

BY ONLINE FILING

Ref no. : Sec/Shares/32/2018-19

June 4, 2018**To:**

NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, 5 TH FLOOR, PLOT NO. C/1, G BLOCK, BANDRA-KURLA COMPLEX, BANDRA (E), MUMBAI – 400 051 SCRIP CODE: ESL	BSE LIMITED PHIROZE JEEJEEBHOY TOWERS, 1ST FLOOR, DALAL STREET, FORT MUMBAI- 400001 SCRIP CODE: 533264
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Dear Sir/ Madam,

Subject: Electrosteel Steels Limited (Company) – Update on implementation of the Resolution Plan

In continuation of our letter dated June 2, 2018, and pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby inform you that:

- (i) Vedanta Star Limited (wholly owned subsidiary of Vedanta Limited) (“**VSL**”) has on June 4, 2018 deposited INR 5,320,00,00,000 in an escrow account of the Company (“**Escrow Account**”); and
- (ii) June 4, 2018 has been determined to be the ‘Effective Date’ under the Resolution Plan and the board of directors of the Company will be replaced by a newly constituted board of directors.

Further, the following shall, *inter alia*, take place in the order of sequence mentioned below as an integral part of the Resolution Plan:**a. Conversion of debt into equity share capital of the Company:**An amount of INR 7399,13,20,550 due to the financial creditors shall be converted into 739,91,32,055 fully paid-up equity shares of INR 10 each of the Company (“**New Equity Shares**”), which shall be issued to the financial creditors in proportion to their respective portion of the debt;**b. Capital Reduction and Consolidation of the share capital:**

The existing equity shares of the Company i.e. 240,92,35,023 of INR 10 each and the New Equity Shares issued pursuant to conversion of debt i.e. 739,91,32,055 of INR 10 each shall stand reduced by reducing the face value of the equity shares, from INR 9808,36,70,780 divided into 980,83,67,078 equity shares of INR 10 each fully paid-up to INR 196,16,73,416 divided into 980,83,67,078 equity shares of INR 0.20 each fully paid-up. Immediately thereafter, 50 (fifty) equity shares of INR 0.20 each as reduced shall be consolidated into 1 (one) fully paid-up equity share of INR 10 each;

c. Issue of equity shares to VSL:

VSL shall be issued and allotted 176,55,06,078 fully paid up equity shares of INR 10 each of the fully diluted share capital of the Company.

Upon allotment of the aforesaid equity shares of the Company, VSL will hold 90% of the paid up share capital of the Company. The remaining 10% of the Company's share capital will be held by the Company's existing shareholders and the financial creditors who receive shares in exchange for the debt owed to them.

d. Payment of Upfront Payment to Financial Creditors:

Simultaneous to the issuance of the shares to SPV, the upfront payment of INR 5320,00,00,000 will be remitted to the creditors from the Escrow Account.

e. Delisting:

As an integral part of the Resolution Plan, the Company would stand delisted. The financial creditors holding shares of the Company and existing shareholders holding equity shares shall be offered an exit at a price which shall be calculated as per the Resolution Plan.

Request you to acknowledge the receipt of this letter and take the same on record.

Thanking you,

For ELECTROSTEEL STEELS LIMITED

Binaya Kumar Dash

Company Secretary

ICSI : ACS-17982