

12 MAY 2020

## **VEDANTA RESOURCES LIMITED**

### **INTENTION TO VOLUNTARY DELIST VEDANTA LIMITED TO SIMPLIFY CORPORATE STRUCTURE**

Vedanta Resources Ltd, (“VRL”), today announces its intention to voluntarily delist the equity shares of its Indian subsidiary, Vedanta Ltd. (“VEDL”), in accordance with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (“Delisting Regulations”) from all stock exchanges on which VEDL’s equity shares are listed (the “Offer”)

#### **Rationale for the Offer**

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 Vedanta Limited in 2016, and the delisting of Vedanta Resources Plc (subsequently renamed Vedanta Resources Ltd) in 2018.

The Group believes that a delisting of Vedanta Ltd 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.

The proposed delisting offer will provide public shareholders of Vedanta Ltd 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.

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.

Hindustan Zinc Limited will continue to be listed in India.

#### **Process and conditions**

Under applicable Indian laws, VEDL can be delisted by the acquisition of equity shares of VEDL if such acquisition would result in post Offer shareholding of VRL and its affiliates in VEDL being at least equal to or higher than 90% of the total equity shares issued by VEDL and satisfaction of certain other applicable regulatory conditions (“Minimum Tender Condition”). Currently, VRL along with its affiliates India holds 1,764,326,080 equity shares of VEDL aggregating to approximately 51.1% of the paid-up equity share capital of

VEDL (excluding American Depository Shares (“ADS”)). VEDL has issued 65,445,052 ADS that are presently listed on New York Stock Exchange, against 261,780,208 underlying equity shares. One of the affiliates of VRL holds 24,823,177 ADS representing 99,292,708 underlying equity shares. Should all the outstanding ADS be converted into equity shares, the shareholding of VRL and its affiliates will be 1,863,618,788 equity shares aggregating to 50.1% of the paid-up equity share capital of the Company.

If the Offer is successful and VEDL’s equity shares are delisted from the Indian stock exchanges, the Group intends to delist VEDL’s ADSs from the NYSE and deregister from the SEC, subjects to the requirements of the NYSE and the SEC.

The proposed delisting is subject to, inter alia, approval by Vedanta Ltd shareholders, satisfaction of the Minimum Tender Condition, obtaining certain necessary waivers from existing creditors, the approval of the stock exchanges where VEDL’s equity shares are listed, regulatory approvals or relief under the U.S. securities laws, and other regulatory approvals. If consummated, the purchase of the equity shares of VEDL will be carried out in accordance with the Delisting Regulations at a price to be determined through the book building process as specified under the Delisting Regulations.

VRL shall have the sole discretion to accept or reject the price discovered pursuant to the book building process including other rights and obligations in terms of the Delisting Regulations.

Further, after considering the prevailing market conditions and with a view to provide the VEDL public shareholders with a fair exit price, we are willing to accept the equity shares tendered in the Offer at a price of INR 87.5 per equity share (“Indicative Offer Price”), which represents a premium of 9.9% over the closing market price of INR 79.6 as on May 11, 2020 on BSE Limited and National Stock Exchange of India Limited.

However, 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 of VEDL tendered in the delisting offer at a price lower than, equal to or higher than the Indicative Offer Price or a restriction on the VEDL public shareholders to tender the equity shares at price higher than the Indicative Price

*Commenting on the Offer, Mr. Anil Agarwal, Chairman of the Vedanta Group, said:*

*“Vedanta Group continues its 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 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.”*

### **Advisors and financing**

J.P. Morgan, through its affiliates in the UK and India, is acting as financial advisor to Vedanta Resources Ltd on the Indian delisting process, and is also arranging financing to complete the delisting process.

Latham & Watkins LLP and Khaitan & Co are acting as legal advisors in connection with the Offer.

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**About Vedanta Resources**

Vedanta Resources Limited (“Vedanta”) is a diversified global natural resources company. The group produces aluminium, copper, zinc, lead, silver, iron ore, oil & gas and commercial energy. Vedanta has operations in India, Zambia, Namibia and South Africa. With an empowered talent pool globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of trust, sustainability, growth, entrepreneurship, integrity, respect and care. For more information on Vedanta Resources, please visit [www.vedantaresources.com](http://www.vedantaresources.com)

**Disclaimer**

This press release contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “should” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and/or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.