

Annexure 1 – Term Sheet

Security Name	7.80% Vedanta Limited 2020
Issuer	Vedanta Limited
Date of passing resolution in general meeting	AGM dated July 14, 2017 & Oct 11, 2014
Date of passing of Board/ Committee of Directors Resolution	29 th July 2015 & 19 th Dec, 2017
Type of Instrument	Secured, Rated, Listed, Redeemable Non-Convertible Debentures (“NCDs” or “Debentures” or “Bonds”) to be issued in Dematerialized Form)
Security	Secured by way of first pari-passu charge on the specific movable and/or immovable Fixed Assets, as may be identified and notified by the Issuer to the Security Trustee from time to time, with minimum asset coverage of 1 time of the aggregate face value of NCD’s outstanding at any point of time.
Price at which the security is being offered including the premium, if any, along with justification of the price	The security will be issued At par
Issue Size	Rs. 500 Crores
Tenor	2 years, 11 months and 15 days (1080 days)
Redemption Date	04 th Dec 2020
Coupon Rate (payable per annum)	7.80% payable annually
Coupon Payment Dates/Frequency	Annual Coupon Payment Dates 20 th Dec 2018 20 th Dec 2019 04 th Dec 2020
Settlement	At Par
Purpose and Objects of the Issue	Proceeds of the issue may be utilised for repayment / prepayment of existing debt, various capex / operational payments and for general corporate purposes. Issue proceeds will not be used for acquisition of Land or for investing in Capital Markets.
Contribution being made by the promoters or directors as part of the offer or separately in furtherance of such objects	No contributions have been made by the promoters or directors of the Issuer, either as part of the offer or separately in furtherance of such objects.



Deemed Date of Allotment	20 th Dec 2017
Minimum Subscription and multiples of Debt Securities	Minimum 1 Debenture of Rs. 10,00,000 each or multiples therefore
Put Option Date	NIL
Put Option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Listing	The NCD shall be listed on the Wholesale Debt Market segment of BSE. In case of delay in listing beyond 15 days from the Deemed Date of Allotment, the Company will pay penal interest of 1% p.a. over the coupon rate from the expiry of 15 days from the Deemed Date of Allotment till the date of listing.
Mode of issuance	Only in Dematerialized form
Mode of Trading	Only in Dematerialized form
Depository	NSDL / CDSL
Rating of the Instrument	"CRISIL AA/Stable" by CRISIL
Settlement by way of	Cheque/DD/RTGS/NEFT/Electronic Transfer
Issue Timing:	
1. Issue Opening Date	20 th Dec 2017
2. Issue Closing Date	20 th Dec 2017
3. Pay – in – Date	20 th Dec 2017
4. Deemed date of Allotment	20 th Dec 2017
Name & Address of the Debenture Trustee	Axis Trustee Services Limited, Axis House, 2nd Floor, Wadia International Centre, P B Marg, Worli, Mumbai – 400025
Registrar and transfer Agent	Karvy Computershare Pvt Ltd

Other Details

Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	The following categories of investors, specifically approached, are eligible to apply for this private placement of NCD's: 1. Scheduled Commercial Banks; 2. Financial Institutions;



	<ol style="list-style-type: none"> 3. Insurance Companies; 4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI); 5. Regional Rural Banks; 6. Mutual Funds; 7. Companies, Bodies Corporate authorized to invest in Debentures; 8. Trusts, Provident Funds, Gratuity, Superannuation & Pension Funds, subject to their Investment guidelines. 9. Any other investor(s) authorized to invest in such bonds.
Option to retain oversubscription	NIL
Step Up/ Step Down Coupon Rate	N.A.
Redemption Amount	At par (Rs.10,00,000 per NCD)
Coupon Type	Fixed
Coupon Reset Process	None
Day Count Basis	Actual/Actual Basis Interest payable on the NCD's will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.
Interest on application money	At the coupon rate (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) up to one day prior to the Deemed Date of Allotment.
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Company till the date of cure of the concerned default.
Redemption Premium / Discount	NIL
Issue Price	Rs.10,00,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount	N.A., as the security is being issued at par
Face Value	Rs.10,00,000 per NCD
Minimum Application	1 NCD of the face value of Rs.10,00,000 each and in multiple of 1 thereafter
Details of the utilization of the Proceeds	<p>Proceeds of the issue may be utilised for repayment / prepayment of existing debt, various capex / operational payments and for general corporate purposes.</p> <p>Issue proceeds will not be used for acquisition of Land or for investing in Capital Markets</p>



Business Day Convention	<p>A "Business Day"/ "Working Day" shall be a day on which commercial banks are open for business in the city of Mumbai.</p> <p>If any Coupon Payment Date (except coupon falling due on Redemption Date) falls on a day that is not a Business day, the payment shall be made by the Issuer on the immediately succeeding Business Day and the interest amount will be interest accrued on the NCD's until but excluding the Coupon payment date originally stipulated. However, the next interest period will continue to commence from the Coupon Payment Dates original stipulated.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the NCD's falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with the interest accrued on the Bonds until the date of maturity.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately preceding Business Day will be considered as the Record Date.</p>
Record Date	15 Days prior to each Coupon Payment / Redemption Date.
Security Creation	<p>The Company shall execute a Debenture Trust Deed in Form No. SH.12 or as near thereto as possible, in favour of the Debenture Trustee within sixty days of Deemed Date of Allotment of the Bonds and submit with Stock Exchange and Debenture Trustee / Bondholders, within five working days of execution of the same for uploading on its website.</p> <p>In the event of delay in execution of Debenture Trust Deed within sixty days of Deemed Date of Allotment of the Bonds or delay in the creation of pari – passu charge on the security within 60 days from the Deemed date of allotment, the Company shall refund the subscription with the Coupon Rate or pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with, at the option of the Bondholders.</p> <p>The Company shall create charge over specific fixed assets and file the same with ROC within 180 days of the deemed date of allotment. Provided that the charge as mentioned before has been created and filed with ROC, the company shall complete other procedural formalities, if any applicable, within a period of not exceeding 180 days from deemed date of allotment. (Mortgage under trust deed will be done within 60 days. 180 days is applicable only for hypothecation.)</p>



<p>Future Borrowings and Automatic Approvals to the Issuer</p>	<p>As long as the Company maintains the stipulated security cover with respect to NCDs, the Company shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form and also issue Debentures / Notes / other securities in any manner and to change its capital structure without the consent of Debenture holders/Debenture Trustee.</p> <p>Further, the Company shall not be required to obtain debenture holders/ debenture trustee consent for creating pari passu charge on the assets given as a security for further borrowings till the time stipulated security cover/Asset cover is maintained.</p> <p>In case, pari passu letter for any charge creation is requested by the Issuer, Debenture Trustee shall be empowered to issue the same without seeking consent from the Debenture holders, as long as the Issuer satisfies the above requirement of minimum security cover maintenance by way of a practicing Chartered Accountant's certificate.</p> <p>The Issuer Company shall not be required to obtain any approval/consent /NOC from the NCD holders / Debenture Trustee for any merger / amalgamation /restructuring scheme of the Issuer, by whatever name called, within the Vedanta Group. However, in case, any formal approval /Consent letter / NOC is requested by the Issuer from the Debenture Trustee, the Debenture Trustee shall be empowered to issue the same, with consent from majority of the Debenture holders</p>
<p>Transaction Documents</p>	<ol style="list-style-type: none"> 1. Information Memorandum 2. Letter appointing Axis Trustee Services Limited, as Trustees to the Bondholders; 3. Debenture Trusteeship Agreement; 4. Debenture Trust Deed; 5. Rating Letter from CRISIL Ratings and another rating agency; 6. Letter appointing Registrar; 7. In-principle approval of Stock Exchange for listing of Bonds; <p>Tripartite Agreement between the Issuer; Registrar and NSDL/CDSL for issue of Bonds in dematerialized form And such other documents as may be required to be executed to perfect the transaction contemplated herein.</p>
<p>Conditions Precedent to Disbursement</p>	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p>



	<ol style="list-style-type: none"> 1. Information Memorandum Private Placement Offer Letter (complying with SEBI disclosures) and certified by the Issuer 2. Written consent letter from Axis Trustee Services Limited, conveying their consent to act as Trustees for the Bondholders; 3. Execution of Debenture Trustee Agreement 4. In-principle listing approval from BSE, for listing of Bonds; 5. Rating Letter from CRISIL Ratings and another rating agency; 6. Written consent letter from Karvy Computershare, conveying their consent to act as Registrar to the issue 7. Board and Shareholders Resolution of the Issuer as required under the Companies Act 2013 for issuance of the NCDs 8. A certified true copy of the special resolution of the shareholders of the Issuer approving the private placement of the Debentures under rule 14 (2) (a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 9. A certified true copy of the special resolution of the shareholders of the Issuer under section 180(1) (c) of the Companies Act, 2013 setting out the borrowing limit applicable to the Issuer 10. A certified copy of a resolution of the board of directors of the Company under Section 179 of the Companies Act, 2013. 11. Compliance with all applicable laws and regulations pertaining to the issuance of the NCD.
<p>Conditions Subsequent to Disbursement</p>	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> 1. Ensuring that the payment made for subscription to the Bonds is received from the bank account of the person/ entity subscribing to the Bonds and keep record of the bank accounts from where payments for subscriptions have been received. In case of subscription to the Bonds to be held by joint holders, application monies is received from the bank account of the person whose name appears first in the Application Form; 2. Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with Securities and Exchange Board of India,



	<p>within a period of thirty days of circulation of the Private Placement Offer Letter;</p> <ol style="list-style-type: none"> 3. Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies within thirty days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014; 4. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within two working days from the Deemed Date of Allotment; 5. Making listing application to BSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds; 6. Executing the Debenture Trust Deed in Form No. SH.12 or as near thereto as possible, in favour of the Trustee within sixty days of Deemed Date of Allotment of the Bonds and submit with BSE within five working days of execution of the same for uploading on its website. 7. Within 90 business days from the Deemed Date of Allotment, the debenture trustee shall give a confirmation stating that the security has been duly created. 8. Within 180 business days from the Deemed Date of Allotment, the debenture trustee shall give a confirmation stating that the security has been duly perfected.
<p>Event of Defaults</p>	<ol style="list-style-type: none"> 1. Default in payment of monies due in respect of interest/principal in respect of the NCDs. A cure period of 2 days will be provided in the event that the delay is on account of a technical issue / snag at the Issuer's Bank; 2. Default in payment of any other monies including costs, charges and expenses incurred by the Trustees. A cure period of 30 days will be provided for remedying this; 3. Non-execution of the debenture trust deed in the form and manner agreed between the investor/ debenture trustee and the Issuer within 60 days from the Deemed Date of Allotment. <p>In case, the above events of default happen and continue without being remedied within the cure periods stated therein, it will necessitate repayment before stated maturity.</p>



<p>Role and Responsibilities of Debenture Trustee</p>	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p>
<p>Governing Law and Jurisdiction</p>	<p>The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Mumbai, Maharashtra</p>
<p>Covenants</p>	<ol style="list-style-type: none"> 1. Security Creation: In the event of delay in execution of Debenture Trust Deed within sixty days of Deemed Date of Allotment of the Bonds, the Company shall refund the subscription with the Coupon Rate or pay penal interest at the rate of 2.00% p.a. over the Coupon Rate till these conditions are complied with, at the option of the Bondholders. 2. Default in Payment: In case of default in payment of interest and/ or principal redemption on the due dates, the Company shall pay additional interest at the rate of 2.00% p.a. over the Coupon Rate for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid. 3. Delay in Listing: The Company shall make listing application to BSE within 15 days from the Deemed Date of Allotment of the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment of Bonds. In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Company shall pay penal interest at the rate of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s). <p>The interest rates mentioned in above three covenants shall be independent of each other.</p>



Debenture Redemption Reserve	The Company shall create a Debenture Redemption Reserve, out of the profits of the Company for payment of dividend, for the purpose of redemption of Bonds and shall invest or deposit the sums, in pursuance of clause (7) of rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, as applicable and amended from time to time.
Interest Tax, Service Tax, levies and duties	Income Tax or such other tax as may be required to be deducted at source under the Income Tax Act or any other applicable Act/Rules shall be deducted from the interest payable by the company, if applicable.
Other Expenses	Any expenses that may be incurred towards executing of this transaction including NCD issuance, security creation, custodial services, payment of stamp duty, fees for legal, accounting, due diligence and others shall be borne by the Issuer

THE ISSUER RESERVES THE RIGHT TO CHANGE THE ISSUE CLOSING DATE AND IN SUCH AN EVENT, THE DATE OF ALLOTMENT FOR THE DEBENTURES MAY ALSO BE REVISED BY THE ISSUER AT ITS SOLE AND ABSOLUTE DISCRETION. IN THE EVENT OF ANY CHANGE IN THE ABOVE ISSUE PROGRAMME, THE ISSUER WILL INTIMATE THE INVESTORS ABOUT THE REVISED ISSUE PROGRAMME


