficient shareholder response, the Vedanta Group's strategic objective i.e. consolidation of promoter shareholding and reduction of dividend leakage remained unaltered. The Group, therefore, continued to pursue consolidation through permissible open-market and open-offer mechanisms consistent with SEBI norms. In this backdrop, having redeemed the USD 1.4 billion VHM2L bonds in October 2020, the Group entered discussions with OCM Verde XI Investments Pte. Ltd. (Oak Tree), a reputed international private credit provider, to raise fresh funds.

2.2.2 Simultaneously, on 9 December 2020, Vedanta Resources Limited (through VRL Finance Plc, UK) had issued USD 1 billion bonds bearing 13.875% interest (maturing January 2024) in a private placement to Qualified Institutional Buyers ("QIBs"). TSHL served as one of the primary guarantors to this bond issuance. However, the bond covenants under "Clause 3 – Covenants of the Bond Issue" explicitly prohibited the guarantor from availing any additional borrowings or creating any charge, pledge, lien, or encumbrance on assets held by it.

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2.2.3 Given these covenants, TSHL was legally restrained from securing new loans or pledging its existing VEDL shares. This constraint made it commercially imperative for the Group to utilise VHM2L, a financially clean entity, to raise the Oak Tree facility. It was thus imperative to borrow loan funds in a new/blank company which neither have any borrowings nor provided any guarantee or pledged its assets. If it had been permissible to take the loan in TSH, there would have been no reason for the management to route it through VHM2L instead. Under the terms of the Loan Agreement dated 23rd December 2020, Oak Tree extended a secured loan of USD 1 billion to VHM2L at 13.2% p.a., with explicit conditions that VHM2L must remain the sole legal and beneficial owner of its assets, including any VEDL shares acquired; and such shares shall not be pledged, encumbered, or otherwise used as cross-collateral for any third-party obligations.

Clause 17.20 of the loan agreement is reproduced herein for quick reference:

> *"Assessee will be the sole legal and beneficial owner of its assets including the shares of VEDL acquired by it."*

Thus, the amount of $1 Bn bearing an interest rate of 13.2% per annum was sanctioned between VHM2L and Oaktree for the purpose of acquiring VEDL shares, meeting corporate expenses and such other purposes as may be agreed upon between the assessee and Oaktree mutually.

2.2.4 The principal repayment was agreed to be settled in three installment due in FY23-24 & FY24-25. A summary of total obligation due for repayment to Oaktree is produced below for kind reference:

Particulars		Amount ($ Mn)
Principal Outstanding		750
Interest Payable @13.20% pa		286
FY 2020-21	$58	
FY 2021-22	$87	
FY 2022-23	$102	
FY 2023-24	$39	
Total Obligation		**1036**

**The final Instalment of $255mn due in April 24 was prepaid in Feb24.*

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2.2.5 Given above, VHM2L, being the borrower under the Oak Tree facility, was obligated to ensure timely servicing of interest and principal repayments aggregating approximately **USD 1,036 million** over the subsequent three financial years.

2.2.6 The said loan proceeds were primarily utilised for strategic acquisition of VEDL shares. On 24 December 2020, VHM2L purchased 18.5 crore shares of VEDL at ₹160 per share via bulk deal on the stock exchange, representing a **4.98% stake**. This purchase was duly approved by VHM2L's Board vide its resolution dated 24 December 2020.

Further, on 23 March 2021, the Group launched a Voluntary Open Offer ("VOO") to acquire up to 65.1 crore VEDL shares at ₹235 per share from public shareholders. The offer closed on 16 April 2021, resulting in promoter group's acquisition of approximately **10.07%** additional shareholding in aggregate, of which **0.66% (2.54 crore shares)** were acquired in favour of VHM2L.

2.2.7 The shares acquired by VHM2L were pledged with Oak Tree strictly in accordance with the terms of the facility. The legal structure thereby adhered to both regulatory and commercial disciplines — an example of legitimate international financing aligned with group-level debt management.

2.2.8 **It must be emphasised that had the intention been tax-driven, the acquisitions would logically have been executed by TSHL., an established Mauritius entity enjoying historical treaty eligibility. Instead, the Group deliberately chose to transact through VHM2L for purely commercial reasons dictated by financing constraints and lender covenants.**

2.2.9 In the subsequent year, VHM2L entered into a loan agreement dated 15 December 2021 with FICL whereby FICL extended an inter-company loan of USD 1.313 billion to VHM2L at an interest rate of LIBOR plus 3.75% per annum to be utilised **"only**

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for inter-se transfer of VEDL shares and settlement of incidental expenses", thereby reflecting a clear commercial nexus between borrowing and acquisition.

The said transaction was duly approved by VHM2L's Board at its meeting held on 15 December 2021, and all requisite corporate formalities were complied with under the applicable laws of Mauritius. This internal documentation underscores that the transaction was not a post-facto accommodation but a pre-approved, formally sanctioned, and commercially justified step.

2.2.10 Pursuant to the above arrangement, VHM2L purchased the following blocks of shares on the Indian stock exchange through duly recorded bulk deals:

- On 16 December 2021, 17.01 crore shares (4.58%) were acquired from FICL
- On 21 December 2021, 6.79 crore shares (1.83%) were acquired from FICL
- On 23 December 2021, 4.43 crore shares (1.19%) were acquired from WG

As a result of these inter-se acquisitions, the shareholding of VHM2L in VEDL rose from 5.66% to 13.26%, representing a consolidated increase of 7.60%. **This consolidation was a commercially coherent move, aligning the dividend income streams with the debt-servicing obligations under the Oak Tree facility. The dividends received by VHM2L post-transfer substantiate this reasoning.**

2.2.11 Having completed the above inter-se transfer of shares between companies, VHM2L become the beneficial owner of respective shares held in VEDL. During the period from December 2021 to March 2024, VHM2L received cumulative dividends of approximately **USD 1,008 million** from VEDL, apportioned as follows:

- On directly held shares: USD 469 million (5.66% stake)
- On shares acquired from FICL: USD 459 million; and (6.41% stake)
- On shares acquired from WG: USD 80 million (1.19% stake)

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The dividend inflows from the shares transferred by FICL and WG (USD 539 million in aggregate) supported closely the interest and principal obligations under the Oak Tree loan (USD 1,036 million), demonstrating perfect financial alignment and reinforcing that the inter-se transfers were grounded in economic substance and prudential cash-flow management. The table below reflects the analytical parity between the Group's debt obligations and dividend receipts:

Debt Obligations	Amount ($ Mn)	Cash Inflows	Amount ($ Mn)
Principal Outstanding to Oaktree (Liquidated over three-year tenure)	750	Dividend income on shares directly acquired from market	469
Interest on above @13.20%	286	Dividend income on shares transferred from FICL & WG	539
Total Outgoing	**1036**	**Total Incoming**	**1008**

The financial symmetry evident above validates the inter-se transfer was a commercially calibrated measure ensuring that the entity obligated to a third-party lender possessed adequate income streams for repayment. It is equally important to note that post-transfer, VHM2L exercised exclusive control over its dividend income and utilised these funds autonomously for (i) loan repayments and operational expenses, all at the discretion of its Board. This independent financial conduct reinforces the entity's commercial substance.

2.2.12 Commercial Rationale for Inter-se transfer:

(i) The primary objective of Group re-organization was to find efficient ways of servicing huge debt-obligations that were burdening the SPV. The VHM2L's treasury was constantly under pressure to avoid potential-defaults in servicing the piled-up debt, that could have lead OakTree to invoke securities/ pledges for enforcing recovery of its un-serviced/ outstanding

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loan by forcing sale of underlying shares held by the SPV. The Group could have, under the circumstances, lost all its investments;

(ii) Since the assessee is an investment company and does not have any operational cash flows, it was imperative to serve interest and principal repayment obligations towards Oaktree in timely manner without any official default/breach of any loan agreement that could adversely impact the Group's credit profile in global as well as domestic market. The annual cash-flow projections demonstrated that the dividend income accruing on VHM2L's existing 5.66% stake in VEDL would be insufficient to meet these obligations.

(iii) The Board of VHM2L therefore considered internal restructuring options to strengthen its dividend base and ensure financial self-sufficiency. This commercial imperative to secure adequate internal cash flows to avoid default under an external loan covenant led to the decision to consolidate additional VEDL shares within VHM2L through intra-group transfer of shareholdings.

(iv) Additionally, it was to provide additional comfort to the lender, viz. OakTree, by bringing greater investments under the common umbrella of the VHM2L. It virtually increased the margin-of- security available to the Oaktree for enforcing recovery in case of potential default by the VHM2L of its loan-obligation. Accordingly, the Group re- organization also served the essential purposes of pacifying the lender and keeping him engaged for future loans.

(v) Further, Oak Tree, being a global private lender, required a bankruptcy-remote entity devoid of prior liabilities or encumbrances to protect its security interest. VHM2L, as a newly constituted SPV with no legacy borrowings, met this eligibility criterion. From Vedanta's perspective, ring-

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fencing the lender's exposure to newly acquired shares of VEDL was prudent, as it avoided contamination of the Group's existing shareholding and upheld the sanctity of prior bond covenants.

2.2.13 Thus, it is respectfully submitted that the inter-se share transfer between FICL, WG and VHM2L was an inevitable downstream movement of equity within the group structure to balance leverage, ring-fence security, and maintain loan covenants post-Oaktree facility. No extraneous benefit, tax or otherwise arose to the assessee from the transfer. The transaction was executed under documented loan covenants, external lender oversight, and board-level approvals establishing that this was a corporate treasury alignment exercise with tangible business purpose.

2.3 **<u>Consolidation of Promoter Control under a Single Jurisdiction – A Bona Fide Strategic Alignment Initiative</u>**

2.3.1 The consolidation of the promoters' shareholding in a single jurisdiction was a deliberate and bona fide corporate decision aimed at strengthening the Group's financial and governance profile. Tax authorities cannot substitute its own judgment for that of commercial management, nor can it question the prudence of such business structuring choices when they are demonstrably rooted in legitimate economic considerations.

2.3.2 This was the additional commercial objective of Group re-organization to evolve a symmetrical investment model that could lend itself to better-valuations in the event of (future) transfer to an interested (big-ticket) buyer. Obviously, potential investors consider post-tax yield of an income-generating asset to make favorable assessment regarding its potential valuation. The higher the post-tax yield, the better is the equity-valuation;

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2.3.3 The aggregation of control under one holding entity serves to enhance transparency, optimize valuation metrics, and present a coherent ownership structure to global investors, rating agencies, and financial institutions.

2.3.4 **From a strategic standpoint, consolidation in a single, credible jurisdiction like Mauritius significantly improves the Group's global credit standing and corporate profile, thereby contributing to higher valuations and more favorable financing terms.**

2.3.5 **A unified holding structure directly improves valuation and credit standing. Post-tax returns are a key metric for investors; hence, utilizing a jurisdiction where such returns are optimized under a valid tax treaty naturally enhances enterprise value. The Mauritian framework legally allows efficient post-tax earnings, thereby strengthening credit ratings, investor perception, and overall valuation metrics.**

2.3.6 Thus, Mauritius was chosen not for any tax motive but for its internationally recognized, investor-friendly ecosystem, long-standing regulatory stability, and ease of exit. The jurisdiction provides a deep and well-established financial infrastructure, allowing for greater liquidity, smoother deal execution, and higher disposal value in potential exit scenarios. Accordingly, the consolidation of promoter shareholding in Mauritius represents a commercially sound, globally accepted, and forward-looking restructuring measure, directed toward optimizing value realization rather than achieving any impermissible tax benefit.

2.3.7 The Group's credit trajectory following these acquisitions validates the underlying rationale. On 25th February, 2022 CRISIL Ratings has upgraded its rating on the long-term bank facilities and debt instruments of Vedanta Ltd (Vedanta; part of the Vedanta group) to 'CRISIL AA' from 'CRISIL AA-', and has revised the outlook to 'Stable' from 'Positive'. The short-term rating on bank facilities and commercial paper has been reaffirmed at 'CRISIL A1+. This upgrade factored sustained cash

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flow generation, progress in deleveraging, and enhanced financial flexibility following increased promoter shareholding, which streamlined the corporate structure and reduced dividend outflows.

2.4 **No Objection to Tax Authorities if Inter-Se Transfer Would Have Been Affected Through TSH, Mauritius**

2.4.1 It is respectfully submitted that the **entire sequence of transactions** — from bond issuance, delisting attempt, subsequent refinancing, and inter-se transfer of Vedanta Limited shares — arises from ***bona fide*** **business exigencies rooted in the Vedanta Group's debt optimization strategy and covenant-driven restrictions. The decision to channel acquisitions through VHM2L was not tax-driven but commercially compelled**, ensuring compliance with lender-imposed negative pledge covenants and enabling liquidity mobility across the group without triggering cross-defaults. This framework, in substance, constitutes prudent financial engineering, not artificial tax avoidance.

2.4.2 It is emphasised here that TSHL was incorporate way back three decades ago in Mauritius and has been holding majority stake in VEDL. There has been lower taxes agreed between India and Mauritius under the Double Tax Avoidance Agreement ("DTAA") which is legally accessed by TSHL without any misuse. TSHL is offering its dividend income accrued from India sourced operations at beneficial rate of 10% only given that its shareholding in VEDL exceeds 10%.

Considering above, it is respectfully submitted, without prejudice to above, that if shares held by FICL and WG were to be transferred to TSHL, there would have been same tax consequences as per India- Mauritius DTAA as in hands of TSHL as actually incurred by VHM2L in given factual context.

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3. Distinguishing the Present Case from the Vedanta Netherlands GAAR Precedent

3.1 The invocation of GAAR in the *Vedanta Netherlands* case was premised on the finding that the Dutch entity functioned as a *mere conduit*—a shell without substantive operations, created solely for the purpose of routing investments to avoid Indian tax.

3.2 In contrast, VHM2L, Mauritius stands on a demonstrably distinct footing. Its establishment was underpinned by a clear and legitimate *commercial rationale*—to consolidate promoter control, rationalize holding structures across jurisdictions, and improve the group's valuation and credit profile for future strategic exits. The entity possesses genuine operational substance, functional management oversight, and adherence to Mauritian regulatory frameworks, thereby evidencing a bona fide purpose beyond mere tax efficiency.

3.3 Thus, while *Vedanta Netherlands* involved an ALLEGED artificial-interposition of an entity devoid of substance, **VHM2L represents a commercially driven consolidation aligned with global best practices in corporate structuring**. Consequently, GAAR cannot be invoked merely on the presence of a tax advantage where the *dominant purpose* is demonstrably business-oriented, not tax-avoidance.

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4. Status Quo Ante: Re-computation of Tax Benefit and Limitation of GAAR Invocation

4.1 A critical examination of the GAAR panel's computation reveals that the alleged tax benefit of **₹1,308 crores** attributed to the inter-se transfer of shares between FICL/WG and VHM2L is grossly overstated. If one were to restore the situation to its *status ante*—that is, to the original position had the inter-se transfer not taken place and recompute the resultant tax effect, the figure demonstrably declines to approximately **₹576 crores**. This analytical recalibration exposes the overreach in the panel's computation methodology and underscores that the perceived "benefit" is neither real nor quantifiable to the magnitude alleged.

4.2 Section 90(2A) clarifies that GAAR provisions may override treaty benefits, yet such override is confined to the extent of the identified tax advantage, not a wholesale denial of commercial or structural arrangements undertaken for bona fide reasons. A re-computation of tax benefit, without prejudice to above key contentions stated in foregoing submission, is produced herein below for your kind consideration:

Restated Position- If Shares were not transferred from FICL/WG to VHM-II Ltd.					
Company	**% of Holding in VEDL India**	**Dividend Income (Allocated) ₹ in Crore**	**Applicable DTAA**	**Tax Rate as per DTAA**	**Tax on Dividend Income ₹ in Crore**
VHM-II Ltd	5.66%	904	India-Mauritius	15%	136
FICL	6.41%	583	India-UK	10%	58
WG	1.19%	57	India-Mauritius	15%	9
FY 2021-22		**1,544**			**202**
VHM-II Ltd	5.66%	1,704	India-Mauritius	15%	256
FICL	6.41%	1,930	India-UK	10%	193
WG	1.19%	358	India-Mauritius	15%	54
FY 2022-23		**3,992**			**502**
VHM-II Ltd	5.66%	1,052	India-Mauritius	15%	158
FICL	6.41%	1,191	India-UK	10%	119
WG	1.19%	221	India-Mauritius	15%	33
FY 2023-24		**2,464**			**310**
Grand Total		**8,000**			**1,015**
Less: Tax Actually Paid by the VHM-II Ltd					439
Net Tax Benefit					**576**

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4.3 *Scope of GAAR Application – Statutory Actions and Their Limits*

Section 98 prescribes that if an arrangement is declared as an impermissible avoidance arrangement ("IAA"), there would be denial of the tax benefit or denial of the tax treaty benefit. Section 90(2A) of the Act specifically provides that GAAR provisions will override tax treaty provisions.

Various actions that can be taken by tax authorities in such a case are as under:

- disregarding, combining or recharacterizing any step in, or a part of or whole of IAA;
- treating IAA as if it had not been entered into or carried out;
- disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;
- deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;
- Reallocating amongst the parties to the arrangement —
    a. any accrual, or receipt, of a capital nature or revenue nature; or
    b. any expenditure, deduction, relief or rebate;
- Treating –
    a. the place of residence of any party to the arrangement; or
    b. the situs of an asset or of a transaction, at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement; or
    c. considering or looking through any arrangement by disregarding any corporate structure.

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In the present context, even assuming that GAAR could apply, the corrective measure would merely involve ***reallocation or recharacterization of the transfer transaction between related entities to eliminate only that portion of tax benefit deemed impermissible***. **The Department cannot, under the guise of Section 98, extrapolate or amplify the benefit to an inflated figure of ₹1,308 crores when the underlying economic and tax outcome if reconstructed to the original state, is demonstrably limited to ₹576 crores.**

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August 18, 2025

The Approving Panel, General Anti Avoidance Rules
Income Tax Department,
Room No. 395, 3rd Floor,
CR Building, IP Estate
New Delhi-110002

Dear Sir,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B

This is with reference to the notice dated 08.07.2025 issued by your Honour under section 144BA of the Act requiring the assessee to showcause as to why the arrangement as described in the Notice as an 'Impermissible Avoidance Arrangement' under the provisions of Chapter X-A of the Act.

In this regard, a summary of the following detailed submission is made for your reference.

The assessee was set up as SPV for genuine commercial reason –

- The fact that the group needed SPV to comply with the conditions of borrowing (Refer pages 4,57) and Mauritius is a proper jurisdiction and the group has more than for two decades held its Vedanta Inda holding through entities based in Mauritius is not doubted nor controverted.

- The incorporation of the SPV and the first acquisition ~5% shares was from unrelated parties – 4.98% in December, 2020. The shares were acquired from market under bulk deal and 0.68% shares were acquired in April, 2021 through open offer. Further, the acquisition was primarily funded by loan from Oaktree and consequently, has an impact of increasing the overall group shareholding in Vedanta Ltd. and also increased exposure of the group to third party debt (Refer page 67). The third party debt was clearly an obligation of the assessee company. Thus the assessee company was set up as an SPV for commercial purpose of increasing the groups shareholding in Vedanta India through the assessee company. The assessee company actually fulfilled this commercial purpose. No allegation of tax avoidance can arise from an SPV being set-up for acquiring shares and actually acquiring shares the legal position of such SPV structure being used for the commercial purpose of ring fencing acquisition is explained and illustrated through reported cases. The Supreme Court has accepted this structures as bona fide.

- However, the show cause notice alleges to incorporation without commercial rationale (para 3.2.3, 3.3.5, 3.3.3.6.1, 3.4.1 and 5.0) – without bringing out why the incorporation of the assessee as an SPV had no commercial rationale. The show cause notice does not contradict or deny the above facts which establishes the genuineness of the assessee company being incorporated in Mauritius for commercial reasons and tax efficiency not being the main purpose. The notice is based on erroneous understanding the incorporation and acquisition didn't change financial position of the group. As stated above, 5.66% additional shares were acquired. This fact has been lost sight of while making observations about

the purpose served by incorporation of the assessee company. It is respectfully submitted that, the notice is based on misunderstanding of the factual position.

- As far as the further acquisition is concerned, the continuing process of group simplification is an on-going process (Refer pages 1,3 & 95). The tax benefit which arose from the consolidation of the reduced rate was not the main purpose of acquisition by the Assessee, the main purpose was simplification to reduce the number of entities holding shares.

- At para 5.1 the notice assumes and computes the tax benefit. The lower tax is arising from direct benefit of the treaty to which the Assessee is rightly entitled. It does not arise from any abuse or misuse of the treaty. In as much as the existence of the company in Mauritius for the commercial purpose of increasing group shareholding is not doubted, the question of alleging the misuse of the Mauritius treaty does not arise. The fact that the assessee is a SPV and is part of a group and administrative function are partly performed by its officers and party by the officers of the group is not a relevant consideration in as much as notwithstanding the administrative function performed by the group entities and persons not located in Mauritius, the existence of the assessee company in Mauritius and TRC are not doubted.

- It is also not doubted that money has actually moved from Finsider to the Company and the Company has used the funds for purchase of shares. It establishes that the commercial risk of the shareholding and price fluctuation movement is shifted from Finsider UK to the Assessee in Mauritius. The assessee accepts the finding at para 4.0(2) that the parent of

assessee company changed from Finsider to Vedanta Holdings Jersey Limited.

- The computation of the tax benefit at para 5.1 is incorrect. There is no tax benefit. In fact by buying more shares, the assessee has received higher dividend income and consequently has paid tax. Further, group is not a person under Income Tax Act, assessee is a person and the assessee has paid higher taxes due to acquisition of shares during the relevant previous year. Thus, in the absence of any "tax benefit" GAAR cannot be invoked against the Assessee.

Thanking you,
Yours faithfully,

For **Vaish Associates**
Advocates

Tavish
Neeraj Jain/ Tavish Verma

ANNEXURE P-50

November 03, 2025

The Approving Panel, General Anti Avoidance Rules
Income Tax Department,
Room No. 395, 3rd Floor,
CR Building, IP Estate
New Delhi-110002

Dear Sir,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (assessee) PAN: AAHCV4933B

This is with reference to the hearing held on 15 September 2025 before your Honour, during which the assessee had filed a written submission challenging the contention of the Revenue with respect to the treatment of the arrangement as an "Impermissible Avoidance Arrangement" under the provisions of Chapter X-A of the Income-tax Act, 1961 ("the Act").

The assessee is hereby filing a supplementary submission in continuation of the aforesaid hearing, to further substantiate and support its contentions on the matter:

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1. Background

1.1 Servicing Group-level Obligations & Credit Optimization

On 12 May 2020, Vedanta Resources Limited ("VRL") publicly announced its intention to voluntarily delist the equity shares of its Indian subsidiary, Vedanta Limited ("VEDL"), from all Indian stock exchanges in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations"). The proposal marked not a new direction but a calibrated extension of the Group's consistent endeavour toward corporate simplification and financial optimization.

1.1.1 Historically, the Vedanta Group has rationalised its structure through significant mergers – the merger of Sterlite Industries in 2012, the amalgamation of Cairn India in 2016, and the delisting of Vedanta Resources Plc in 2018. The 2020 delisting initiative of VEDL was thus an intended continuum in this sequence, aimed at strengthening operational efficiency, improving transparency of internal cash flows, and facilitating sustainable deleveraging. As a result, the delisting was expected to support an accelerated debt reduction program in the medium term

1.1.2 As on 31 March 2020, VRL's consolidated debt exposure stood at approximately USD 7 billion, comprising multiple series of bonds and loan facilities. Being a non-operating holding company, VRL possessed negligible EBITDA and was almost entirely dependent on dividend inflows from VEDL and, indirectly, Hindustan Zinc Limited ("HZL"). This structural dependency created significant financial vulnerability, particularly when viewed alongside the dividend outflow leakages to minority shareholders – approximately 35 percent at HZL and 45 percent at VEDL.

1.1.3 This continuous leakage constrained VRL's capacity to deleverage. A reduction in dividend cash-ouflow losses was therefore an economic imperative. The global disruption induced by the COVID-19 pandemic intensified this necessity. Vedanta was subject to temporary disruptions leading to production being down to 80% of the capacity during the relevant lockdown periods as applicable to the respective

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mines and production facilities; simultaneously, VEDL's share price fell to around ₹ 60 per share, substantially below its intrinsic value.

1.1.4 Faced with these headwinds, VRL's Board evaluated the optimal course to preserve group liquidity and investor confidence. The delisting of VEDL was strategically chosen as it would *inter-alia*-

(i) enable consolidation of ownership,

(ii) reduce dividend leakage to minorities,

(iii) facilitate quicker upstreaming of cash for debt servicing, and

(iv) provide a fair exit to public shareholders during a period of market uncertainty.

This was an appropriate time to offer public shareholders the opportunity to release their investments far above at market price prevailing at that time and to recapture the promotor's control over the Indian operations. Having diligently observed the situation supported by internal debt maturity accruals due for repayment and external factors, in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations).

1.1.5 Consequently, on 12 May 2020, VRL formally launched the delisting offer, proposing to acquire VEDL shares at ₹ 87.50 per share – a 9.9 percent premium over the market price of ₹ 79.60 (as on 11 May 2020). The floor price was certified by an independent professional firm vide its certificate dated 18 May 2020, establishing procedural integrity under the Delisting Regulations.

1.1.6 Mr. Anil Agarwal, Chairman of the Vedanta Group, succinctly articulated the rationale:

"Vedanta Group continues it's efforts to simplify the group structure. This proposed transaction is fully aligned to the robust strategy

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which has been pursued over the years. Due to the impact of Covid 19 pandemic, ***we have accelerated the strategy in this challenging environment to ensure support for meaningful deleveraging and to enable us to continue to invest in the growth of the business.*** *The proposed transaction will* ***transform the Group's credit profile*** *while offering a fair exit price to minority shareholders. Provided it can be completed at a price that balances the needs of all stakeholders, this transaction has the potential to fundamentally reposition our business for the future."*

1.1.7 The statement encapsulates Group's underlying philosophy – that structural simplification and fiscal prudence must operate in tandem. The shareholders of VEDL approved the delisting proposal and acquisition of publicly held shares with the requisite majority on 25 June 2020, reaffirming alignment of stakeholder interests.

1.1.8 In substance, the delisting was an exercise in legitimate financial management: a commercially sound initiative to deleverage the parent balance sheet, mitigate cash-flow inefficiencies, and sustain group-wide growth potential amid volatile market conditions. No tax-motivated element can be inferred from the contemporaneous facts or the commercial intent demonstrated.

1.2 **Structuring and Financing of the Delisting Transaction**

1.2.1 Once the shareholders of VEDL approved the delisting proposal, the next practical challenge was arranging the substantial funding required for acquisition of the publicly held shares**.** The transaction demanded liquidity of approximately ₹ 14,809 crores, a figure too material to be internally sourced without contravening existing bond covenants at the parent level.

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1.2.2 At that stage, the Vedanta Group was already over-leveraged. Multiple tranches of USD-denominated bonds were outstanding across different maturities, each governed by restrictive covenants limiting further borrowings, pledges, or encumbrances. These contractual restrictions, embedded in prior bond documentation, necessitated a restructuring of financial headroom before any new capital could be raised.

1.2.3 Recognizing this constraint, the Group initiated a **Consent Solicitation Process** on 5 June 2020, seeking approval from bondholders to amend certain restrictive clauses. The key objectives were three-fold:

(i) to increase borrowing headroom under the indebtedness covenant to enable consummation of the delisting transaction (referred to internally as the "Take-Private Transaction");

(ii) to secure flexibility to refinance existing debt and utilise group entities with higher debt-carrying capacity; and

(iii) to align the "negative pledge" clause across all bond series for consistency and future fund-raising agility.

1.2.4 The Consent Solicitation covered USD 4.4 billion of outstanding bonds comprising:

- $900.0 million 8.25% bonds due 2021,
- $1,000.0 million 6.375% bonds due 2022,
- $500.0 million 7.125% bonds due 2023 and
- $1,000.0 million 6.125% bonds due 2024
- $400.0 million 8% bonds due 2023 and
- $600.0 million 9.25% bonds due 2026

This comprehensive exercise was aimed at harmonising covenants across maturities and securing financial autonomy critical for executing the delisting.

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1.2.5 On 30 June 2020, the extraordinary resolutions were duly approved by the requisite majority of bondholders. This approval represented a clear endorsement by international investors of the Group's creditworthiness and the commercial logic underlying the delisting proposal.

1.2.6 As on that date, the promoter and promoter-group shareholding in VEDL was at **aggregated 50.13 percent**, distributed as follows:

Twin Star Holdings Ltd. ("TSHL") – 37.1%; Finsider International Company Ltd. ("FICL") – 10.8%; Westglobe Ltd. ("WG") – 1.19%; and Welter Trading Ltd. – 1.03%. Any further acquisition required new external financing and careful navigation of existing contractual pledges.

1.2.7 It is pertinent to note that VRL's ability to raise incremental funds directly was limited by the "negative pledge" and cross-default provisions embedded in its bonds. Therefore, it was imperative to identify a fresh entity within the group—free of legacy encumbrances—that could serve as a Special Purpose Vehicle (SPV) to raise debt without violating existing restrictions.

1.2.8 The financing architecture thus designed was not an artificial layering exercise but a commercially necessary structuring framework consistent with international financing norms. The purpose was to isolate new borrowing from existing bond obligations and ensure compliance with global credit standards.

1.2.9 The Consent Solicitation and subsequent financing steps collectively illustrate the Group's genuine commercial intent to achieve deleveraging through legitimate capital-market transactions. Each procedural and financial step was supported by contemporaneous approvals, contractual documentation, and independent certifications.

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1.3 **Incorporation of Vedanta Holdings Mauritius II Limited ("VHM2L/Assessee"): Commercial Necessity and Functional Role in Group Restructuring**

1.3.1 Following the delisting approval and completion of the Consent Solicitation process, the Vedanta Group sought to raise external financing for acquiring public shares. However, its principal holding entity, TSHL was already encumbered by existing bond guarantees and pledge obligations. Any additional borrowing by TSHL would have breached those covenants, potentially impairing the Group's global credit profile.

1.3.2 To navigate these constraints, **the Group incorporated Vedanta Holdings Mauritius II Limited ("VHM2L/Assessee") on 29 June 2020** as an unencumbered Special Purpose Vehicle to facilitate the financing leg of its corporate simplification plan. Mauritius was selected not for tax motives but for its established commercial and regulatory ecosystem, where Vedanta has operated for over three decades through TSHL. Establishing VHM2L in the same jurisdiction ensured operational synergy, governance continuity, and structural alignment within the Group's existing international framework.

1.3.3 On 17 August 2020, VHM2L successfully raised USD 1.4 billion through the issuance of 13.00% Guaranteed Senior Secured Bonds due 2023, guaranteed by Vedanta Resources Limited, Vedanta Holdings Mauritius Limited, and Vedanta Holdings Jersey Limited. The funds raised were deposited into a designated escrow account, as mandated by SEBI's delisting framework, for the sole purpose of financing the acquisition of VEDL shares.

1.3.4 It is crucial to emphasize that these funds were not diverted, layered, or re-routed for any non-commercial purpose. The creation of VHM2L was therefore a legitimate commercial response to regulatory borrowing constraints, not a device for tax mitigation or treaty arbitrage.

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1.3.5 Unfortunately, the response from public shareholders was insufficient to achieve the required 90% threshold, and the offer was accordingly deemed unsuccessful.

1.3.6 Following the lapse of the delisting process, the bonds issued by VHM2L were duly redeemed along with accrued interest in October 2020, thereby extinguishing any external debt obligation of the company. It is pertinent that VHM2L did not acquire any shares of VEDL either directly or indirectly during this period, reflecting the Group's adherence to financial discipline and regulatory compliance.

1.3.7 **Notwithstanding the delisting setback, the Group's efforts towards structural consolidation continued. The objective of simplifying the corporate structure and aligning financing flows remained strategically intact.**

1.3.8 The downgrades in the Group's international credit ratings during the interim period were not reflective of governance lapses but symptomatic of broader pandemic-induced financial tightening. On 28 July 2020, Moody's reaffirmed Vedanta Resources Limited's Corporate Family Rating at 'B1' and its senior unsecured bond rating at 'B3', while revising the outlook to negative on account of an anticipated stretch in the Group's credit profile during FY 2021 amidst COVID-19 headwinds. Subsequently, on 11 August 2020, S&P Global Ratings assigned a preliminary 'B' rating to Vedanta Resources Limited's proposed senior secured notes, reflecting the expectation that the Group's privatisation and structural consolidation would enhance liquidity and refinancing flexibility, potentially leading to an improvement in credit quality upon completion of the transaction.

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2. Key Contentions: Why GAAR Should Not Apply

2.1 Vedanta Holding Mauritius II Limited as "Investment Company": Valuation, Cash Flows and Credit Metrics Optimization

2.1.1 As stated in foregoing paragraphs, post approval of the delisting proposal and completion of the Consent Solicitation process, the Vedanta Group was positioned to raise external financing for the acquisition of public shares. The Group's existing major shareholding entity TSHL was already encumbered by prior bond guarantees and pledge obligations. Any fresh borrowings by TSHL would have constituted a technical breach of those covenants, jeopardizing the Group's global credit standing.

In view of these constraints, the Group required a new, unencumbered entity capable of independently raising funds for the delisting process and assessee was incorporated on 29 June 2020 in Mauritius as a dedicated SPV to execute this financing leg of the corporate simplification strategy.

2.1.2 Mauritius was deliberately chosen as the jurisdiction of incorporation, not for tax considerations, but for long-standing commercial, regulatory, and administrative reasons. The Vedanta Group has had an established presence in Mauritius for over three decades through TSHL, providing an efficient, stable, and business-friendly legal environment for group investments into India. The incorporation of a second entity in the same jurisdiction offered greater synergy, control, and structural consistency within the existing holding framework.

2.1.3 This is to kindly state that internationally, core commercial objective of a holding company, carrying a large group, lies *inter-alia* in the following:

1. To enable consolidated control and governance over international subsidiaries.

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2. To facilitate efficient capital raising and investor participation through centralized vehicle.
3. To simplify group restructuring, mergers, and inter-company transactions.
4. To enhance valuation and ease investor exit through globally recognized jurisdictions.
5. To streamline dividend repatriation and capital redeployment across jurisdictions.

2.1.4 **It is respectfully submitted that the incorporation and operational activities of VHM2L were driven by *bona-fide* commercial imperatives integral to the Group's global financing and structural rationalization strategy. The strategic consolidation and aggregation of Vedanta Limited's shareholding at the Mauritius level—whether through direct open-market acquisitions or intra-group transfers represent a commercially coherent exercise aligned with international norms of group-level capital management and investment structuring. The establishment and functioning of VHM2L stand on sound commercial footing, substantiating the legitimacy of its role within the Vedanta Group's global corporate architecture**.

2.1.5 With regard to GAAR panel's contention that why TSHL could not be used to undertake the acquisition of VEDL shares and inter- company transfer of shares from FICL & WG, it is submitted that , without prejudice to above, even if shares held by FICL and WG were to be transferred to TSHL, there would have been same tax consequences as per India- Mauritius DTAA as in hands of TSHL as actually incurred by VHM2L in given factual context.

2.1.6 **Furthermore, without prejudice to above, the Indian Supreme Court has recognized that multi-tier holding and SPV structures are legitimate instruments of international investment and corporate finance. Vedanta's multi-layered structure with TSHL, VHM1L, and VHM2L merely represents a**

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continuation of such lawful structuring aligned with its historical presence in Mauritius. Courts have repeatedly held that such legal structures cannot be disregarded merely because they yield incidental treaty benefits.

It bears emphasis that the Mauritius platform of the Vedanta Group has existed for over three decades. The incorporation of VHM2L in 2020 is not a standalone event but a natural extension of that long-standing investment base, reflecting continuity of presence, management, and governance in Mauritius.

2.2 **Inter-se transfer of Shares- Optimized Cash Flow and Treasury Management**

2.2.1 Although the formal delisting of VEDL could not be consummated due to insufficient shareholder response, the Vedanta Group's strategic objective i.e. consolidation of promoter shareholding and reduction of dividend leakage remained unaltered. The Group, therefore, continued to pursue consolidation through permissible open-market and open-offer mechanisms consistent with SEBI norms. In this backdrop, having redeemed the USD 1.4 billion VHM2L bonds in October 2020, the Group entered discussions with OCM Verde XI Investments Pte. Ltd. (Oak Tree), a reputed international private credit provider, to raise fresh funds.

2.2.2 Simultaneously, on 9 December 2020, Vedanta Resources Limited (through VRL Finance Plc, UK) had issued USD 1 billion bonds bearing 13.875% interest (maturing January 2024) in a private placement to Qualified Institutional Buyers ("QIBs"). TSHL served as one of the primary guarantors to this bond issuance. However, the bond covenants under "Clause 3 – Covenants of the Bond Issue" explicitly prohibited the guarantor from availing any additional borrowings or creating any charge, pledge, lien, or encumbrance on assets held by it.

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2.2.3 Given these covenants, TSHL was legally restrained from securing new loans or pledging its existing VEDL shares. This constraint made it commercially imperative for the Group to utilise VHM2L, a financially clean entity, to raise the Oak Tree facility. It was thus imperative to borrow loan funds in a new/blank company which neither have any borrowings nor provided any guarantee or pledged its assets. If it had been permissible to take the loan in TSH, there would have been no reason for the management to route it through VHM2L instead. Under the terms of the Loan Agreement dated 23rd December 2020, Oak Tree extended a secured loan of USD 1 billion to VHM2L at 13.2% p.a., with explicit conditions that VHM2L must remain the sole legal and beneficial owner of its assets, including any VEDL shares acquired; and such shares shall not be pledged, encumbered, or otherwise used as cross-collateral for any third-party obligations.

Clause 17.20 of the loan agreement is reproduced herein for quick reference:

> *"Assessee will be the sole legal and beneficial owner of its assets including the shares of VEDL acquired by it."*

Thus, the amount of $1 Bn bearing an interest rate of 13.2% per annum was sanctioned between VHM2L and Oaktree for the purpose of acquiring VEDL shares, meeting corporate expenses and such other purposes as may be agreed upon between the assessee and Oaktree mutually.

2.2.4 The principal repayment was agreed to be settled in three installment due in FY23-24 & FY24-25. A summary of total obligation due for repayment to Oaktree is produced below for kind reference:

Particulars		Amount ($ Mn)
Principal Outstanding		750
Interest Payable @13.20% pa		286
FY 2020-21	$58	
FY 2021-22	$87	
FY 2022-23	$102	
FY 2023-24	$39	
Total Obligation		**1036**

**The final Instalment of $255mn due in April 24 was prepaid in Feb24.*

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2.2.5 Given above, VHM2L, being the borrower under the Oak Tree facility, was obligated to ensure timely servicing of interest and principal repayments aggregating approximately **USD 1,036 million** over the subsequent three financial years.

2.2.6 The said loan proceeds were primarily utilised for strategic acquisition of VEDL shares. On 24 December 2020, VHM2L purchased 18.5 crore shares of VEDL at ₹160 per share via bulk deal on the stock exchange, representing a **4.98% stake**. This purchase was duly approved by VHM2L's Board vide its resolution dated 24 December 2020.

Further, on 23 March 2021, the Group launched a Voluntary Open Offer ("VOO") to acquire up to 65.1 crore VEDL shares at ₹235 per share from public shareholders. The offer closed on 16 April 2021, resulting in promoter group's acquisition of approximately **10.07%** additional shareholding in aggregate, of which **0.66% (2.54 crore shares)** were acquired in favour of VHM2L.

2.2.7 The shares acquired by VHM2L were pledged with Oak Tree strictly in accordance with the terms of the facility. The legal structure thereby adhered to both regulatory and commercial disciplines — an example of legitimate international financing aligned with group-level debt management.

2.2.8 **It must be emphasised that had the intention been tax-driven, the acquisitions would logically have been executed by TSHL., an established Mauritius entity enjoying historical treaty eligibility. Instead, the Group deliberately chose to transact through VHM2L for purely commercial reasons dictated by financing constraints and lender covenants.**

2.2.9 In the subsequent year, VHM2L entered into a loan agreement dated 15 December 2021 with FICL whereby FICL extended an inter-company loan of USD 1.313 billion to VHM2L at an interest rate of LIBOR plus 3.75% per annum to be utilised **"only**

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for inter-se transfer of VEDL shares and settlement of incidental expenses", thereby reflecting a clear commercial nexus between borrowing and acquisition.

The said transaction was duly approved by VHM2L's Board at its meeting held on 15 December 2021, and all requisite corporate formalities were complied with under the applicable laws of Mauritius. This internal documentation underscores that the transaction was not a post-facto accommodation but a pre-approved, formally sanctioned, and commercially justified step.

2.2.10 Pursuant to the above arrangement, VHM2L purchased the following blocks of shares on the Indian stock exchange through duly recorded bulk deals:

- On 16 December 2021, 17.01 crore shares (4.58%) were acquired from FICL
- On 21 December 2021, 6.79 crore shares (1.83%) were acquired from FICL
- On 23 December 2021, 4.43 crore shares (1.19%) were acquired from WG

As a result of these inter-se acquisitions, the shareholding of VHM2L in VEDL rose from 5.66% to 13.26%, representing a consolidated increase of 7.60%. **This consolidation was a commercially coherent move, aligning the dividend income streams with the debt-servicing obligations under the Oak Tree facility. The dividends received by VHM2L post-transfer substantiate this reasoning.**

2.2.11 Having completed the above inter-se transfer of shares between companies, VHM2L become the beneficial owner of respective shares held in VEDL. During the period from December 2021 to March 2024, VHM2L received cumulative dividends of approximately **USD 1,008 million** from VEDL, apportioned as follows:

- On directly held shares: USD 469 million (5.66% stake)
- On shares acquired from FICL: USD 459 million; and (6.41% stake)
- On shares acquired from WG: USD 80 million (1.19% stake)

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The dividend inflows from the shares transferred by FICL and WG (USD 539 million in aggregate) supported closely the interest and principal obligations under the Oak Tree loan (USD 1,036 million), demonstrating perfect financial alignment and reinforcing that the inter-se transfers were grounded in economic substance and prudential cash-flow management. The table below reflects the analytical parity between the Group's debt obligations and dividend receipts:

Debt Obligations	Amount ($ Mn)	Cash Inflows	Amount ($ Mn)
Principal Outstanding to Oaktree (Liquidated over three-year tenure)	750	Dividend income on shares directly acquired from market	469
Interest on above @13.20%	286	Dividend income on shares transferred from FICL & WG	539
Total Outgoing	**1036**	**Total Incoming**	**1008**

The financial symmetry evident above validates the inter-se transfer was a commercially calibrated measure ensuring that the entity obligated to a third-party lender possessed adequate income streams for repayment. It is equally important to note that post-transfer, VHM2L exercised exclusive control over its dividend income and utilised these funds autonomously for (i) loan repayments and operational expenses, all at the discretion of its Board. This independent financial conduct reinforces the entity's commercial substance.

2.2.12 Commercial Rationale for Inter-se transfer:

(i) The primary objective of Group re-organization was to find efficient ways of servicing huge debt-obligations that were burdening the SPV. The VHM2L's treasury was constantly under pressure to avoid potential-defaults in servicing the piled-up debt, that could have lead OakTree to invoke securities/ pledges for enforcing recovery of its un-serviced/ outstanding

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loan by forcing sale of underlying shares held by the SPV. The Group could have, under the circumstances, lost all its investments;

(ii) Since the assessee is an investment company and does not have any operational cash flows, it was imperative to serve interest and principal repayment obligations towards Oaktree in timely manner without any official default/breach of any loan agreement that could adversely impact the Group's credit profile in global as well as domestic market. The annual cash-flow projections demonstrated that the dividend income accruing on VHM2L's existing 5.66% stake in VEDL would be insufficient to meet these obligations.

(iii) The Board of VHM2L therefore considered internal restructuring options to strengthen its dividend base and ensure financial self-sufficiency. This commercial imperative to secure adequate internal cash flows to avoid default under an external loan covenant led to the decision to consolidate additional VEDL shares within VHM2L through intra-group transfer of shareholdings.

(iv) Additionally, it was to provide additional comfort to the lender, viz. OakTree, by bringing greater investments under the common umbrella of the VHM2L. It virtually increased the margin-of- security available to the Oaktree for enforcing recovery in case of potential default by the VHM2L of its loan-obligation. Accordingly, the Group re- organization also served the essential purposes of pacifying the lender and keeping him engaged for future loans.

(v) Further, Oak Tree, being a global private lender, required a bankruptcy-remote entity devoid of prior liabilities or encumbrances to protect its security interest. VHM2L, as a newly constituted SPV with no legacy borrowings, met this eligibility criterion. From Vedanta's perspective, ring-

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fencing the lender's exposure to newly acquired shares of VEDL was prudent, as it avoided contamination of the Group's existing shareholding and upheld the sanctity of prior bond covenants.

2.2.13 Thus, it is respectfully submitted that the inter-se share transfer between FICL, WG and VHM2L was an inevitable downstream movement of equity within the group structure to balance leverage, ring-fence security, and maintain loan covenants post-Oaktree facility. No extraneous benefit, tax or otherwise arose to the assessee from the transfer. The transaction was executed under documented loan covenants, external lender oversight, and board-level approvals establishing that this was a corporate treasury alignment exercise with tangible business purpose.

2.3 **Consolidation of Promoter Control under a Single Jurisdiction – A Bona Fide Strategic Alignment Initiative**

2.3.1 The consolidation of the promoters' shareholding in a single jurisdiction was a deliberate and bona fide corporate decision aimed at strengthening the Group's financial and governance profile. Tax authorities cannot substitute its own judgment for that of commercial management, nor can it question the prudence of such business structuring choices when they are demonstrably rooted in legitimate economic considerations.

2.3.2 This was the additional commercial objective of Group re-organization to evolve a symmetrical investment model that could lend itself to better-valuations in the event of (future) transfer to an interested (big-ticket) buyer. Obviously, potential investors consider post-tax yield of an income-generating asset to make favorable assessment regarding its potential valuation. The higher the post-tax yield, the better is the equity-valuation;

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2.3.3 The aggregation of control under one holding entity serves to enhance transparency, optimize valuation metrics, and present a coherent ownership structure to global investors, rating agencies, and financial institutions.

2.3.4 **From a strategic standpoint, consolidation in a single, credible jurisdiction like Mauritius significantly improves the Group's global credit standing and corporate profile, thereby contributing to higher valuations and more favorable financing terms.**

2.3.5 **A unified holding structure directly improves valuation and credit standing. Post-tax returns are a key metric for investors; hence, utilizing a jurisdiction where such returns are optimized under a valid tax treaty naturally enhances enterprise value. The Mauritian framework legally allows efficient post-tax earnings, thereby strengthening credit ratings, investor perception, and overall valuation metrics.**

2.3.6 Thus, Mauritius was chosen not for any tax motive but for its internationally recognized, investor-friendly ecosystem, long-standing regulatory stability, and ease of exit. The jurisdiction provides a deep and well-established financial infrastructure, allowing for greater liquidity, smoother deal execution, and higher disposal value in potential exit scenarios. Accordingly, the consolidation of promoter shareholding in Mauritius represents a commercially sound, globally accepted, and forward-looking restructuring measure, directed toward optimizing value realization rather than achieving any impermissible tax benefit.

2.3.7 The Group's credit trajectory following these acquisitions validates the underlying rationale. On 25th February, 2022 CRISIL Ratings has upgraded its rating on the long-term bank facilities and debt instruments of Vedanta Ltd (Vedanta; part of the Vedanta group) to 'CRISIL AA' from 'CRISIL AA-', and has revised the outlook to 'Stable' from 'Positive'. The short-term rating on bank facilities and commercial paper has been reaffirmed at 'CRISIL A1+. This upgrade factored sustained cash

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flow generation, progress in deleveraging, and enhanced financial flexibility following increased promoter shareholding, which streamlined the corporate structure and reduced dividend outflows.

2.4 **No Objection to Tax Authorities if Inter-Se Transfer Would Have Been Affected Through TSH, Mauritius**

2.4.1 It is respectfully submitted that the **entire sequence of transactions** — from bond issuance, delisting attempt, subsequent refinancing, and inter-se transfer of Vedanta Limited shares — arises from ***bona fide*** **business exigencies rooted in the Vedanta Group's debt optimization strategy and covenant-driven restrictions. The decision to channel acquisitions through VHM2L was not tax-driven but commercially compelled**, ensuring compliance with lender-imposed negative pledge covenants and enabling liquidity mobility across the group without triggering cross-defaults. This framework, in substance, constitutes prudent financial engineering, not artificial tax avoidance.

2.4.2 It is emphasised here that TSHL was incorporate way back three decades ago in Mauritius and has been holding majority stake in VEDL. There has been lower taxes agreed between India and Mauritius under the Double Tax Avoidance Agreement ("DTAA") which is legally accessed by TSHL without any misuse. TSHL is offering its dividend income accrued from India sourced operations at beneficial rate of 10% only given that its shareholding in VEDL exceeds 10%.

Considering above, it is respectfully submitted, without prejudice to above, that if shares held by FICL and WG were to be transferred to TSHL, there would have been same tax consequences as per India- Mauritius DTAA as in hands of TSHL as actually incurred by VHM2L in given factual context.

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3. Distinguishing the Present Case from the Vedanta Netherlands GAAR Precedent

3.1 The invocation of GAAR in the *Vedanta Netherlands* case was premised on the finding that the Dutch entity functioned as a *mere conduit*—a shell without substantive operations, created solely for the purpose of routing investments to avoid Indian tax.

3.2 In contrast, VHM2L, Mauritius stands on a demonstrably distinct footing. Its establishment was underpinned by a clear and legitimate *commercial rationale*—to consolidate promoter control, rationalize holding structures across jurisdictions, and improve the group's valuation and credit profile for future strategic exits. The entity possesses genuine operational substance, functional management oversight, and adherence to Mauritian regulatory frameworks, thereby evidencing a bona fide purpose beyond mere tax efficiency.

3.3 Thus, while *Vedanta Netherlands* involved an ALLEGED artificial-interposition of an entity devoid of substance, **VHM2L represents a commercially driven consolidation aligned with global best practices in corporate structuring**. Consequently, GAAR cannot be invoked merely on the presence of a tax advantage where the *dominant purpose* is demonstrably business-oriented, not tax-avoidance.

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4. Status Quo Ante: Re-computation of Tax Benefit and Limitation of GAAR Invocation

4.1 A critical examination of the GAAR panel's computation reveals that the alleged tax benefit of **₹1,308 crores** attributed to the inter-se transfer of shares between FICL/WG and VHM2L is grossly overstated. If one were to restore the situation to its *status ante*—that is, to the original position had the inter-se transfer not taken place and recompute the resultant tax effect, the figure demonstrably declines to approximately **₹576 crores**. This analytical recalibration exposes the overreach in the panel's computation methodology and underscores that the perceived "benefit" is neither real nor quantifiable to the magnitude alleged.

4.2 Section 90(2A) clarifies that GAAR provisions may override treaty benefits, yet such override is confined to the extent of the identified tax advantage, not a wholesale denial of commercial or structural arrangements undertaken for bona fide reasons. A re-computation of tax benefit, without prejudice to above key contentions stated in foregoing submission, is produced herein below for your kind consideration:

Restated Position- If Shares were not transferred from FICL/WG to VHM-II Ltd.					
Company	**% of Holding in VEDL India**	**Dividend Income (Allocated) ₹ in Crore**	**Applicable DTAA**	**Tax Rate as per DTAA**	**Tax on Dividend Income ₹ in Crore**
VHM-II Ltd	5.66%	904	India-Mauritius	15%	136
FICL	6.41%	583	India-UK	10%	58
WG	1.19%	57	India-Mauritius	15%	9
FY 2021-22		**1,544**			**202**
VHM-II Ltd	5.66%	1,704	India-Mauritius	15%	256
FICL	6.41%	1,930	India-UK	10%	193
WG	1.19%	358	India-Mauritius	15%	54
FY 2022-23		**3,992**			**502**
VHM-II Ltd	5.66%	1,052	India-Mauritius	15%	158
FICL	6.41%	1,191	India-UK	10%	119
WG	1.19%	221	India-Mauritius	15%	33
FY 2023-24		**2,464**			**310**
Grand Total		**8,000**			**1,015**
Less: Tax Actually Paid by the VHM-II Ltd					439
Net Tax Benefit					**576**

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4.3 *Scope of GAAR Application – Statutory Actions and Their Limits*

Section 98 prescribes that if an arrangement is declared as an impermissible avoidance arrangement ("IAA"), there would be denial of the tax benefit or denial of the tax treaty benefit. Section 90(2A) of the Act specifically provides that GAAR provisions will override tax treaty provisions.

Various actions that can be taken by tax authorities in such a case are as under:

- disregarding, combining or recharacterizing any step in, or a part of or whole of IAA;
- treating IAA as if it had not been entered into or carried out;
- disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;
- deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;
- Reallocating amongst the parties to the arrangement —
  a. any accrual, or receipt, of a capital nature or revenue nature; or
  b. any expenditure, deduction, relief or rebate;
- Treating –
  a. the place of residence of any party to the arrangement; or
  b. the situs of an asset or of a transaction, at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement; or
  c. considering or looking through any arrangement by disregarding any corporate structure.

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In the present context, even assuming that GAAR could apply, the corrective measure would merely involve ***reallocation or recharacterization of the transfer transaction between related entities to eliminate only that portion of tax benefit deemed impermissible***. **The Department cannot, under the guise of Section 98, extrapolate or amplify the benefit to an inflated figure of ₹1,308 crores when the underlying economic and tax outcome if reconstructed to the original state, is demonstrably limited to ₹576 crores.**

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ANNEXURE P-51

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1. Background

1.1 Servicing Group-level Obligations & Credit Optimization

On 12 May 2020, Vedanta Resources Limited ("VRL") publicly announced its intention to voluntarily delist the equity shares of its Indian subsidiary, Vedanta Limited ("VEDL"), from all Indian stock exchanges in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations"). The proposal marked not a new direction but a calibrated extension of the Group's consistent endeavour toward corporate simplification and financial optimization.

1.1.1 Historically, the Vedanta Group has rationalised its structure through significant mergers – the merger of Sterlite Industries in 2012, the amalgamation of Cairn India in 2016, and the delisting of Vedanta Resources Plc in 2018. The 2020 delisting initiative of VEDL was thus an intended continuum in this sequence, aimed at strengthening operational efficiency, improving transparency of internal cash flows, and facilitating sustainable deleveraging. As a result, the delisting was expected to support an accelerated debt reduction program in the medium term

1.1.2 As on 31 March 2020, VRL's consolidated debt exposure stood at approximately USD 7 billion, comprising multiple series of bonds and loan facilities. Being a non-operating holding company, VRL possessed negligible EBITDA and was almost entirely dependent on dividend inflows from VEDL and, indirectly, Hindustan Zinc Limited ("HZL"). This structural dependency created significant financial vulnerability, particularly when viewed alongside the dividend outflow leakages to minority shareholders – approximately 35 percent at HZL and 45 percent at VEDL.

1.1.3 This continuous leakage constrained VRL's capacity to deleverage. A reduction in dividend cash-ouflow losses was therefore an economic imperative. The global disruption induced by the COVID-19 pandemic intensified this necessity. Vedanta was subject to temporary disruptions leading to production being down to 80% of the capacity during the relevant lockdown periods as applicable to the respective

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mines and production facilities; simultaneously, VEDL's share price fell to around ₹ 60 per share, substantially below its intrinsic value.

1.1.4 Faced with these headwinds, VRL's Board evaluated the optimal course to preserve group liquidity and investor confidence. The delisting of VEDL was strategically chosen as it would *inter-alia*-

(i) enable consolidation of ownership,

(ii) reduce dividend leakage to minorities,

(iii) facilitate quicker upstreaming of cash for debt servicing, and

(iv) provide a fair exit to public shareholders during a period of market uncertainty.

This was an appropriate time to offer public shareholders the opportunity to release their investments far above at market price prevailing at that time and to recapture the promotor's control over the Indian operations. Having diligently observed the situation supported by internal debt maturity accruals due for repayment and external factors, in April 2020, VRL decided to float/issue a letter for voluntary delisting of the equity shares of VEDL from the Indian stock exchange in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Delisting Regulations).

1.1.5 Consequently, on 12 May 2020, VRL formally launched the delisting offer, proposing to acquire VEDL shares at ₹ 87.50 per share – a 9.9 percent premium over the market price of ₹ 79.60 (as on 11 May 2020). The floor price was certified by an independent professional firm vide its certificate dated 18 May 2020, establishing procedural integrity under the Delisting Regulations.

1.1.6 Mr. Anil Agarwal, Chairman of the Vedanta Group, succinctly articulated the rationale:

> *"Vedanta Group continues it's efforts to simplify the group structure. This proposed transaction is fully aligned to the robust strategy which has been pursued over the years. Due to the impact of Covid*

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19 pandemic, ***we have accelerated the strategy in this challenging environment to ensure support for meaningful deleveraging and to enable us to continue to invest in the growth of the business.*** *The proposed transaction will* ***transform the Group's credit profile*** *while offering a fair exit price to minority shareholders. Provided it can be completed at a price that balances the needs of all stakeholders, this transaction has the potential to fundamentally reposition our business for the future."*

1.1.7 The statement encapsulates Group's underlying philosophy – that structural simplification and fiscal prudence must operate in tandem. The shareholders of VEDL approved the delisting proposal and acquisition of publicly held shares with the requisite majority on 25 June 2020, reaffirming alignment of stakeholder interests.

1.1.8 In substance, the delisting was an exercise in legitimate financial management: a commercially sound initiative to deleverage the parent balance sheet, mitigate cash-flow inefficiencies, and sustain group-wide growth potential amid volatile market conditions. No tax-motivated element can be inferred from the contemporaneous facts or the commercial intent demonstrated.

1.2 **Structuring and Financing of the Delisting Transaction**

1.2.1 Once the shareholders of VEDL approved the delisting proposal, the next practical challenge was arranging the substantial funding required for acquisition of the publicly held shares**.** The transaction demanded liquidity of approximately ₹ 14,809 crores, a figure too material to be internally sourced without contravening existing bond covenants at the parent level.

1.2.2 At that stage, the Vedanta Group was already over-leveraged. Multiple tranches of USD-denominated bonds were outstanding across different maturities, each governed by restrictive covenants limiting further borrowings, pledges, or

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encumbrances. These contractual restrictions, embedded in prior bond documentation, necessitated a restructuring of financial headroom before any new capital could be raised.

1.2.3 Recognizing this constraint, the Group initiated a **Consent Solicitation Process** on 5 June 2020, seeking approval from bondholders to amend certain restrictive clauses. The key objectives were three-fold:

(i) to increase borrowing headroom under the indebtedness covenant to enable consummation of the delisting transaction (referred to internally as the "Take-Private Transaction");

(ii) to secure flexibility to refinance existing debt and utilise group entities with higher debt-carrying capacity; and

(iii) to align the "negative pledge" clause across all bond series for consistency and future fund-raising agility.

1.2.4 The Consent Solicitation covered USD 4.4 billion of outstanding bonds comprising:

- $900.0 million 8.25% bonds due 2021,
- $1,000.0 million 6.375% bonds due 2022,
- $500.0 million 7.125% bonds due 2023 and
- $1,000.0 million 6.125% bonds due 2024
- $400.0 million 8% bonds due 2023 and
- $600.0 million 9.25% bonds due 2026

This comprehensive exercise was aimed at harmonising covenants across maturities and securing financial autonomy critical for executing the delisting.

1.2.5 On 30 June 2020, the extraordinary resolutions were duly approved by the requisite majority of bondholders. This approval represented a clear endorsement by international investors of the Group's creditworthiness and the commercial logic underlying the delisting proposal.

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1.2.6 As on that date, the promoter and promoter-group shareholding in VEDL was at **aggregated 50.13 percent**, distributed as follows:

Twin Star Holdings Ltd. ("TSHL") – 37.1%; Finsider International Company Ltd. ("FICL") – 10.8%; Westglobe Ltd. ("WG") – 1.19%; and Welter Trading Ltd. – 1.03%. Any further acquisition required new external financing and careful navigation of existing contractual pledges.

1.2.7 It is pertinent to note that VRL's ability to raise incremental funds directly was limited by the "negative pledge" and cross-default provisions embedded in its bonds. Therefore, it was imperative to identify a fresh entity within the group—free of legacy encumbrances—that could serve as a Special Purpose Vehicle (SPV) to raise debt without violating existing restrictions.

1.2.8 The financing architecture thus designed was not an artificial layering exercise but a commercially necessary structuring framework consistent with international financing norms. The purpose was to isolate new borrowing from existing bond obligations and ensure compliance with global credit standards.

1.2.9 The Consent Solicitation and subsequent financing steps collectively illustrate the Group's genuine commercial intent to achieve deleveraging through legitimate capital-market transactions. Each procedural and financial step was supported by contemporaneous approvals, contractual documentation, and independent certifications.

1.3 **Incorporation of Vedanta Holdings Mauritius II Limited ("VHM2L/Assessee"): Commercial Necessity and Functional Role in Group Restructuring**

1.3.1 Following the delisting approval and completion of the Consent Solicitation process, the Vedanta Group sought to raise external financing for acquiring public shares. However, its principal holding entity, TSHL was already encumbered by existing bond guarantees and pledge obligations. Any additional borrowing by

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TSHL would have breached those covenants, potentially impairing the Group's global credit profile.

1.3.2 To navigate these constraints, **the Group incorporated Vedanta Holdings Mauritius II Limited ("VHM2L/Assessee") on 29 June 2020** as an unencumbered Special Purpose Vehicle to facilitate the financing leg of its corporate simplification plan. Mauritius was selected not for tax motives but for its established commercial and regulatory ecosystem, where Vedanta has operated for over three decades through TSHL. Establishing VHM2L in the same jurisdiction ensured operational synergy, governance continuity, and structural alignment within the Group's existing international framework.

1.3.3 On 17 August 2020, VHM2L successfully raised USD 1.4 billion through the issuance of 13.00% Guaranteed Senior Secured Bonds due 2023, guaranteed by Vedanta Resources Limited, Vedanta Holdings Mauritius Limited, and Vedanta Holdings Jersey Limited. The funds raised were deposited into a designated escrow account, as mandated by SEBI's delisting framework, for the sole purpose of financing the acquisition of VEDL shares.

1.3.4 It is crucial to emphasize that these funds were not diverted, layered, or re-routed for any non-commercial purpose. The creation of VHM2L was therefore a legitimate commercial response to regulatory borrowing constraints, not a device for tax mitigation or treaty arbitrage.

1.3.5 Unfortunately, the response from public shareholders was insufficient to achieve the required 90% threshold, and the offer was accordingly deemed unsuccessful.

1.3.6 Following the lapse of the delisting process, the bonds issued by VHM2L were duly redeemed along with accrued interest in October 2020, thereby extinguishing any external debt obligation of the company. It is pertinent that VHM2L did not acquire any shares of VEDL either directly or indirectly during this period, reflecting the Group's adherence to financial discipline and regulatory compliance.

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1.3.7 **Notwithstanding the delisting setback, the Group's efforts towards structural consolidation continued. The objective of simplifying the corporate structure and aligning financing flows remained strategically intact.**

1.3.8 The downgrades in the Group's international credit ratings during the interim period were not reflective of governance lapses but symptomatic of broader pandemic-induced financial tightening. On 28 July 2020, Moody's reaffirmed Vedanta Resources Limited's Corporate Family Rating at 'B1' and its senior unsecured bond rating at 'B3', while revising the outlook to negative on account of an anticipated stretch in the Group's credit profile during FY 2021 amidst COVID-19 headwinds. Subsequently, on 11 August 2020, S&P Global Ratings assigned a preliminary 'B' rating to Vedanta Resources Limited's proposed senior secured notes, reflecting the expectation that the Group's privatisation and structural consolidation would enhance liquidity and refinancing flexibility, potentially leading to an improvement in credit quality upon completion of the transaction.

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2. Key Contentions: Why GAAR Should Not Apply

2.1 Vedanta Holding Mauritius II Limited as "Investment Company": Valuation, Cash Flows and Credit Metrics Optimization

2.1.1 As stated in foregoing paragraphs, post approval of the delisting proposal and completion of the Consent Solicitation process, the Vedanta Group was positioned to raise external financing for the acquisition of public shares. The Group's existing major shareholding entity TSHL was already encumbered by prior bond guarantees and pledge obligations. Any fresh borrowings by TSHL would have constituted a technical breach of those covenants, jeopardizing the Group's global credit standing.

In view of these constraints, the Group required a new, unencumbered entity capable of independently raising funds for the delisting process and assessee was incorporated on 29 June 2020 in Mauritius as a dedicated SPV to execute this financing leg of the corporate simplification strategy.

2.1.2 Mauritius was deliberately chosen as the jurisdiction of incorporation, not for tax considerations, but for long-standing commercial, regulatory, and administrative reasons. The Vedanta Group has had an established presence in Mauritius for over three decades through TSHL, providing an efficient, stable, and business-friendly legal environment for group investments into India. The incorporation of a second entity in the same jurisdiction offered greater synergy, control, and structural consistency within the existing holding framework.

2.1.3 This is to kindly state that internationally, core commercial objective of a holding company, carrying a large group, lies *inter-alia* in the following:

1. To enable consolidated control and governance over international subsidiaries.
2. To facilitate efficient capital raising and investor participation through centralized vehicle.

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3. To simplify group restructuring, mergers, and inter-company transactions.
4. To enhance valuation and ease investor exit through globally recognized jurisdictions.
5. To streamline dividend repatriation and capital redeployment across jurisdictions.

2.1.4 **It is respectfully submitted that the incorporation and operational activities of VHM2L were driven by *bona-fide* commercial imperatives integral to the Group's global financing and structural rationalization strategy. The strategic consolidation and aggregation of Vedanta Limited's shareholding at the Mauritius level—whether through direct open-market acquisitions or intra-group transfers represent a commercially coherent exercise aligned with international norms of group-level capital management and investment structuring. The establishment and functioning of VHM2L stand on sound commercial footing, substantiating the legitimacy of its role within the Vedanta Group's global corporate architecture**.

2.1.5 With regard to GAAR panel's contention that why TSHL could not be used to undertake the acquisition of VEDL shares and inter- company transfer of shares from FICL & WG, it is submitted that , without prejudice to above, even if shares held by FICL and WG were to be transferred to TSHL, there would have been same tax consequences as per India- Mauritius DTAA as in hands of TSHL as actually incurred by VHM2L in given factual context.

2.1.6 **Furthermore, without prejudice to above, the Indian Supreme Court has recognized that multi-tier holding and SPV structures are legitimate instruments of international investment and corporate finance. Vedanta's multi-layered structure with TSHL, VHM1L, and VHM2L merely represents a continuation of such lawful structuring aligned with its historical presence in Mauritius. Courts have repeatedly held that such legal structures cannot be disregarded merely because they yield incidental treaty benefits.**

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It bears emphasis that the Mauritius platform of the Vedanta Group has existed for over three decades. The incorporation of VHM2L in 2020 is not a standalone event but a natural extension of that long-standing investment base, reflecting continuity of presence, management, and governance in Mauritius.

2.2 **Inter-se transfer of Shares- Optimized Cash Flow and Treasury Management**

2.2.1 Although the formal delisting of VEDL could not be consummated due to insufficient shareholder response, the Vedanta Group's strategic objective i.e. consolidation of promoter shareholding and reduction of dividend leakage remained unaltered. The Group, therefore, continued to pursue consolidation through permissible open-market and open-offer mechanisms consistent with SEBI norms. In this backdrop, having redeemed the USD 1.4 billion VHM2L bonds in October 2020, the Group entered discussions with OCM Verde XI Investments Pte. Ltd. (Oak Tree), a reputed international private credit provider, to raise fresh funds.

2.2.2 Simultaneously, on 9 December 2020, Vedanta Resources Limited (through VRL Finance Plc, UK) had issued USD 1 billion bonds bearing 13.875% interest (maturing January 2024) in a private placement to Qualified Institutional Buyers ("QIBs"). TSHL served as one of the primary guarantors to this bond issuance. However, the bond covenants under "Clause 3 – Covenants of the Bond Issue" explicitly prohibited the guarantor from availing any additional borrowings or creating any charge, pledge, lien, or encumbrance on assets held by it.

2.2.3 Given these covenants, TSHL was legally restrained from securing new loans or pledging its existing VEDL shares. This constraint made it commercially imperative for the Group to utilise VHM2L, a financially clean entity, to raise the Oak Tree facility. It was thus imperative to borrow loan funds in a new/blank company which neither have any borrowings nor provided any guarantee or pledged its assets. If it

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had been permissible to take the loan in TSH, there would have been no reason for the management to route it through VHM2L instead. Under the terms of the Loan Agreement dated 23rd December 2020, Oak Tree extended a secured loan of USD 1 billion to VHM2L at 13.2% p.a., with explicit conditions that VHM2L must remain the sole legal and beneficial owner of its assets, including any VEDL shares acquired; and such shares shall not be pledged, encumbered, or otherwise used as cross-collateral for any third-party obligations.

Clause 17.20 of the loan agreement is reproduced herein for quick reference:

> ***"****Assessee will be the sole legal and beneficial owner of its assets including the shares of VEDL acquired by it."*

Thus, the amount of $1 Bn bearing an interest rate of 13.2% per annum was sanctioned between VHM2L and Oaktree for the purpose of acquiring VEDL shares, meeting corporate expenses and such other purposes as may be agreed upon between the assessee and Oaktree mutually.

2.2.4 The principal repayment was agreed to be settled in three installment due in FY23-24 & FY24-25. A summary of total obligation due for repayment to Oaktree is produced below for kind reference:

Particulars		Amount ($ Mn)
Principal Outstanding		750
Interest Payable @13.20% pa		286
FY 2020-21	$58	
FY 2021-22	$87	
FY 2022-23	$102	
FY 2023-24	$39	
Total Obligation		**1036**

**The final Instalment of $255mn due in April 24 was prepaid in Feb24.*

2.2.5 Given above, VHM2L, being the borrower under the Oak Tree facility, was obligated to ensure timely servicing of interest and principal repayments aggregating approximately **USD 1,036 million** over the subsequent three financial years.

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2.2.6 The said loan proceeds were primarily utilised for strategic acquisition of VEDL shares. On 24 December 2020, VHM2L purchased 18.5 crore shares of VEDL at ₹160 per share via bulk deal on the stock exchange, representing a **4.98% stake**. This purchase was duly approved by VHM2L's Board vide its resolution dated 24 December 2020.

Further, on 23 March 2021, the Group launched a Voluntary Open Offer ("VOO") to acquire up to 65.1 crore VEDL shares at ₹235 per share from public shareholders. The offer closed on 16 April 2021, resulting in promoter group's acquisition of approximately **10.07%** additional shareholding in aggregate, of which **0.66% (2.54 crore shares)** were acquired in favour of VHM2L.

2.2.7 The shares acquired by VHM2L were pledged with Oak Tree strictly in accordance with the terms of the facility. The legal structure thereby adhered to both regulatory and commercial disciplines — an example of legitimate international financing aligned with group-level debt management.

2.2.8 **It must be emphasised that had the intention been tax-driven, the acquisitions would logically have been executed by TSHL., an established Mauritius entity enjoying historical treaty eligibility. Instead, the Group deliberately chose to transact through VHM2L for purely commercial reasons dictated by financing constraints and lender covenants.**

2.2.9 In the subsequent year, VHM2L entered into a loan agreement dated 15 December 2021 with FICL whereby FICL extended an inter-company loan of USD 1.313 billion to VHM2L at an interest rate of LIBOR plus 3.75% per annum to be utilised **"only for inter-se transfer of VEDL shares and settlement of incidental expenses"**, thereby reflecting a clear commercial nexus between borrowing and acquisition.

The said transaction was duly approved by VHM2L's Board at its meeting held on 15 December 2021, and all requisite corporate formalities were complied with under the applicable laws of Mauritius. This internal documentation underscores

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that the transaction was not a post-facto accommodation but a pre-approved, formally sanctioned, and commercially justified step.

2.2.10 Pursuant to the above arrangement, VHM2L purchased the following blocks of shares on the Indian stock exchange through duly recorded bulk deals:

- On 16 December 2021, 17.01 crore shares (4.58%) were acquired from FICL
- On 21 December 2021, 6.79 crore shares (1.83%) were acquired from FICL
- On 23 December 2021, 4.43 crore shares (1.19%) were acquired from WG

As a result of these inter-se acquisitions, the shareholding of VHM2L in VEDL rose from 5.66% to 13.26%, representing a consolidated increase of 7.60%. **This consolidation was a commercially coherent move, aligning the dividend income streams with the debt-servicing obligations under the Oak Tree facility. The dividends received by VHM2L post-transfer substantiate this reasoning.**

2.2.11 Having completed the above inter-se transfer of shares between companies, VHM2L become the beneficial owner of respective shares held in VEDL. During the period from December 2021 to March 2024, VHM2L received cumulative dividends of approximately **USD 1,008 million** from VEDL, apportioned as follows:

- On directly held shares: USD 469 million (5.66% stake)
- On shares acquired from FICL: USD 459 million; and (6.41% stake)
- On shares acquired from WG: USD 80 million (1.19% stake)

The dividend inflows from the shares transferred by FICL and WG (USD 539 million in aggregate) supported closely the interest and principal obligations under the Oak Tree loan (USD 1,036 million), demonstrating perfect financial alignment and reinforcing that the inter-se transfers were grounded in economic substance and prudential cash-flow management. The table below reflects the analytical parity between the Group's debt obligations and dividend receipts:

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Debt Obligations	Amount ($ Mn)	Cash Inflows	Amount ($ Mn)
Principal Outstanding to Oaktree (Liquidated over 3-year tenure)	750	Dividend income on shares directly acquired from market	469
Interest on above @13.20%	286	Dividend income on shares transferred from FICL & WG	539
Total Outgoing	**1036**	**Total Incoming**	**1008**

The financial symmetry evident above validates the inter-se transfer was a commercially calibrated measure ensuring that the entity obligated to a third-party lender possessed adequate income streams for repayment. It is equally important to note that post-transfer, VHM2L exercised exclusive control over its dividend income and utilised these funds autonomously for (i) loan repayments and operational expenses, all at the discretion of its Board. This independent financial conduct reinforces the entity's commercial substance.

2.2.12 Commercial Rationale for Inter-se transfer:

(i) The primary objective of Group re-organization was to find efficient ways of servicing huge debt-obligations that were burdening the SPV. The VHM2L's treasury was constantly under pressure to avoid potential-defaults in servicing the piled-up debt, that could have lead OakTree to invoke securities/ pledges for enforcing recovery of its un-serviced/ outstanding loan by forcing sale of underlying shares held by the SPV. The Group could have, under the circumstances, lost all its investments;

(ii) Since the assessee is an investment company and does not have any operational cash flows, it was imperative to serve interest and principal repayment obligations towards Oaktree in timely manner without any official default/breach of any loan agreement that could adversely impact the Group's credit profile in global as well as domestic market. The annual cash-flow projections demonstrated that the dividend income accruing on

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VHM2L's existing 5.66% stake in VEDL would be insufficient to meet these obligations.

(iii) The Board of VHM2L therefore considered internal restructuring options to strengthen its dividend base and ensure financial self-sufficiency. This commercial imperative to secure adequate internal cash flows to avoid default under an external loan covenant led to the decision to consolidate additional VEDL shares within VHM2L through intra-group transfer of shareholdings.

(iv) Additionally, it was to provide additional comfort to the lender, viz. OakTree, by bringing greater investments under the common umbrella of the VHM2L. It virtually increased the margin-of- security available to the Oaktree for enforcing recovery in case of potential default by the VHM2L of its loan-obligation. Accordingly, the Group re- organization also served the essential purposes of pacifying the lender and keeping him engaged for future loans.

(v) Further, Oak Tree, being a global private lender, required a bankruptcy-remote entity devoid of prior liabilities or encumbrances to protect its security interest. VHM2L, as a newly constituted SPV with no legacy borrowings, met this eligibility criterion. From Vedanta's perspective, ring-fencing the lender's exposure to newly acquired shares of VEDL was prudent, as it avoided contamination of the Group's existing shareholding and upheld the sanctity of prior bond covenants.

2.2.13 Thus, it is respectfully submitted that the inter-se share transfer between FICL, WG and VHM2L was an inevitable downstream movement of equity within the group structure to balance leverage, ring-fence security, and maintain loan covenants post-Oaktree facility. No extraneous benefit, tax or otherwise arose to the assessee from the transfer. The transaction was executed under documented loan covenants, external lender oversight, and board-level approvals establishing

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that this was a corporate treasury alignment exercise with tangible business purpose.

2.3 **Consolidation of Promoter Control under a Single Jurisdiction – A Bona Fide Strategic Alignment Initiative**

2.3.1 The consolidation of the promoters' shareholding in a single jurisdiction was a deliberate and bona fide corporate decision aimed at strengthening the Group's financial and governance profile. Tax authorities cannot substitute its own judgment for that of commercial management, nor can it question the prudence of such business structuring choices when they are demonstrably rooted in legitimate economic considerations.

2.3.2 This was the additional commercial objective of Group re-organization to evolve a symmetrical investment model that could lend itself to better-valuations in the event of (future) transfer to an interested (big-ticket) buyer. Obviously, potential investors consider post-tax yield of an income-generating asset to make favorable assessment regarding its potential valuation. The higher the post-tax yield, the better is the equity-valuation;

2.3.3 The aggregation of control under one holding entity serves to enhance transparency, optimize valuation metrics, and present a coherent ownership structure to global investors, rating agencies, and financial institutions.

2.3.4 **From a strategic standpoint, consolidation in a single, credible jurisdiction like Mauritius significantly improves the Group's global credit standing and corporate profile, thereby contributing to higher valuations and more favorable financing terms.**

2.3.5 **A unified holding structure directly improves valuation and credit standing. Post-tax returns are a key metric for investors; hence, utilizing a jurisdiction where such returns are optimized under a valid tax treaty naturally enhances**

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enterprise value. The Mauritian framework legally allows efficient post-tax earnings, thereby strengthening credit ratings, investor perception, and overall valuation metrics.

2.3.6 Thus, Mauritius was chosen not for any tax motive but for its internationally recognized, investor-friendly ecosystem, long-standing regulatory stability, and ease of exit. The jurisdiction provides a deep and well-established financial infrastructure, allowing for greater liquidity, smoother deal execution, and higher disposal value in potential exit scenarios. Accordingly, the consolidation of promoter shareholding in Mauritius represents a commercially sound, globally accepted, and forward-looking restructuring measure, directed toward optimizing value realization rather than achieving any impermissible tax benefit.

2.3.7 The Group's credit trajectory following these acquisitions validates the underlying rationale. On 25th February, 2022 CRISIL Ratings has upgraded its rating on the long-term bank facilities and debt instruments of Vedanta Ltd (Vedanta; part of the Vedanta group) to 'CRISIL AA' from 'CRISIL AA-', and has revised the outlook to 'Stable' from 'Positive'. The short-term rating on bank facilities and commercial paper has been reaffirmed at 'CRISIL A1+. This upgrade factored sustained cash flow generation, progress in deleveraging, and enhanced financial flexibility following increased promoter shareholding, which streamlined the corporate structure and reduced dividend outflows.

2.4 No Objection to Tax Authorities if Inter-Se Transfer Would Have Been Affected Through TSH, Mauritius

2.4.1 It is respectfully submitted that the **entire sequence of transactions** — from bond issuance, delisting attempt, subsequent refinancing, and inter-se transfer of Vedanta Limited shares — arises from ***bona fide* business exigencies rooted in the Vedanta Group's debt optimization strategy and covenant-driven restrictions. The decision to channel acquisitions through VHM2L was not tax-driven but commercially compelled**, ensuring compliance with lender-imposed negative pledge covenants and enabling liquidity mobility across the group

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without triggering cross-defaults. This framework, in substance, constitutes prudent financial engineering, not artificial tax avoidance.

2.4.2 It is emphasised here that TSHL was incorporate way back three decades ago in Mauritius and has been holding majority stake in VEDL. There has been lower taxes agreed between India and Mauritius under the Double Tax Avoidance Agreement ("DTAA") which is legally accessed by TSHL without any misuse. TSHL is offering its dividend income accrued from India sourced operations at beneficial rate of 10% only given that its shareholding in VEDL exceeds 10%.

Considering above, it is respectfully submitted, without prejudice to above, that if shares held by FICL and WG were to be transferred to TSHL, there would have been same tax consequences as per India- Mauritius DTAA as in hands of TSHL as actually incurred by VHM2L in given factual context.

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3. Distinguishing the Present Case from the Vedanta Netherlands GAAR Precedent

3.1 The invocation of GAAR in the *Vedanta Netherlands* case was premised on the finding that the Dutch entity functioned as a *mere conduit*—a shell without substantive operations, created solely for the purpose of routing investments to avoid Indian tax.

3.2 In contrast, VHM2L, Mauritius stands on a demonstrably distinct footing. Its establishment was underpinned by a clear and legitimate *commercial rationale*—to consolidate promoter control, rationalize holding structures across jurisdictions, and improve the group's valuation and credit profile for future strategic exits. The entity possesses genuine operational substance, functional management oversight, and adherence to Mauritian regulatory frameworks, thereby evidencing a bona fide purpose beyond mere tax efficiency.

3.3 Thus, while *Vedanta Netherlands* involved an ALLEGED artificial-interposition of an entity devoid of substance, **VHM2L represents a commercially driven consolidation aligned with global best practices in corporate structuring**. Consequently, GAAR cannot be invoked merely on the presence of a tax advantage where the *dominant purpose* is demonstrably business-oriented, not tax-avoidance.

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4. Status Quo Ante: Re-computation of Tax Benefit and Limitation of GAAR Invocation

4.1 A critical examination of the GAAR panel's computation reveals that the alleged tax benefit of **₹1,308 crores** attributed to the inter-se transfer of shares between FICL/WG and VHM2L is grossly overstated. If one were to restore the situation to its *status ante*—that is, to the original position had the inter-se transfer not taken place and recompute the resultant tax effect, the figure demonstrably declines to approximately **₹576 crores**. This analytical recalibration exposes the overreach in the panel's computation methodology and underscores that the perceived "benefit" is neither real nor quantifiable to the magnitude alleged.

4.2 Section 90(2A) clarifies that GAAR provisions may override treaty benefits, yet such override is confined to the extent of the identified tax advantage, not a wholesale denial of commercial or structural arrangements undertaken for bona fide reasons.

4.3 A re-computation of tax benefit, without prejudice to above key contentions stated in foregoing submission, is produced herein below for your kind consideration:

Restated Position- If Shares were not transferred from FICL/WG to VHM-II Ltd.					
Company	**% of Holding in VEDL India**	**Dividend Income (Allocated) ₹ in Crore**	**Applicable DTAA**	**Tax Rate as per DTAA**	**Tax on Dividend Income ₹ in Crore**
FY 2021-22					
VHM-II Ltd	5.66%	904	India-Mauritius	15%	136
FICL	6.41%	583	India-UK	10%	58
WG	1.19%	57	India-Mauritius	15%	9
FY 2022-23		**1,544**			**202**
VHM-II Ltd	5.66%	1,704	India-Mauritius	15%	256
FICL	6.41%	1,930	India-UK	10%	193
WG	1.19%	358	India-Mauritius	15%	54
FY 2023-24		**3,992**			**502**
VHM-II Ltd	5.66%	1,052	India-Mauritius	15%	158
FICL	6.41%	1,191	India-UK	10%	119
WG	1.19%	221	India-Mauritius	15%	33
		2,464			**310**
Grand Total		**8,000**			**1,015**
Less: Tax Actually Paid by the VHM-II Ltd					439
Net Tax Benefit					**576**

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4.4 *Scope of GAAR Application – Statutory Actions and Their Limits*

Section 98 prescribes that if an arrangement is declared as an impermissible avoidance arrangement ("IAA"), there would be denial of the tax benefit or denial of the tax treaty benefit. Section 90(2A) of the Act specifically provides that GAAR provisions will override tax treaty provisions.

Various actions that can be taken by tax authorities in such a case are as under:

- disregarding, combining or recharacterizing any step in, or a part of or whole of IAA;
- treating IAA as if it had not been entered into or carried out;
- disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;
- deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount;
- Reallocating amongst the parties to the arrangement —
    a. any accrual, or receipt, of a capital nature or revenue nature; or
    b. any expenditure, deduction, relief or rebate;
- Treating –
    a. the place of residence of any party to the arrangement; or
    b. the situs of an asset or of a transaction, at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement; or
    c. considering or looking through any arrangement by disregarding any corporate structure.

In the present context, even assuming that GAAR could apply, the corrective measure would merely involve ***reallocation or recharacterization of the transfer transaction***

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between related entities to eliminate only that portion of tax benefit deemed impermissible. **The Department cannot, under the guise of Section 98, extrapolate or amplify the benefit to an inflated figure of ₹1,308 crores when the underlying economic and tax outcome if reconstructed to the original state, is demonstrably limited to ₹576 crores.**



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VEDANTA HOLDINGS MAURITIUS II LIMITED

(the "Company")
C/o Amicorp (Mauritius) Limited,
6th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius

November 10, 2025

Hon'ble Approving Panel
General Anti Avoidance Rules
Income Tax Department
Room No. 395, 3rd Floor
CR Building, IP Estate
New Delhi-110002

Dear Sir,

Sub: Notice issued under section 144BA of the Act in the case of Vedanta Holdings Mauritius II Limited for AY 2022-23 (Assessee) PAN: AAHCV4933B

This is with reference to the ongoing proceedings and the hearing scheduled for today.

Nothing withstanding and without prejudice to the prior submissions, the following (additional) key-arguments are being placed on record to assist the Hon'ble panel form a comprehensive view of the matter.

1. GAAR cannot apply where *legitimate* tax-planning solemnly shoulders sacrosanct-duty to enhance commercial-viability of investments. In other words, *GAAR cannot frustrate beholden-duty, such as, that of a holding-company, to explore legitimate-options to make investments commercially-attractive and economically-viable for its shareholders.*

1.1. GAAR is attracted where convoluted tax-planning is hidden under the covers, whereas the *façade* of the covering-arrangement is liable to be dismissed as "*lacking* commercial substance". It is the same principle as that of putting 'substance-over-form'.

1.2. GAAR cannot possibly apply where the principal-charter of a company (such as, a holding-company) is to devise/ explore legitimate ways & means to consolidate holdings, improve cash-flows, explore favorable tax-domicile(s), and create shareholder-value by restructuring/ reorganizing intra-group investments, etc.

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1.3. In other words, in the aforesaid context, GAAR cannot be invoked by raising **conflated allegations** of "*tax-manipulation*" and (inappropriately) bringing it to the forefront, in cases where "legitimate tax-planning" is intimately and solemnly ingrained into the beholden-duty, such as, that of a holding-company, to make investments commercially-viable and economically-sustainable for its shareholders. In such cases, the 'hidden-substance' is the same as the 'apparent-form'.

2. Multi-pronged commercial-rationale behind aggregation/ consolidation of investments into a Common Vehicle (viz. VHM-II-L) in addition to administrative-convenience, group simplification and holding-structure rationalization)

2.1. The (multi-pronged) commercial-rationale behind intra-group consolidation of VEDL shares (*effectively* via Equity-Swap with Finsider) was to -

2.2. Garner sufficient inventory of VEDL shares into common-pool so that there were sufficient (future) incoming dividend/ cash-flows to service onerous debt-obligations (Principal + Interest) owed to the external-lender, viz. OakTree. In this regard, the tabular-summary below (**prepared from audited cashflow statements for the relevant years**) is self-explanatory:

Balancing Equation : Cash-flow management

Debt Obligations	Amount ($ Mn)	Cash Inflows	Amount ($ Mn)
Principal Outstanding to Oaktree (Liquidated over 3-year tenure)	750	(Cumulative) Dividend income on shares directly acquired from market (OakTree funding)	469
Interest on above @ 13.20% p.a.	286	(Cumulative) Dividend income on shares transferred from FICL & WG (i.e. Intra-Group Transfers *viz. a. viz.* Share-Swap with Finsider/ funding extended by Finsider)	539
Total Outgoing	**1036**	**Total Incoming**	**1008**

2.3. Allow OakTree enhanced (direct) security-buffer on its lending - by stepping-up the asset-base of VHM-II-L [(regardless of guarantees that OakTree may have otherwise been entitled to invoke under the terms-of-lending – thereby inspiring confidence in the lender – with a view to facilitate future borrowings)];

2.4. Seeking 'market-approval' for *improved* credit-ratings -having a direct *positive* bearing on coupon-rate of future/ planned/ group borrowings;

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2.5. Following the natural-curve (after having a failed-attempt at delisting) to prepare/ get-ready/ consolidate share-inventory for (potential) future-sale to an interested buyer (future promoter-plans are not necessarily disclosed in Board resolutions);

2.6. Increasing post-tax returns of dividend-yielding assets (viz. VEDL shares) - in order to gain commensurate upside on EBIDTA multiple *viz. a viz.* future-valuations (benefits under Mauritius tax-treaty legitimately-availed with PRIMARY objective of improving asset-valuations in context of future-sale, and not with a telescopic-view to short-change the Indian Revenue);

2.7. Increasing the "bargaining-power" in context of future-sale - by aggregating investments under a common roof, rather than having them scattered across multiple jurisdictions - thereby increasing perceived difficulty (leading to consequential price-discounting) on account of post-deal consolidation by a potential buyer.

3. Current case is *prima facie* distinguished-on-merits/ facts as against earlier (negative) ruling of the GAAR Panel in case of Vedanta BV

3.1. VHM2L establishment was underpinned by a clear and legitimate *commercial rationale*—to consolidate promoter control, rationalize holding structures across jurisdictions, and improve the group's valuation and credit profile for future strategic exits.

3.2. The Assessee, inter alia, possesses genuine operational substance, functional management oversight, and adherence to Mauritian regulatory frameworks, thereby evidencing a bona fide purpose beyond mere tax efficiency.

4. (Incremental) Tax demand shall scale-down to ~ ₹ 575 crores (not ₹ 1308 crores) if STATUS-QUO ANTE is restored

4.1. The alleged tax benefit of **₹1,308 crores** attributed to the inter-se transfer of shares between FICL/WG and VHM2L is grossly overstated. If one were to restore the situation to its *status ante*— that is, to the original position had the inter-se transfer not taken place and recompute the resultant tax effect, the figure demonstrably declines to approximately **₹576 crores**.

Encl: Detailed writeup as Annexure 1

Trust the above clarifies.

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Thanking you,
Yours faithfully,

For **Vedanta Holdings Mauritius II Ltd.**

Name: Shakill Ahmad Toorabally

Designation: Authorised Signatory

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IN THE HIGH COURT OF DELHI AT NEW DELHI

(EXTRAORDINARY CIVIL WRIT JURISDICTION)

C.M. APPL. NO. _____ OF 2025

IN

WRIT PETITION (C) NO. _____ OF 2025

IN THE MATTER OF:

Vedanta Holdings Mauritius II Limited ...Petitioner

VERSUS

Commissioner of Income Tax,
(International-Tax)-3, Delhi & Anr. …Respondents

APPLICATION UNDER SECTION 151 OF THE CODE OF CIVIL PROCEDURE, 1908, ON BEHALF OF THE PETITIONER, FOR GRANT OF INTERIM STAY ON THE OPERATION OF THE IMPUGNED ORDER DATED 28.11.2025

The Petitioner above-named

MOST RESPECTFULLY SHOWETH:

1. That by way of the present Writ petition, the Petitioner is seeking a writ in the nature of Certiorari or any order appropriate writ for quashing of the Order dated 28.11.2025 ("**Impugned Order**") passed by the Approving Panel ('**AP**') under General Anti-Avoidance Rule ("**GAAR**"), whereby the AP has held that the incorporation of the Petitioner in Mauritius ("**the**

Company") and the entire set of transactions leading to aggregation of 13.26% shareholding of Vedanta Limited ("**VEDL**") in the Company, including acquisition of shares from Finsider International Company Ltd. ("**FICL**") and Westglobe Ltd. ("**Westglobe**") as an "impermissible avoidance arrangement" under the GAAR prescribed under Section 96 r.w.s. 97 of the Income Tax Act, 1961 ("**Act**") and all the consequent proceedings thereto; as well as writs in the nature of mandamus and or prohibition or an Order prohibiting the Respondents from taking any further steps pursuant to the Impugned Order, including framing the assessment in the Petitioner's case for Assessment Year ('**AY**') 2022-2023.

2. That the Petitioner assails the validity of the Impugned Order and the consequential proceedings on the ground that it is patently illegal and contrary to the very scheme of GAAR which is prescribed under Chapter X-A of the Act and is liable to be quashed. The Petitioner seeks to rely upon the contents of the accompanying Writ Petition, which may be kindly read as part of the present application as the same are not being repeated for the sake of brevity.

3. That by way of the present application, the Petitioner is seeking a stay on the operation of the Impugned Order all the proceedings initiated pursuant to it and on the following grounds:

    a. The incorporation of the Petitioner was as a consequence of abolishment of DDT and to take benefit of the reduced rate of dividend under the India-Mauritius Double Taxation Avoidance Agreement ('India-Mauritius DTAA'). As explained elaborately in the writ petition the Petitioner was incorporated in order to effectuate delisting of VEDL and it is an admitted position that the Petitioner

had raised loans through issuance of bonds for the very same purpose of delisting. The money raised from the bonds was kept in an escrow account as mandated by SEBI which also not under dispute. Therefore, the incorporation of the Petitioner even though after the abolishment of DDT was not for the purpose of availing the benefit of India-Mauritius DTAA.

b. The other finding of the AP that there was no commercial rationale for incorporation of the Petitioner in Mauritius is also patently illegal. It is an admitted position by the AP that the Vedanta Group has been operating from Mauritius as it is at an advantageous position for cost of workforce refer to Para 7.1(vii) at Pg. 19 of the Impugned Order. That apart, as explained later in the writ petition the reason for transfer of shares from other group companies to the Petitioner was to consolidate the share holding at one level and also have higher liquidity in order to repay the loans. These are a purely commercial considerations which outweighs the tax benefit or disadvantage which the Respondents may consider relevant for GAAR. However, it is not the prerogative of the Respondent but that of the businessman/ Petitioner which is to be considered while deciding whether there was commercial rationale while setting up the Petitioner and the subsequent acquisition of shares including transfers from other group companies to the Petitioner.

c. The AP incorrectly considered as irrelevant the fact that the control and management of the Petitioner was in Mauritius, it had a valid TRC and GBC License and therefore, in view of Circular No. 789 it had to be treated as a tax resident of Mauritius. The GAAR could not have been invoked to override a specific exemption and a

specific benefit given under the tax treaty and which is confirmed by the CBDT by way of the said circular. Even otherwise with effect from AY 2022-2023 onwards limitation for Limitation of Benefit Clause was inserted in the India-Mauritius DTAA and the Petitioner fulfils the said criteria and therefore GAAR could not have been invoked where there is a specific LOB Clause and which has been duly satisfied by the Petitioner.

d. The GAAR proceedings have been conducted without providing crucial documents to the Petitioner, thereby violating the Principles of Natural Justice

e. It is submitted that the foundational jurisdictional documents including information received from FT & TR and Form 3CEG have never been furnished to the Petitioner, till date. Failure to supply these documents deprives the Petitioner of the opportunity to know the reasons, material, and factual assumptions of the Respondents. Moreover, the Petitioner has also not been provided with "documentary evidences referred to as submission" relied upon by the Respondent No. 1 while recording its satisfaction to refer the Petitioner's case to AP. Even before the AP copy of the said documents as well as the Paper-book relied upon by the Revenue were never provided to the Petitioner.

f. The withholding of these documents is a gross infraction of the principle of natural justice, vitiates the statutory satisfaction, and renders the reference itself illegal and non-est in law. Therefore, the Impugned Order itself is non-jurisdictional and deserves to be set aside.

g. It is submitted that the Impugned Order decides the tax implications of FICL and Westglobe, who were not even party to the proceedings before the AP, thereby condemning parties unheard. After holding

that the arrangement in question constitutes an impermissible avoidance arrangement, the AP outlined the tax consequences of such determination. One of the consequences was to disregard the transactions between Finsider and Westglobe and the Petitioner and tax the dividends as if shares of VEDL were continued to be held by FICL and Westglobe, who were not even a party to the proceedings before the AP.

h. Further, the AP held that the Indian income-tax on capital gains paid by FICL on sale of shares of VEDL to the Petitioner amounting to Rs. 138.1 crores should be adjusted against the additional tax imposed on dividends because of the arrangement being declared an impermissible avoidance arrangement. The Petitioner believes that FICL availed foreign tax credit under UK law and the India-UK DTAA, which would directly be affected because of this direction. Not only is such a direction unworkable under law but affects the rights of FICL which was not a party to the GAAR proceedings. This action of the AP is patently perverse and illegal, thereby making the Impugned Order liable to be quashed.

i. It is submitted that the Respondents have incorrectly concluded that the transfer of shares from FICL and Westglobe to the Petitioner was undertaken with the main purpose being obtaining a tax benefit. The Respondents have completely glossed over key facts which clearly establish that the tax benefit received by the Petitioner is merely incidental consequence of the transactions undertaken with a specific business purpose of corporate simplification and de-leveraging the Vedanta Group. In any case, as a major shareholder of VEDL who has always held shares in VEDL through Mauritius the Vedanta group is entitled to seek the lower rate of tax specified for shareholders holding more than 10% shares of an Indian

company. One SPV of the group TSHL was entitled to this benefit and it is perfectly in order for the group to ensure that its other SPVs are also entitled to the benefit. Ensuring this is not tax avoidance but amounts to claiming a legitimate tax benefit in line with the object and spirit of the Double Tax Avoidance Treaty between India and Mauritius which seeks to incentivise shareholders to hold a significant percentage of their shareholding in Indian companies from entities in Mauritius.

j. It is further submitted that, since the Petitioner had raised funds through a loan from Oak Tree, it had interest obligations of its own, which it fulfills through dividends received from VEDL. The amount of dividends earned from holding 13.26% stock of VEDL enabled the Petitioner to earn larger and sufficient income to service its own debt obligations.

k. It is also submitted that one of the business motives behind the structure was to prevent a decrease in valuation of the shares through illiquidity discounts that could be applied at the time of a possible sale of shares in the future. An “illiquidity discount”, or “discount for lack of marketability” is applied when calculating the fair value of shares, when the marketability/demand for those shares is decreased due to factors such as lack of control, multiple layers of subsidiaries that dilute dividend streams, tax leakages that may occur at multiple levels of shareholding due to capital gains taxation at multiple levels, being over-leveraged, etc. In order to prevent such illiquidity discounts, it was the aim of the group to consolidate shareholding at one level, as far as possible.

l. It is therefore clear, that the transactions at issue, i.e., the downstream transfer of shares from FICL and Westglobe to the Petitioner, were undertaken with the specific business purpose, and

not merely for obtaining a tax benefit under the India-Mauritius DTAA. This is further evident by the fact that dividends were being paid by VEDL to the Petitioner even when the applicable rate of tax was 15%. The Impugned Order completely glosses over these facts, and deserves to be set aside.

m. It is submitted that the Petitioner was incorporated as a Mauritian SPV to satisfy operational, regulatory and financing constraints associated with the VEDL delisting process under SEBI norms. After the failure of the delisting process which was unexpected activating the Petitioner, a Mauritian Company as an SPV to acquire additional shares was a direct consequence of (i) the VRL Bond covenants restricting upstream leverage, (ii) lender conditions imposed by Oak Tree requiring ring-fencing of assets. These factors constituted compelling commercial reasons, and therefore, the pre-condition under Section 96(1) that the main purpose of the arrangement must be to obtain a tax benefit is wholly absent. Moreover, in these facts, even the timing of the incorporation of the Petitioner, soon after the abolition of the DDT is irrelevant. Therefore, in the absence of the primary jurisdictional trigger, the GAAR machinery cannot be set in motion.

n. It is submitted that the Impugned Order suffers from inherent contradictions and is patently perverse, illegal and completely contrary to the provisions of the Act. Even though the AP, while disregarding the existence of the Petitioner, holds that the dividends paid by VEDL ought to be taxed as if the shares of VEDL are held by FICL and Westglobe. However, in the same breath, the AP applies the 15% withholding tax rate to all dividends under Article 10(2)(a) of the India-Mauritius DTAA, including the dividends assumed to be income of FICL. This action is patently illegal, inasmuch as

dividends on shares assumed to be held by FICL ought to be taxed at the rate of 10% prescribed in Article 11(2)(a) of the India-UK DTAA. Moreover, as a result of the Petitioner's existence being disregarded completely, the dividends pertaining to the 4.98% stock of VEDL acquired by the Petitioner in the open market cannot be the income of the Petitioner at all. Thus, the AP has given completely contrary directions which are also unworkable under the Act, thereby making them illegal and patently perverse.

o. In any case, the consequences of the alleged impermissible avoidance arrangement laid down in the Impugned Order goes beyond the mandate of section 98(1)(a) of the Act, on which the AP has placed reliance. Even though section 98(1)(a) of the Act allows disregarding a step in an impermissible avoidance arrangement, it does not give the power to the AP to lay down any tax effect as it may please. It is submitted that the consequence of disregarding a step or part of the transaction has to be given effect to in a manner that is prescribed under the Act. The AP cannot be allowed to apply rates of tax which cannot be applied at all, or tax one person's income in another person's hand. Such an action is directly violative of Article 265, of the Constitution of India, which mandates that no tax can be levied without the authority of law. [Refer: Sun Pharmaceutical Industries Ltd. v. ITO, (2025) 480 ITR 164; Mafatlal Industries v. Union of India, (1997) 5 SCC 536]. This renders the Impugned Order highly arbitrary, illegal, patently perverse and is liable to be set aside.

p. That the AP has incorrectly held that the transactions at issue did not result in any increase in the "combined cash flow of all parties involved", thereby attracting section 97(1)(d) of the Act. The said conclusion is based on a completely incorrect reading of section

97(1)(d) of the Act, which requires that an arrangement not have a "significant effect upon the….net cash flows of any party" for it to be an impermissible avoidance arrangement. It is thus clear, that if a transaction increases the cash flow for even a single party in a transaction, section 97(1)(d) of the Act is not attracted.

q. In the instant case, as already stated above, the transactions were structured in a manner that incrseases the cash flow for the Petitioner. The Respondents have completely glossed over the fact that the Petitioner first acquired 4.98% stock of VEDL from the open market, therefore increasing its cash flow. This would also in turn, increase cash flow for the parent entities of the Vedanta Group. Thereafter, shares were acquired by the Petitioner from FICL and Westglobe to increase cash flow of the Petitioner to match its debt servicing obligations. Therefore, the action of the AP to attract section 97(1)(d) of the Act to the facts of the instant case is completely misplaced, thereby rendering the Impugned Order void and liable to be set aside.

r. The Respondents cannot invoke GAAR on the basis that the group as a whole has received tax benefits, especially since there is no concept of group tax liability in India.

s. That the AP in the Impugned Order has repeatedly stated that, as a result of the arrangement in question, the Vedanta Group has availed a tax benefit, and that the group liability as a whole has decreased. In this regard, it is submitted that there is no concept of a group tax assessment in India. [Refer: ***Celestial Aviation trading 64 Limited v. ITO, [2022] 134 taxmann.com 114 (Delhi)***]. Therefore, tax benefits availed by a group as a whole, cannot be a consideration when determining an arrangement as an impermissible avoidance arrangement. Reference, in this regard, is also drawn to the

definition of "tax benefit" under section 102(10) of the Act, which only includes within its ambit tax "payable under [the] Act". Therefore, reduction in the tax liability of a group entity, or a group as a whole, cannot be construed as a "tax benefit" to which the provisions of the GAAR can be attracted. Therefore, the Impugned Order is completely contrary to the provisions of the Act and therefore, liable to be set aside.

t. The Respondents cannot invoke GAAR to challenge an arrangement based on possible future tax benefits.

u. Furthermore, it is undisputed that a shareholder does not have a right to compulsorily receive dividend. Distribution of dividends is based on the performance of a company and the discretion of the board of directors. A shareholder cannot decide when and whether it will receive dividends. It is therefore submitted, that an arrangement cannot be challenged under the GAAR based on the a possible future benefit that a taxpayer will receive. Reference, in this regard, is drawn to the decision of the Canadian Federal Court of Appeal in MIL Investments SA v. The Queen, 2007 FCA 236, where the taxpayer availed a tax exemption on capital gains under the Canada-Luxembourg Treaty, by relocating from Canada to Luxembourg. The court denied application of GAAR, which was used by the Canadian Tax Authorities to deny treaty benefits, by holding that the GAAR cannot be invoked to challenge a transaction because of a mere possibility of a future tax benefit. Therefore, the invocation of the GAAR in the facts of the present case is itself incorrect, thereby vitiating the Impugned Order.

4. The Petitioner submits that it has more than a *prime facie* case that the Impugned Order is patently perverse, illegal and contrary to the very scheme

of GAAR which is prescribed under Chapter X-A of the Act and is liable to be quashed.

5. The Petitioner, therefore, has an excellent *prima facie* case. Further, no prejudice will be caused to the Respondents if the operations of the Impugned Order is stayed. On the contrary, the Petitioner will suffer irreparable loss and injury if the interim reliefs as sought are not granted since the Petitioner will be subjected to the entire assessment and consequent appellant process based on patently perverse by the AP which are binding on the Respondents. Therefore, the balance of convenience lies in favour of the Petitioner for the grant of stay.

6. This application is made *bona fide* and in the interest of justice.

PRAYER

In the premises, it is most respectfully prayed that this Hon'ble Court may be pleased to:

a. Pass an interim order granting a stay on the operation of the Impugned Order dated 28.11.2025 passed by the Approving Panel under GAAR and all the consequent proceedings thereto;

b. Pass an interim order prohibiting the Respondents from taking any further steps pursuant to the Impugned Order, including framing the assessment in the Petitioner's case for AY 2022-2023 until the disposal of the instant writ petition;

c. Pass any other order(s) as this Hon'ble Court may deem to be fit and more appropriate in the facts and circumstances of the case.

PETITIONER

Vedanta Holdings Mauritius II Limited
The Common Seal of

FILED BY :

NEW DELHI
DATED: **02.12.2025**

(Abhyudaya Shankar Bajpai)
Advocate for the Petitioner
C-69, 2nd Floor, Nizamuddin
(East), New Delhi – 110013
Mob. No.: 9717077126
Email: Abhyudaya@chambersofsj.law

IN THE HIGH COURT OF DELHI AT NEW DELHI

(EXTRA ORDINARY CIVIL WRIT JURISDICTION)

C.M. APPL. NO. _____ OF 2025

IN

WRIT PETITION (CIVIL) NO. OF 2025

IN THE MATTER OF:

Vedanta Holdings Mauritius II Limited ...Petitioner

VERSUS

Commissioner of Income Tax,
(International-Tax)-3, Delhi & Anr. ...Respondents

AFFIDAVIT

I, Gopi Chand Maddela S/o Venkateshwara Rao Maddela aged about 43 years, R/o Door No. 41-1/6-34, Krishnalanka, Vijayawada, Urban Krishna, Andhra Pradesh-520013 (presently at New Delhi) do hereby solemnly affirm and declare:

1. That I am the Authorised Signatory of the Petitioner in the captioned matter and am well conversant with the facts and circumstances of the case; hence I am competent to depose this affidavit.

NOTARY
RAM PAL SINGH
DELHI
Regd. No. 16973
Valid upto 02-08-2030
GOVT. OF INDIA

2. That I have read the accompanying Application and state that the contents of the same are true and based on the records of the case and believed by me to be true.

Vedanta Holdings Mauritius II Limited
The Common Seal of

DEPONENT

VERIFICATION:

I, the Deponent named above, do hereby verify that the contents of my Affidavit are true and correct to the best of my knowledge and nothing material has been concealed therefrom. No part of it is false.

02 DEC 2025

Verified at New Delhi on this _____ of _____ 2025.

I Identified the Deponent who has Signed in my Presence.

Vedanta Holdings Mauritius II Limited
The Common Seal of

NOTARY
RAM PAL SINGH
DELHI
Regd. No. 16973
Valid upto 02-12-2030
GOVT. OF INDIA

CERTIFIED THAT THE DEPONENT
Shri/Smt./Km. Chenna Mallela
S/o, W/o, D/o Venkateshwar Rao Maddela
R/o .....
Identified By Sh./Shri A. Jayaraya Shankar Bijpar, Adv.
has solemnly affirmed before me at Delhi
on.....at Sl. No.....17
that the contents of the affidavit which have been read & explained to him are true and Correct to his knowledge

02 DEC 2025

Notary Public, Delhi (INDIA)

DEPONENT

IN THE HIGH COURT OF DELHI AT NEW DELHI

(EXTRA ORDINARY CIVIL WRIT JURISDICTION)

C.M. APPL. NO. _____ OF 2025

IN

WRIT PETITION (CIVIL) NO. OF 2025

IN THE MATTER OF:

Vedanta Holdings Mauritius II Limited ...Petitioner

VERSUS

Commissioner of Income Tax,

(International-Tax)-3, Delhi & Anr. …Respondents

APPLICATION ON BEHALF OF THE PETITIONER UNDER SECTION 151 OF THE CODE OF CIVIL PROCEDURE, 1908 FOR SEEKING PERMISSION TO FILE LENGTHY SYNOPSIS AND LIST OF DATES.

MOST RESPECTFULLY SHOWETH:

1. That by way of the present Writ petition, the Petitioner is seeking a writ in the nature of Certiorari or any order appropriate writ for quashing of the Order dated 28.11.2025 ("**Impugned Order**") passed by the Approving Panel ('**AP**') under General Anti-Avoidance Rule ("**GAAR**"), whereby the AP has held that the incorporation of the Petitioner in Mauritius ("**the Company**") and the entire set of transactions leading to aggregation of 13.26% shareholding of Vedanta Limited ("**VEDL**") in the Company, including acquisition of shares from Finsider International Company Ltd. ("**FICL**") and Westglobe Ltd. ("**Westglobe**") as an "impermissible avoidance arrangement" under the GAAR prescribed under Section 96 r.w.s. 97 of the Income Tax Act, 1961 ("**Act**") and all the consequent proceedings thereto; as well as writs in

the nature of mandamus and/or prohibition or an Order prohibiting the Respondents from taking any further steps pursuant to the Impugned Order, including framing the assessment in the Petitioner's case for Assessment Year ('**AY**') 2022-2023.

2. That the Petitioner seeks leave of this Hon'ble Court to permit this petition to contain a synopsis accompanying list of dates having 12 number of pages.
3. That the said list of dates contains a complex series of transactions which requires a detailed explanation to avoid perplexity and uncertainty.
4. That the accompanying writ petition contains a lengthy delisting procedure involving multiple entities which demands to be explained in steps for clarity and convenience of this Hon'ble Court.
5. That the accompanying writ petition involves an extensive assessment proceeding which requires an exhaustive and thorough elucidation of all the events.
6. That to list out the necessary events that have led to these facts and circumstances, the Petitioner has appended a comprehensive synopsis and list of dates for the convenience and better understanding of this Hon'ble Court.
7. That despite the Petitioner's best efforts, the accompanying synopsis and list of dates could not be curtailed within the page limit of 5.
8. That the contents of the accompanying writ petition elaborate and provides strength to this submission, however, are not repeated for the sake of brevity. The same be read as part and parcel of this application.
9. That the present application is bona-fide and in the interests of justice.

PRAYER

In the premises aforesaid, the petitioner most respectfully prays that this Hon'ble Court may be pleased to:

a) Permit and take on record the present writ petition along with lengthy synopsis and list of dates.

b. Pass any other order(s) as this Hon'ble Court may deem to be fit and more appropriate in the facts and circumstances of the case.

PETITIONER

Vedanta Holdings Mauritius II Limited
The Common Seal of

FILED BY :

NEW DELHI
DATED: **02.12.2025**

(Abhyudaya Shankar Bajpai)
Advocate for the Petitioner
C-69, 2nd Floor, Nizamuddin
(East), New Delhi – 110013
Mob. No.: 9717077126
Email: Abhyudaya@chambersofsj.law

IN THE HIGH COURT OF DELHI AT NEW DELHI

(EXTRA ORDINARY CIVIL WRIT JURISDICTION)

C.M. APPL. NO. _____ OF 2025

IN

WRIT PETITION (CIVIL) NO. OF 2025

IN THE MATTER OF:

Vedanta Holdings Mauritius II Limited ...Petitioner

VERSUS

Commissioner of Income Tax,
(International-Tax)-3, Delhi & Anr. …Respondents

AFFIDAVIT

I, Gopi Chand Maddela S/o Venkateshwara Rao Maddela aged about 43 years, R/o Door No. 41-1/6-34, Krishnalanka, Vijayawada, Urban Krishna, Andhra Pradesh-520013 (presently at New Delhi) do hereby solemnly affirm and declare:

1. That I am the Authorised Signatory of the Petitioner in the captioned matter and am well conversant with the facts and circumstances of the case; hence I am competent to depose this affidavit.



2. That I have read the accompanying Application and state that the contents of the same are true and based on the records of the case and believed by me to be true.

Vedanta Holdings Mauritius II Limited
The Common Seal of

DEPONENT

VERIFICATION:

I, the Deponent named above, do hereby verify that the contents of my Affidavit are true and correct to the best of my knowledge and nothing material has been concealed therefrom. No part of it is false.

Verified at New Delhi on this 02 DEC 2025 of _____ 2025.

I Identified the Deponent who has Signed in my Presence.

Vedanta Holdings Mauritius II Limited
The Common Seal of

NOTARY
RAM PAL SINGH
DELHI
Regd. No. 16973
Valid upto 12-02-2030
GOVT. OF INDIA

CERTIFIED THAT THE DEPONENT
Shri/Smt./Km. Lt. Col. Dhanunjay Madolela
S/o, W/o, D/o Late Rao Madolela
R/o .....
Identified By Sh./Shri Abhyudaya Shankar Bajpai, Adv
has solemnly affirmed before me at Delhi
on.....at Sl. No.....14.....
that the contents of the affidavit which
have been read & explained to him are
true and Correct to his knowledge

02 DEC 2025 Notary Public, Delhi (INDIA)

DEPONENT

IN THE HIGH COURT OF DELHI AT NEW DELHI

(EXTRA ORDINARY CIVIL WRIT JURISDICTION)

C.M. APPL. NO. _____ OF 2025

IN

WRIT PETITION (CIVIL) NO. OF 2025

IN THE MATTER OF:

Vedanta Holdings Mauritius II Limited ...Petitioner

VERSUS

Commissioner of Income Tax,

(International-Tax)-3, Delhi & Anr. …Respondents

APPLICATION ON BEHALF OF THE PETITIONER UNDER SECTION 151 OF THE CODE OF CIVIL PROCEDURE, 1908 FOR EXEMPTION FROM FILING CERTIFIED COPIES/TRUE TYPED COPIES OF THE ANNEXURES AND EXEMPT THE PETITIONER FROM FILING TYPED COPIES OF FAINT/DIM ANNEXURES AND ANNEXURES WITHOUT PROPER LEFT SIDE MARGIN.

MOST RESPECTFULLY SHOWETH:

1. That by way of the present Writ petition, the Petitioner is seeking a writ in the nature of Certiorari or any order appropriate writ for quashing of the Order dated 28.11.2025 ("**Impugned Order**") passed by the Approving Panel ('**AP**') under General Anti-Avoidance Rule ("**GAAR**"), whereby the AP has held that the incorporation of the Petitioner in Mauritius ("**the Company**")

and the entire set of transactions leading to aggregation of 13.26% shareholding of Vedanta Limited ("**VEDL**") in the Company, including acquisition of shares from Finsider International Company Ltd. ("**FICL**") and Westglobe Ltd. ("**Westglobe**") as an "impermissible avoidance arrangement" under the GAAR prescribed under Section 96 r.w.s. 97 of the Income Tax Act, 1961 ("**Act**") and all the consequent proceedings thereto; as well as writs in the nature of mandamus and/or prohibition or an Order prohibiting the Respondents from taking any further steps pursuant to the Impugned Order, including framing the assessment in the Petitioner's case for Assessment Year ('**AY**') 2022-2023.

2. That the contents of the accompanying writ petition may kindly be read as part and parcel of this application and the same are not being reproduced herein for the sake of brevity.
3. That due to paucity of time, the Petitioner could not get typed the copy of the faint/dim, and/or without proper margin Annexures.
4. In the aforesaid circumstances, the Petitioner seeks exemption from filing typed copy of the faint/dim, and/or without proper margin Annexures.
5. That the present application is being moved bona fide and in the interests of justice.

PRAYER

In the premises aforesaid, the petitioner most respectfully prays that this Hon'ble Court may be pleased to:

a. Exempt the Petitioner from filing true typed copies of the Annexures to the accompanying writ petition.
b. Take on record the photocopies/true copies of the Annexures filed by the Petitioner along with the above-mentioned Petition and exempt the Petitioner from filing typed copies of the faint/dim Annexures and Annexures without proper left side margin, if any, and dispense with them.

c. Pass any other order(s) as this Hon'ble Court may deem to be fit and more appropriate in the facts and circumstances of the case.

PETITIONER

Vedanta Holdings Mauritius II Limited
The Common Seal of

FILED BY :

NEW DELHI
DATED: **02.12.2025**

(Abhyudaya Shankar Bajpai)
Advocate for the Petitioner
C-69, 2nd Floor, Nizamuddin
(East), New Delhi – 110013
Mob. No.: 9717077126
Email: Abhyudaya@chambersofsj.law

IN THE HIGH COURT OF DELHI AT NEW DELHI

(EXTRA ORDINARY CIVIL WRIT JURISDICTION)

C.M. APPL. NO. _____ OF 2025

IN

WRIT PETITION (CIVIL) NO. OF 2025

IN THE MATTER OF:

Vedanta Holdings Mauritius II Limited ...Petitioner

VERSUS

Commissioner of Income Tax,
(International-Tax)-3, Delhi & Anr. …Respondents

AFFIDAVIT

I, Gopi Chand Maddela S/o Venkateshwara Rao Maddela aged about 43 years, R/o Door No. 41-1/6-34, Krishnalanka, Vijayawada, Urban Krishna, Andhra Pradesh-520013 (presently at New Delhi) do hereby solemnly affirm and declare:

1. That I am the Authorised Signatory of the Petitioner in the captioned matter and am well conversant with the facts and circumstances of the case; hence I am competent to depose this affidavit.

NOTARY
RAM PAL SINGH
DELHI
Regd. No. 16973
Valid upto 02-02-2030
GOVT. OF INDIA

2. That I have read the accompanying Application and state that the contents of the same are true and based on the records of the case and believed by me to be true.

Vedanta Holdings Mauritius II Limited
The Common Seal of

DEPONENT

VERIFICATION:

I, the Deponent named above, do hereby verify that the contents of my Affidavit are true and correct to the best of my knowledge and nothing material has been concealed therefrom. No part of it is false.

Verified at New Delhi on this 02 DEC 2025 of _____ 2025.

I Identified the Deponent who has Signed in my Presence.

Vedanta Holdings Mauritius II Limited
The Common Seal of

NOTARY
RAM PAL SINGH
DELHI
Regd. No. 15973
Valid upto 31-02-2030
GOVT. OF INDIA

CERTIFIED THAT THE DEPONENT
Shri/Smt./Km. (L.R.) Chandra Maddela
S/o, W/o, D/o Venkata Sankara Rao Maddela
R/o .....
Identified By Sh./Shri A.Dhyanalaya Shankar Bajpai Advt.
has solemnly affirmed before me at Delhi
on.....at Sl. No. 15
that the contents of this affidavit which have been read & explained to him are true and Correct to his knowledge

Notary Public, Delhi (INDIA)

02 DEC 2025

DEPONENT

VEDANTA HOLDINGS MAURITIUS II LIMITED

C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, Nexteracom Building, Ebene, Mauritius

EXTRACT OF WRITTEN RESOLUTIONS OF THE DIRECTORS OF VEDANTA HOLDINGS MAURITIUS II LIMITED ('THE CLIENT' / 'THE COMPANY') IN ACCORDANCE WITH SECTION 7 OF THE EIGHT SCHEDULE OF THE COMPANIES ACT 2001 DATED 28 NOVEMBER 2025.

"AUTHORISATION TO MR MADDELA GOPICHAND AND AKASH CHUGH

RESOLVED THAT, Mr. Maddela Gopichand – Group Head Tax of Vedanta Limited and Mr. Akash Chugh - Lead Transfer Pricing & Tax Accounting of Vedanta Limited, jointly or severally be and is hereby authorized to represent the Company in all tax related matters before any Court and to do all and/or any of the following acts in this regard:

1. To sign, execute, file, verify and present pleadings, appeals, writ petitions, caveat, written statements, undertakings, produce evidences, cross-objections or petitions for executions review, revision, withdrawal, compromise or other petitions or affidavits or other documents as may be deemed necessary or proper for the prosecution of the said case(s) in all its stages.
2. To file and take back documents, to admit and /or deny the documents of opposite party(s).
3. To withdraw or compromise the said case or submit to arbitration/mediation any differences or disputes that may arise touching or in any manner relating to the said case.
4. To appoint and instruct any Legal Practitioner, execute any Vakalatnama authorising him/her to exercise the power and authority hereby conferred upon, including but not limited to representing the Company in any legal proceedings before any Court.
5. To do generally all other acts, deeds, matters and things as may be deemed necessary.

RESOLVED FURTHER THAT the aforesaid powers entrusted to the official referred above shall be valid and effective unless revoked earlier by the Company or so long as he is in the employment of the Company, whichever is earlier.

RESOLVED FURTHER THAT a copy of this resolution certified to be true by any Director or Company Secretary be furnished to the concerned authorities in this matter."

Certified True Copy of the Extract

Amicorp (Mauritius) Limited
Represented by Indranathsingh Seewooruttun
Company Secretary

28 November 2025

IN THE HIGH COURT OF DELHI AT NEW DELHI

(EXTRA ORDINARY CIVIL WRIT JURISDICTION)

WRIT PETITION (CIVIL) NO. OF 2025

IN THE MATTER OF:

Vedanta Holdings Mauritius II Limited ...Petitioner

VERSUS

Commissioner of Income Tax,
(International-Tax)-3, Delhi & Anr. ...Respondents

KNOW ALL to whom these present shall come that, I, Gopi Chand Maddela, the Authorized Signatory of the above-named Petitioner, do hereby appoint:-

Mansha Anand	D/1092/2011
Abhyudaya Shankar Bajpai	D/5434/2021
Sohum Dua	D/3436/2021
Ghunaim Siddiqui	D/7512/2025
Manvi	D/7623/2025

Hereinafter called the advocate(s) to be my/our Advocate(s) in the above-noted case and authorize them:

To act, appear and plead in the above-noted case in this Court or in any other Court in which the same may be tried to hear and also in the Appellate Court, including High Court, subject to payment of fees separately for each Court by me/us.

To sign, file, verify and present pleadings, appeals, cross-objections or petitions for executions, review, revision, withdraw, compromise or file other petitions or affidavits or documents as may be deemed necessary or for proper execution of the said case in all its stages subject to payment of fee each stage.

To file and take back documents, to admit &/or deny the documents of the opposite party.

To withdraw or compromise the said case or submit to arbitration any differences or disputes that may arise touching or in any manner relation to the said case. To take execution proceedings.

To deposit, draw and receive moneys, cheque(s), cash and grant receipt thereof and to do all other acts and things which may be necessary to be done for the progress and in the course of the prosecution of the said case.

To appoint and instruct any other Legal practitioner or person authorizing him to exercise the power and authority hereby conferred upon the Advocate(s) whatever he then may think fit to do so & sign the power of attorney or,

And I/We the undersigned so hereby agree to ratify and confirm all acts done by the Advocates or their substitute in the matter as my/our own acts as done by me/us to all intents and purposes. And I/We undertake that I/We or my/our duly authorized agent(s) would appear in court on all hearings & will inform the Advocate(s) for appearances when the case is called.

And I/We undersigned do hereby agree not to hold the advocate or his substitute responsible for the result of the said case. The adjournment cost, whatever ordered by the Court shall be the Advocate, which he shall receive and retain for himself.

And I/We undersigned do hereby agree that in the event of the whole or part of the fee agreed by me/us to be paid to the advocate remaining unpaid he shall be entitled to withdraw from the proceeding of the said case until the same is paid up. The fee settled is only for the above case and above Court, for a period of three years only. I/We hereby agree that once the fee is paid I/We will not be entitled for the refund of the same in any case whatsoever. For execution of decrees & getting their satisfactions from Court(s), Separate fee shall be payable.

IN WITNESS WHEREOF I/We do hereunto set my/our hand to these presents the contents of which have been understood by me/us on this **02** day of **December** 2025, accepted subject to the terms of fees.

ADVOCATE

CLIENT

D/5431/2024

D/1092/2011

D/3436/2021

D/7512/2025

D/7623/2025

Vedanta Holdings Mauritius II Limited
The Common Seal of

₹2
NCT OF DELHI COURT FEE
DLCT2711879E2550J
27-MAY-2025

ADVOCATES' WELFARE FUND STAMP
BAR COUNCIL OF DELHI
2479599
₹25
TWENTYFIVE RUPEES

Gmail

Office <office@chambersofsj.law>

Advance Service of the Writ Petition - Vedanta Holdings Mauritius II Ltd. v. CIT

1 message

Office <office@chambersofsj.law> Wed, Dec 3, 2025 at 12:30 AM
To: delhi.cit.it3@incometax.gov.in, delhi.dcit.it3.1.1@incometax.gov.in, delhi.dcit.judicial.hc@incometax.gov.in

Dear Sir/Ma'am,

Please take note that we, on behalf of our client, Vedanta Holdings Mauritius II Ltd., are filing a Writ Petition before the Hon'ble High Court of Delhi.

Please find attached the link to the Writ Petition for your reference:

https://drive.google.com/file/d/1t8DLodxr0D53SnCyYPq3e4AIjfE46w5V/view?usp=drive_link

Please consider this as an advance service of the Writ Petition.

Best regards,
Abhyudaya Shankar Bajpai,
Office: C-69, 2nd Floor, Nizamuddin (East), New Delhi - 110013
Chamber: 413, Lawyers' Chambers, Delhi High Court, New Delhi - 110003
Phone: +91-9717077126