

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

EXIT LETTER OF OFFER

for acquisition of the Equity Shares of the Company to the Residual Public Shareholders (as defined below) of

Electrosteel Steels Limited

Registered Office: 801, Uma Shanti Apartments, Kanke Road, Ranchi - 834 008, Jharkhand, India

Corporate Identity Number: L27310JH2006PLC012663

from

Vedanta Star Limited

Registered Office: M 11, 1st Floor, VIP Road, Harmu Housing Colony, P.S. Argoda, Ranchi, Jharkhand 834002, India

Corporate Identity Number: U13209JH2018PLC011308

(hereinafter referred to as the “Acquirer”)

This exit letter of offer (“Exit Letter of Offer”) is for Residual Public Shareholder (as defined below) of Electrosteel Steels Limited (the “Company”) for the purpose of inviting you to tender your fully paid-up equity shares of face value of INR 10 each (“Equity Shares”) held by you in the Company to the Acquirer in accordance with resolution plan approved by the Kolkata bench of National Company Law Tribunal (“NCLT”) vide its order dated April 17, 2018 under Section 31 of the Insolvency and Bankruptcy Code, 2016 (“Code”). The National Company Law Appellate Tribunal (“NCLAT”) vide its order dated May 30, 2018 allowed parties to act in terms of the approved resolution plan submitted by Vedanta Limited for the Company (“Approved Plan”). The Approved Plan inter alia provides for delisting of the Company at the Exit Price (as defined below). Subsequently, the NCLAT vide its order dated August 10, 2018 inter alia upheld the eligibility of Vedanta Limited under the Code and dismissed appeals filed by Renaissance Steel India Private Limited challenging the Approved Plan.

BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) have, vide notice no. 20181206-17 dated December 6, 2018 and circular reference no. 1345/2018 dated December 6, 2018 respectively, communicated that trading in the Equity Shares shall be discontinued with effect from December 13, 2018, and that the Equity Shares shall be delisted from BSE and NSE with effect from December 20, 2018 (“BSE Date of Delisting”) and December 20, 2018 (“NSE Date of Delisting”) respectively (BSE Date of Delisting and NSE Date of Delisting are collectively referred to as the “Date of Delisting”).

In case you have recently sold your equity shares in the Company, please hand over this Exit Letter of Offer and the accompanying documents to the member of the stock exchange through whom the sale was effected or the person to whom you sold your equity shares, as the case may be.

EXIT PRICE: INR 9.54 PER EQUITY SHARE

NOTE: THE EQUITY SHARES OF THE COMPANY WILL BE DELISTED FROM THE BSE LIMITED (“BSE”) AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) WITH EFFECT FROM DECEMBER 20, 2018. The Equity Shares are no longer available for trading on BSE and NSE.

THE ENCLOSED EXIT APPLICATION FORM IS TO BE SUBMITTED TO THE REGISTRAR TO THE EXIT OFFER ONLY BY HAND DELIVERY OR REGISTERED POST/SPEED POST OR COURIER ALONG WITH ALL APPLICABLE DOCUMENTS

Exit window opening date	Friday, December 21, 2018
Exit window closing date	Friday, December 20, 2019

Registrar to the Exit Offer	Legal Advisor to the Exit Offer
Karvy Fintech Private Limited (Formerly known as KCPL Advisory Private Limited) Corporate Identity Number: U72400TG2003PTC041636 Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032 Tel: +91 040 6716 2222 Fax: +91 040 23431551 Email: esl.delistingoffer@karvy.com Contact Person: Mr. M Murali Krishna	Khaitan & Co One Indiabulls Centre 13th Floor, Tower 1 841 Senapati Bapat Marg Mumbai 400 013

If you wish to tender your Equity Shares pursuant to this Exit Letter of Offer to the Acquirer, you should:

- read carefully this Exit Letter of Offer and the instructions herein;
- complete and sign the accompanying exit application form (“Exit Application Form”) in accordance with the instructions contained therein and in this Exit Letter of Offer;
- Ensure that (a) you have credited your Equity Shares to the specified Special Depository Account (details of which are set out in paragraph 3.1.2 of this Exit Letter of Offer) or (b) in case of shares held in physical form, send the Exit Application Form together with the share certificate and duly executed transfer deed to the Registrar to the Exit Offer.
- Submit the required documents as mentioned in paragraphs 3.7 and 4.2 of this Exit Letter of Offer, as applicable, by hand delivery or registered post/speed post or courier to the Registrar to the Exit Offer as set out in this Exit Letter of Offer.

EXIT OFFER TIMETABLE

Activity	Day & Date
Discontinuation in trading in the Equity Shares	Thursday, December 13, 2018
Delisting of Equity Shares of the Company from NSE and BSE	Thursday, December 20, 2018
Exit window opening date	Friday, December 21, 2018
Exit window closing date	Friday, December 20, 2019

Note: All dates are subject to change. Changes to the proposed timetable, if any, will be notified to the Residual Public Shareholder(s) by way of corrigendum to this Exit Letter of Offer. The corrigendum (if any) to this Exit Letter of Offer will be available to the Residual Public Shareholder(s) to download from www.electrosteelsteels.com. In the event some Residual Public Shareholders are not able to download a copy of the Exit Letter of Offer from www.electrosteelsteels.com, they may obtain a soft copy of the Exit Letter of Offer from the website of the Registrar to Exit Offer www.karisma.karvy.com.

Dear Shareholder(s),

Invitation to tender Equity Shares held by you in the Company

This is an invitation to tender your Equity Shares of Electrosteel Steels Limited to the Acquirer at the Exit Price of INR 9.54 per Equity Share, subject to the terms and conditions provided below.

1. BACKGROUND OF THE EXIT OFFER

State Bank of India a financial creditor of Electrosteel Steels Limited filed a company petition CA(IB) No. 361/KB/2017 ("**Company Petition**") for initiating corporate insolvency resolution process of Electrosteel Steels Limited. Pursuant to the Company Petition an insolvency resolution professional was appointed and inter alia the Acquirer submitted a resolution plan. Subsequently the Kolkata bench of National Company Law Tribunal ("**NCLT**") vide its order dated April 17, 2018 approved the resolution plan submitted by the Acquirer. The delisting is an integral part of the resolution plan. The National Company Law Appellate Tribunal ("**NCLAT**") vide its interim order dated May 30, 2018 allowed parties to act in terms of the approved resolution plan, submitted by Vedanta Limited for Electrosteel Steels Limited ("**Approved Plan**") under Section 31 of the Insolvency and Bankruptcy Code, 2016 ("**Code**") at the Exit Price of INR 9.54 per Equity Share ("**Exit Offer**" / "**Offer**"). Further the NCLAT vide its order dated August 10, 2018 inter alia upheld the eligibility of Vedanta Limited under the Insolvency Bankruptcy Code, 2016 and dismissed appeals filed by Renaissance Steel India Private Limited challenging the resolution plan of Vedanta Limited for Electrosteel Steels Limited.

The Approved Plan inter alia provides that the following shall take place in the order of sequence mentioned below as an integral part of the Approved Plan:

(a) **Conversion of debt into equity share capital of the Company:**

An amount of INR 73,99,13,20,550 due to the financial creditors shall be converted into 7,39,91,32,055 fully paid-up equity shares of INR 10 each of the Company, 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. 2,40,92,35,023 of INR 10 each and the New Equity Shares issued pursuant to conversion of debt i.e. 7,39,91,32,055 of INR 10 each shall stand reduced by reducing the face value of the equity shares, from INR 98,08,36,70,780 divided into 9,80,83,67,078 equity shares of INR 10 each fully paid-up to INR 1,96,16,73,416 divided into 9,80,83,67,078 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 the Acquirer:**

The Acquirer shall be issued and allotted 1,76,55,06,078 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, the Acquirer 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 53,20,00,00,000 will be remitted to the creditors from the Escrow Account.

(e) **Delisting:**

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

As part of the delisting process, the existing shareholders holding Equity Shares were offered an exit at Rs. 9.54 per equity share by way of the Letter of Delisting Offer dated September 18, 2018. During the delisting period, commencing from October 11, 2018 and ending on October 17, 2018 (“**Delisting Period**”), 46,957 Equity Shares representing 0.002% of the paid-up share capital of the Company were validly tendered by the shareholders of the Company other than the Acquirer (“**Eligible Shareholders**”) at the said price. With the closure of the delisting offer and upon payment of the Eligible Shareholders who have tendered their Equity Shares in accordance with the delisting offer, the delisting offer is deemed to have been complete. Thereafter the Company made an application to BSE and NSE and BSE and NSE have, vide notice no. 20181206-17 dated December 6, 2018 and circular reference no. 1345/2018 dated December 6, 2018 respectively, communicated that trading in the Equity Shares shall be discontinued with effect from December 13, 2018, and that the Equity Shares shall be delisted from BSE and NSE with effect from December 20, 2018 (“**BSE Date of Delisting**”) and December 20, 2018 (“**NSE Date of Delisting**”) respectively (BSE Date of Delisting and NSE Date of Delisting are collectively referred to as the “**Date of Delisting**”).

Status of implementation of the Approved Plan:

Particulars	Date of Board approval of the Company
Conversion of debt into equity share capital of the Company	6 th June, 2018
Capital Reduction and Consolidation of the share capital	14 th June, 2018
Issue of equity shares to the Acquirer	15 th June, 2018
Payment of Upfront Payment to Financial Creditors	21 st June, 2018

Following the successful closure of the delisting offer, and in accordance with the Delisting Regulations, the Company made the final application to BSE and to NSE for delisting of the Equity Shares from BSE and NSE. Pursuant to the said application, BSE and NSE have, vide notice no. 20181206-17 dated December 6, 2018 and circular reference no. 1345/2018 dated December 6, 2018 respectively, communicated that trading in the Equity Shares shall be discontinued with effect from December 13, 2018, and that the Equity Shares shall be delisted from BSE and NSE with effect from December 20, 2018 (“**BSE Date of Delisting**”) and December 20, 2018 (“**NSE Date of Delisting**”) respectively (BSE Date of Delisting and NSE Date of Delisting are collectively referred to as the “**Date of Delisting**”).

Delisting of the Equity Shares means that they cannot be traded on BSE and NSE and a liquid market for trading of the Equity Shares will no longer be available.

The Acquirer hereby provides an exit opportunity to the Residual Public Shareholders of the Company (other than the Acquirer), holding 19,61,20,385 equity shares in the Company (“**Offer Shares**”), who were unable to participate in the delisting offer or who unsuccessfully tendered their Equity Shares during the Delisting Period (“**Residual Public Shareholders**”), to tender their Equity Shares for a period of one year from the Date of Delisting. Residual Public Shareholders can tender their Equity Shares to the Acquirer at the Exit Price at any time from Friday, December 21, 2018 till Friday December 20, 2019 (both days inclusive) (the “**Exit Window**”), on the terms and subject to the conditions as set out in this Exit Letter of Offer. The Residual Public Shareholders can download a copy of the Exit Letter of Offer from www.electrosteelsteels.com. In the event some Residual Public Shareholders are not able to download a copy of the Exit Letter of Offer from www.electrosteelsteels.com, they may obtain a soft copy of the Exit Letter of Offer from the website of the Registrar to Exit Offer www.karisma.karvy.com. The Equity Shares to be acquired under this Exit Offer are to be acquired free from all liens, lock-ins, charges and encumbrances and together with all rights attached thereto. Equity Shares that are subject to any charge, lock-ins, lien or encumbrance are liable to be rejected.

If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or Karvy Fintech Private Limited (Formerly known as KCPL Advisory Private Limited) (the “**Registrar to Exit Offer**”).

2. THE EXIT PRICE

2.1 The exit price for the Equity Shares is Rs. 9.54 (Rupees Nine and Paise Fifty-Four Only) per Equity Share

("Exit Price"). The Residual Public Shareholders are being offered the exit opportunity through this Exit Letter of Offer at the same exit price as that offered in the delisting offer.

3. PROCEDURE FOR TENDERING YOUR EQUITY SHARES UNDER THE DELISTING OFFER

Please contact the Registrar to Exit Offer if you require any clarification regarding the procedure for tendering your Equity Shares

3.1 Procedure for Residual Public Shareholders holding Equity Shares in DEMATERIALISED FORM:

3.1.1 The Residual Public Shareholders holding Equity Shares in dematerialised form and desirous of tendering their Equity Shares in the Exit Offer must submit the enclosed Exit Application Form along with the documents specified in paragraphs 3.7 and 4.2 of this Exit Letter of Offer, as applicable, by hand delivery or by registered post/speed post or courier (at their own risk and cost) with the envelope marked "**ELECTROSTEEL STEELS LIMITED - EXIT OFFER**" so as to reach the Registrar to the Exit Offer at the address as mentioned on the cover page of this Letter of Exit Offer on or before December 20, 2019 (i.e. the last date of the Exit Window).

3.1.2 The Residual Public Shareholders must transfer their dematerialised Equity Shares from their respective depository account, **in off-market mode**, to the special depository account with the National Securities Depository Limited ("**NSDL**") opened with Karvy Stock Broking Limited (collectively, the "**Special Depository Account**"), details of which are as follows:

Depository	NSDL
Special Depository Account Name	ELECTROSTEEL LIMITED- DELISTING OFFER
Name of the Depository Participant	KARVY STOCK BROKING LIMITED
DP Identification Number	IN300394
Client Identification Number	19912720

3.1.3 In order for the bid to be valid, the Residual Public Shareholders who hold Equity Shares in dematerialised form, should transfer their Equity Shares from their respective depository accounts to the Special Depository Account. Eligible Shareholders having their beneficiary account in Central Depository Services Limited shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

3.1.4 In case of non-receipt of the aforesaid document but receipt of the Equity Shares in the Special Depository Account by the Registrar to Exit Offer, the Residual Public Shareholder may be deemed to have accepted the Offer. **All transfers should be in off-market mode.** A photocopy of the delivery instructions or counterfoil of the delivery instructions submitted to the depository participant of the Residual Public Shareholder's depository account and duly acknowledged by such depository participant crediting the Residual Public Shareholder's Equity Shares to the Special Depository Account, should be attached to the Residual Public Shareholder's Exit Application Form.

3.1.5 In case your depository participant offers the facility of online transfer of shares, then instead of the photocopy of the acknowledged delivery instruction slip you may attach a printout of the computer-generated confirmation of transfer of shares. **Note that the transfer should be made in off-market mode.**

3.1.6 It is the sole responsibility of the Residual Public Shareholders to ensure that their Equity Shares are credited to the Special Depository Account in the manner as mentioned above and their application are delivered or reach the Registrar to Exit Offer on or before the last date of the Exit Window.

3.1.7 The Equity Shares will be held in the Special Depository Account until the consideration payable has been dispatched to the Residual Public Shareholders or the unaccepted shares are credited back to the Residual Public Shareholders' depository accounts.

- 3.1.8 The International Securities Identification Number (“ISIN”) for the Equity Shares of the Company is INE481K01021.
- 3.1.9 In case that you are not a resident of India, please submit along with your Exit Application Form all documents as specified in paragraph 4.2 of this Exit Letter of Offer.
- 3.2 **Procedure for Residual Public Shareholders holding Equity Shares in PHYSICAL FORM:**
- 3.2.1 The Residual Public Shareholders holding Equity Shares in physical form and desirous of tendering their Equity Shares in the Exit Offer must submit the enclosed Exit Application Form along with the documents specified in paragraphs 3.7 and 4.2 of this Exit Letter of Offer, as applicable, by hand delivery or by registered post/speed post or courier (at their own risk and cost) with the envelope marked “**ELECTROSTEEL STEELS LIMITED - EXIT OFFER**” so as to reach the Registrar to Exit Offer at the address as mentioned on the cover page of this Exit Letter of Offer on or before December 20, 2019 (i.e. the last date of the Exit Window).
- 3.2.2 In order for tender to be valid, the Residual Public Shareholders who hold Equity Shares in physical form should submit their Exit Application Form together with the share certificate(s) and duly executed transfer deed to the Registrar to Exit Offer. The tender in respect of the certificates Exit Letter of Offer. The transfer deed should be in favour of “**Vedanta Star Limited**”.
- 3.2.3 For the Equity Shares which are tendered in physical form, the Transfer Deed should be attested by the Bank Manager or an Officer of the Bank where the registered Residual Public Shareholder is having a Bank account giving therein the bank account number and the name of the Bank by the concerned attesting officer. The attestation needs to be done in the column provided in the Transfer Deed for the said purpose.
- Residual Public Shareholders should also tender a self-attested photocopy of the Identity Card like PAN card, Election ID Card or copy of the Passport along with the transfer deed when tendering them under the Exit Offer.
- 3.2.4 The Registrar to the Exit Offer will hold in trust the share certificate(s) and the transfer deed until the dispatch of the consideration payable or the dispatch of unaccepted share certificates to the Residual Public Shareholder concerned.
- 3.3 It shall be the responsibility of the Residual Public Shareholders tendering their Equity Shares in the Exit Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering such shares in the Exit Offer, and the Acquirer shall take no responsibility for the same. The Residual Public Shareholders should attach a copy of any such approval to the Exit Application Form, wherever applicable.
- 3.4 The Equity Shares to be acquired under this Exit Offer are to be acquired free from all liens, lock-ins, charges and encumbrances and together with all rights attached thereto. Equity Shares that are subject to any charge, lock-ins, lien or encumbrance are liable to be rejected.
- 3.5 Residual Public Shareholders should ensure that their Exit Application Form together with necessary enclosures is received by the Registrar to Exit Offer on or before the last day of the Exit Window, at the address of the Registrar to the Exit Offer given on the cover page of this Exit Letter of Offer.
- 3.6 In the event some Residual Public Shareholders are not able to download a copy of the Exit Letter of Offer from www.electrosteelsteels.com, they may obtain a soft copy of the Exit Letter of Offer from the website of the Registrar to Exit Offer, www.karisma.karvy.com
- 3.7 Residual Public Shareholders are requested to submit the below mentioned documents, as applicable, along with the Exit Application Form:

Category	Procedure	
	Physical	Demat
Individual / HUF	1. The Exit Application Form duly completed and signed in accordance with the instructions contained therein, by all Residual Public Shareholders whose names appear on the share certificate.	1. Exit Application Form duly filled and signed by the registered Residual Public Shareholder
	2. Original share certificate(s)	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialised Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. Valid share transfer deed(s) duly signed as transferors by all registered Residual Public Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with and duly witnessed at the appropriate place(s). Note: In order to avoid rejection (thumb impressions, signature difference, etc.), it is recommended to get it attested, by a magistrate/ notary public/ bank manager under their official seal	
Corporate	1. The Exit Application Form duly completed and signed in accordance with the instructions contained therein, by an authorized signatory.	1. Exit Application Form duly filled and signed by an authorized signatory
	2. Original share certificate(s)	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialised Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. Valid share transfer deed(s) duly signed as transferors by an authorized signatory as per specimen signatures registered with the company.	
	4. True copy of the board resolution certified by a director or a company secretary of the company providing the authority to the signatory to deal with sale of shares	
Tendering through Power of Attorney ("POA")	1. The Exit Application Form duly completed and signed in accordance with the instructions contained therein, by all Residual Public Shareholders/ POA shareholders whose names appear on the share certificate.	1. Exit Application Form duly filled and signed by the POA holders
	2. Original share certificate(s)	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialised Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.

Category	Procedure	
	Physical	Demat
	3. Valid share transfer deed(s) duly signed as transferors by all POA holders in the same order and as per specimen signatures registered with the company and duly witnessed at the appropriate place(s).	3. Residual Public Shareholder should ensure that the POA is duly registered with their depository participant.
	4. Attested copy of POA only if not registered with the Company or its registrar/transfer agent (Note: It is recommended to attach a photocopy of the same)	
Custodian	1. The Exit Application Form duly completed and signed in accordance with the instructions contained therein, by all Residual Public Shareholders/ POA shareholders whose names appear on the Share certificate.	1. Exit Application Form duly filled and signed by an authorized signatory
	2. Original share certificate(s)	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialised Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. Valid share transfer deed(s) duly signed as transferors by all POA holders in the same order and as per specimen signatures registered with the company and duly witnessed at the appropriate place(s).	
	4. Attested copy of POA only if not registered with the Company or its registrar/transfer agent (Note: It is recommended to attach a photocopy of the same)	

4. NON-RESIDENT ELIGIBLE SHAREHOLDERS

4.1 It shall be the responsibility of the Residual Public Shareholders who are non-resident Indians, persons resident outside India, overseas corporate bodies (“OCB”), Foreign Portfolio Investors (“FPI”), etc. (“**Non-Resident Residual Public Shareholders**”) tendering their Equity Shares in the Exit Offer, to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering the Equity Shares held by them in the Exit Offer, and the Acquirer shall take no responsibility for the same. Non-Resident Residual Public Shareholders may also choose to apply to the Reserve Bank of India for requisite approval required to tender their respective Equity Shares. The Non-Resident Residual Public Shareholder should attach a copy of any such approval to the Exit Application Form, wherever applicable.

4.2 Non-Resident Residual Public Shareholders are requested to submit the below mentioned documents, as applicable, along with the Exit Application Form:

Category	Procedure	
	Physical	Demat
Non resident Indian (“NRI”)	1. The Exit Application Form duly completed and signed in accordance with the instructions contained therein, by all Residual Public Shareholders whose names appear on the share certificate or POA holder.	1. Exit Application Form duly filled and signed by the registered Residual Public Shareholder or the POA Holder

Category	Procedure	
	Physical	Demat
	2. Original share certificate(s) and	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialised Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. Valid share transfer deed(s) duly signed as transferors by all registered Residual Public Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with and duly witnessed at the appropriate place(s). Note: In order to avoid rejection (thumb impressions, signature difference, etc.), it is recommended to get it attested, by a magistrate/notary public/bank manager under their official seal.	3. Should enclose a Tax Clearance Certificate (“TCC”) from Income Tax Authorities under Section 195(3) or Section 197 of the Income Tax Act, 1961 and submit the same with Exit Application Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.
	3. Should enclose a Tax Clearance Certificate (“TCC”) from Income Tax Authorities under Section 195(3) or Section 197 of the Income Tax Act, 1961 and submit the same with Exit Application Form. In absence of such certificate from the Income-tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.	4. Should enclose a copy of the permission received from the RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of the RBI, the Non Resident Residual Public Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.
	5. Should enclose a copy of the permission received from the RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the Non Resident Residual Public Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.	5. Where Non Resident Residual Public Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non Resident Residual Public Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non Resident Residual Public Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F.
	6. Self-attested copy of Permanent Account Number (“PAN”) card	6. Duly filled Form FC-TRS in Single Master Form issued by the RBI by way of A.P (DIR Series) Circular No.30 of June 07, 2018.
	7. Copy of POA (Power of Attorney), required only if not registered with the Company or Registrar/Transfer Agent	
	8. Where Non Resident Residual Public Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non Resident Eligible Shareholder to avail the beneficial provisions, if	

Category	Procedure	
	Physical	Demat
	any, under the DTAA. If the Non Resident Eligible Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F.	
	9. Duly filled Form FC-TRS in Single Master Form issued by the RBI by way of A.P (DIR Series) Circular No.30 of June 07, 2018.	
Foreign Portfolio Investor ("FPI") / Overseas Corporate Body ("OCB")	1. The Exit Application Form duly completed and signed in accordance with the instructions contained therein, by an authorized signatory on the share certificate.	1. Exit Application Form duly filled and signed by an authorized signatory
	2. Original share certificate(s).	2. The duly executed photocopy of the delivery instruction slip for transfer of the dematerialised Equity Shares from the respective depository account, in off-market mode, to the Special Depository Account.
	3. Valid share transfer deed(s) duly signed as transferors by an authorized signatory under their official seal	3. TCC from the Income Tax Authority
	4. Self-attested copy of PAN card	4. Self-attested SEBI Registration Certificate and also copy of notification issued under section 115AD of the Income Tax Act, 1961, showing name of FPI.
	5. TCC from the Income Tax Authority	5. FPI certificate (self-attested declaration certifying the nature of income arising from the sale of shares, whether capital gains or otherwise and also stating their residential status, that that it does not have a permanent establishment in India
	6. Self-attested SEBI Registration Certificate and also copy of notification issued under section 115AD of the Income Tax Act, 1961, showing name of FPI	6. Certificate from a chartered accountant (along with proof such as demat account statement) certifying that the shares have been held for more than one year along with acquisition cost, if applicable along with broker invoice / contract note evidencing the date on which the shares were acquired.
	7. FPI certificate (self-attested declaration) certifying the nature of income arising from the sale of shares, whether capital gains or otherwise and also stating their residential status, that that it does not have a permanent establishment in India.	7. The Non Resident Eligible Shareholder may also provide a bank certificate certifying inward remittance to avail concessional rate of tax deducted at source for long term capital gains under section 115E of Income Tax Act. 1961.

Category	Procedure	
	Physical	Demat
	8. Certificate from a chartered accountant (along with broker invoice / contract note evidencing the date on which the shares were acquired) certifying that the shares have been held for more than one year along with acquisition cost, if applicable.	8. Should enclose a copy of the permission received from the RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of the RBI, the Non Resident Residual Public Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.
	9. The Non Resident Eligible Shareholder may also provide a bank certificate certifying inward remittance to avail concessional rate of tax deducted at source for long term capital gains under section 115E of Income Tax Act, 1961.	9. Where Non Resident Residual Public Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non Resident Residual Public Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non Resident Residual Public Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F.
	10. Should enclose a copy of the permission received from the RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the Non Resident Residual Public Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis	10. Duly filled Form FC-TRS in Single Master Form issued by the RBI by way of A.P (DIR Series) Circular No.30 of June 07, 2018.
	11. Copy of POA only if not registered with the Company or Registrar/Transfer Agent.	
	12. Where Non Resident Residual Public Shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the Non Resident Residual Public Shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non Resident Eligible Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F.	
	13. Duly filled Form FC-TRS in Single Master Form issued by the RBI by way of A.P (DIR Series) Circular No.30 of June 07, 2018.	

- 4.3 The Company will rely on the information provided by the Residual Public Shareholder as to whether the capital asset being equity shares of the Company constitute short-term or long-term capital asset for the Residual Public Shareholder, for the purpose of deduction of taxes at source. Where the information provided by the Residual Public Shareholder is ambiguous, incomplete or conflicting or the information is not available with the Company regarding the same, the capital gain shall be assumed to be short-term in nature.
- 4.4 If any of the documents referred to in paragraphs 6.1 and 6.2 above are not enclosed along with the Non Resident Residual Public Shareholder's Exit Application Form, such Non Resident Residual Public Shareholder's tender of Equity Shares under the Exit Offer may be treated as invalid.

5. PAYMENT OF CONSIDERATION

- 5.1 Following fulfillment of the conditions mentioned herein, and receipt of the requisite regulatory approvals (if any), the applicable consideration will be paid by the Acquirer by way of crossed account payee cheque/ demand draft/ pay order/electronic credit, wherever possible. The crossed account payee cheques/ demand drafts/ pay orders will be dispatched to the relevant Residual Public Shareholders, at their own risk, by way of speed post / registered post/ courier. Residual Public Shareholders to whom funds have been transferred electronically shall be duly notified by way of a letter by the Registrar to Exit Offer. The Acquirer will dispatch the payment to Residual Public Shareholders who have validly tendered their Equity Shares in this Exit Offer following the receipt and verification of duly filled valid Exit Application Form(s) (together with necessary enclosures, if any) and receipt of the Equity Shares in the Special Depository Account / receipt of physical share certificates (along with duly filled in transfer deeds, as applicable) by the Registrar to Exit Offer.
- 5.2 Subject to any regulatory approvals as may be required, the Acquirer endeavor to make payments on a monthly basis, within 15 working days of the end of the relevant month ("Monthly Payment Cycle"). The first Monthly Payment Cycle shall commence within 15 working days from January 31, 2019. The Acquirer reserves the right to make the payment earlier.
- 5.2.1 **Residual Public Shareholders holding shares in demat form:** Residual Public Shareholders should fill up their bank account details in the Exit Application Form. If the Residual Public Shareholder does not provide the said details or if the details provided are different from those received electronically from the Residual Public Shareholder's depository participant, the bank details received electronically from the Residual Public Shareholder's depository participant shall be used for making payment of the consideration. Thus, the Residual Public Shareholders are advised to ensure that bank account details are updated in their respective depository participant accounts as these bank account details would be used for payment of consideration, if any. In case of wrong bank accounts details or unavailability of bank account details or availability of incomplete bank account details of the Residual Public Shareholders, the payment of consideration to the Residual Public Shareholder will be done in the form of a demand draft/pay order in favor of the first/sole Residual Public Shareholder and dispatched by registered post/speed post, at the Eligible Shareholder's sole risk, at the address obtained from the first/sole Residual Public Shareholders' depository participant (however, there will be no obligation on the Acquirer or Registrar to the Exit Offer to do the same). None of the Acquirer, the Company, or the Registrar to Exit Offer shall be responsible for delay in receipt of consideration by the Residual Public Shareholder.
- 5.3 **Residual Public Shareholders holding shares in physical form:** In order to avoid any fraudulent encashment in transit of the crossed account payee cheque/ demand draft/ pay order issued by the Acquirer or by electronic credit towards the consideration payable for the Equity Shares tendered under this Exit Application Form, please fill in the details of the sole Residual Public Shareholder's bank account (or, in the case of joint holders, the first-named Residual Public Shareholder's bank account) in the Exit Application Form and any consideration payable will be paid by issuing an instrument or by electronic transfer carrying the details of the bank account so provided in the Exit Application Form. In case the electronic transfers are unsuccessful due to wrong or incomplete bank account details provided by the Residual Public Shareholder in the application form, the payment of consideration to

the Residual Public Shareholder will be done in the form of a demand draft/pay order in favor of the first/sole Residual Public Shareholder and dispatched by registered post/speed post at the Residual Public Shareholder's sole risk (however, there will be no obligation on the Acquirer or Registrar to Exit Offer to do the same). None of the Acquirer, the Company or the Registrar to Exit Offer shall be responsible for delay in receipt of consideration by the Residual Public Shareholder.

- 5.4 The Equity Shares received from any invalid applications will: (i) in the case of dematerialized Equity Shares deposited in the Special Depository Account, be credited back to the respective depository account with the respective depository participants as per the details furnished by the relevant Residual Public Shareholder in the Exit Application Form; and (iii) in the case of physical Equity Shares, be dispatched together with the share certificate and share transfer deed to the relevant Residual Public Shareholders by registered post/speed post, at the Residual Public Shareholder's sole risk, and at the address registered with the Company.

6. EXIT WINDOW

- 6.1 The Residual Public Shareholders may submit their Exit Application Form along with the relevant documents to the Registrar to Exit Offer at the Exit Price at any time during the Exit Window. The Residual Public Shareholders are required to ensure that their Exit Application Form, together with the necessary enclosures, is received by the Registrar to Exit Offer on or before December 20, 2019.

7. STATUTORY AND OTHER APPROVALS

- (a) In terms of the Regulation 10(B) of Notification No. FEMA 20/2000-RB dated May 3, 2000 as amended from time to time read with Para 2(A) of A.P. (DIR Series) Circular No. 43 dated November 4, 2011 ("**RBI Circular**") for acquisition of Equity Shares by the resident Acquirer from NRIs, the Reserve Bank of India ("**RBI**") approval for transfer of shares from a non-resident to resident is not required if, among other conditions stated in the RBI circular, the pricing for the transaction is compliant with the relevant SEBI regulations. Further, as per the RBI Circular, in the event any OCBs tender their Equity Shares in the Offer, then the prior approval of the RBI would be required. The Acquirer will not take onus of any RBI approval. If any RBI Approval is required then the same will need to be procured by the respective Residual Public Shareholder.
- (b) To the best of the Acquirer's knowledge, as of the date of this Exit Letter of Offer, there are no other statutory or regulatory approvals required to acquire the Equity Shares and implement the Exit Offer, other than as indicated above. If any statutory or regulatory approvals become applicable, the acquisition of Equity Shares by the Acquirer and the Exit Offer will be subject to receipt of such statutory or regulatory approvals.
- (c) It shall be the responsibility of the Residual Public Shareholders tendering in the Exit Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering the Equity Shares held by them in the Exit Offer, and the Acquirer shall take no responsibility for the same. The Acquirer will not take onus of any RBI approval. If any RBI Approval is required then the same will need to be procured by the respective Residual Public Shareholder. The Residual Public Shareholders should attach a copy of any such approval to the Exit Application Form, wherever applicable.
- (d) The Acquirer reserve the right to not proceed with the acquisition of the equity shares pursuant to the Exit Offer in the event the approval(s), if any, is / are not obtained, or conditions which the Acquirer consider in their sole discretion to be onerous, are imposed in respect of such approval(s).

8. NOTE ON TAXATION

Given below is a broad summarization of the applicable sections (that are currently in force) of the Income-tax Act, 1961 ("**IT Act**") relating to treatment of income-tax in case of sale of listed equity shares

and tax deduction at source, which is provided only as a guidance.

ALL THE RESIDUAL PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY OR THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THE TAX RATES AND OTHER PROVISIONS MAY UNDERGO CHANGES AND THE TAX WILL BE DEDUCTED AT SOURCE AS PER THE APPLICABLE PROVISIONS OF THE INCOME TAX ACT, 1961 PREVAILING AT THE DATE OF PAYMENT OF THE CONSIDERATION.

(i) **Classification of Shares and Eligible Shareholders:**

- Based on the provisions of the IT Act, shares can be classified under the following two categories:
 - (a) Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
 - (b) Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)
- Based on the provisions of the IT Act, shareholders can be classified under the following categories:
 - (a) Resident shareholders being
 - Individuals or Hindu Undivided Family (“HUF”)
 - Other Residents
 - (b) Non-resident shareholders being
 - Non-Resident Indians (NRIs)
 - Foreign Institutional Investors (FPIs)
 - Others
 - Company
 - Other than Company

(ii) **Taxation of shares held as Investment**

- As per the provisions of the IT Act, for the purpose of determining as to whether the capital gains are short-term or long-term in nature, following would be relevant:
 - (a) Where a capital asset, being listed equity shares of the Company being acquired, is held for a period of less than or equal to 12 months prior to the date of acquisition, the same shall be treated as a short-term capital asset, and the gains arising therefrom shall be taxable as short-term capital gains (STCG).
 - (b) Similarly, where listed equity shares are held for a period of more than 12 months prior to the date of acquisition, the same shall be treated as a long-term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).
- Capital gains on sale of listed equity shares are governed by the provisions of section 112A read with section 55(2)(ac) of the IT Act subject to compliance with conditions prescribed. One of the conditions prescribed being shares are sold on-market and that Securities Transaction Tax (“STT”) is paid on the same.

- Since the transaction of the equity shares (for delisting) is proposed to be done off-market, such transaction is not chargeable to Securities Transaction Tax (STT) and hence provisions of section 112A will not apply to shareholders.
- Accordingly, the taxability in the hands of shareholders is as under:

(i) For Resident Shareholders – Individuals or HUFs:

- (a) LTCG arising from such transaction would be liable to capital gains under section 112 read with section 48 of the IT Act as under:
- 20% (plus applicable surcharge and cess) with indexation; OR
 - 10% (plus applicable surcharge and cess) without indexation;
- (b) STCG arising from such transaction would be subject to tax at the applicable slab rate (plus applicable surcharge and cess).

For computing capital gains, the benefit of basic exemption limit is allowable in case of resident individuals and HUF.

Provided that where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the respective rates.

(ii) For Resident Shareholders – other than Individuals or HUFs:

- (a) LTCG arising from such transaction would be liable to capital gains under section 112 read with section 48 of the IT Act as under:
- 20% (plus applicable surcharge and cess) with indexation; OR
 - 10% (plus applicable surcharge and cess) without indexation;
- (b) STCG arising from such transaction would be subject to tax at the rate of 30% or 25% as applicable (plus applicable surcharge and cess).

(iii) For Non-Resident Shareholders:

For non-resident shareholders, taxability of capital gains would be subject to beneficial provisions of applicable Double Tax Avoidance Agreement (“DTAA”). The taxability on non-resident shareholders in India is as under:

- (a) In case of FPI’s: FPIs are taxable as per the provisions of Section 115AD of the IT Act, as under.
- LTCG would be taxable @ 10% (plus applicable surcharge and cess);
 - STCG would be taxable @ 30% (plus applicable surcharge and cess).

It may further be noted that for FPIs, both - first proviso to Section 48 of the IT Act (providing for foreign exchange fluctuation benefit) and second proviso to Section 48 of the IT Act (providing for indexation benefit) would not be applicable.

(b) For NRI's:

- LTCG would be taxable @ 10% (without indexation) (plus applicable surcharge and cess). Benefit of first proviso to Section 48 of the IT Act (providing for foreign exchange fluctuation benefit) shall be available.
- STCG would be taxable at the applicable slab rates (plus applicable surcharge and cess).

(c) In case of Foreign Companies

- LTCG would be taxable, depending on whether the transaction is in foreign currency or in Indian currency:
 - Where transaction acquisition was in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to Section 48 of the IT Act shall be available.
 - Where transaction is not in foreign currency, then benefit of indexation would apply and tax would be calculated at lower of:
 - @ 20% (with indexation) (plus applicable surcharge and cess)
 - @ 10% (without indexation) (plus applicable surcharge and cess)
- STCG would be taxable @ 40%.

(d) In case of all other non-resident assesses, except those mentioned in paragraph (iii)a, (iii)b and (iii)c above:

- LTCG would be taxable, depending on whether the transaction is in foreign currency or in Indian Currency:

Where the transaction acquisition was in foreign currency, LTCG would be taxable @ 20% (without indexation) – however, benefit of foreign exchange fluctuation as per first proviso to Section 48 of the IT Act shall be available.

 - Where transaction is not in foreign currency, then benefit of indexation would apply in case of LTCG and tax would be calculated at lower of:
 - @ 20% (without indexation) (plus applicable surcharge and cess)
 - @ 10% (without indexation) (plus applicable surcharge and cess)
- STCG would be taxable as per the slab rates or maximum marginal rate as applicable.

(iii) **Taxation of shares held as Stock-In-Trade**

- If the shares are held as stock-in-trade by any of the resident shareholders of the Company, then the gains would be characterized as business income and taxed as may be applicable based on the status of such shareholder i.e. whether Company, Limited liability Partnership, Individual, etc.
- For non-residents, taxability of profits as business income would be subject to beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”).

(iv) **Tax Deduction at Source**

In case of Resident Shareholders

- In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said acquisition.

In case of FPI's:

- As per the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is required to be made by the Company, from income by way of capital gains arising from transfer of listed securities payable to a FPI as defined in Section 115AD of the IT Act.
- For this purpose, the FPI should provide the information as requested in the Delisting Application Form, stating the following:
 - Its residential status.
 - It does not have a permanent establishment in India.
 - The amount received by it as a part of the sale constitutes capital gains and does not constitute business income for it.
 - Similar gains, if any, have been assessed as capital gains by the income-tax authorities in India in the past.
- In absence of certification to the effect that the income of the FPI from sale of shares is in the nature of capital gains, the Company shall deduct tax at the prescribed rate (including applicable surcharge and education cess) under the IT Act, on the gross consideration payable.

In the case of Non Resident Shareholders including NRIs

- As per the provisions of Section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate (including applicable surcharge and education cess).
- The consideration payable under the delisting offer would be chargeable to tax as capital gains or business profits, as the case may be.
- The Company shall deduct tax at the prescribed rates (including applicable surcharge and education cess) for each category of shareholder, on the gross consideration payable to such non-resident shareholders, based on the information submitted along with the Exit Application Form.
- In case of any ambiguity, incomplete or conflicting information or information not being provided to the Company by the Non Resident Residual Public Shareholder, the

tax shall be deducted at the maximum rate prescribed for such non-resident shareholder.

- If the Non Resident Residual Public Shareholder requires the Company not to deduct tax, or to deduct tax at a lower rate, or on a lower amount, for any reason, they would need to obtain a certificate from the Income- tax authorities, either under Section 195(3) or under Section 197 of the IT Act, and submit the same to Company while submitting the Exit Application Form In absence of such certificate from the Income- tax authorities, the Company shall deduct tax on gross consideration at the prescribed rate of tax.
- Where non-resident shareholder is tax resident of a country which has entered into a DTAA with India, it may be possible for the non-resident shareholder to avail the beneficial provisions, if any, under the DTAA. If the Non Resident Residual Public Shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person from the tax authorities of the country of which such person is the tax resident and prescribed Form 10F, along with all the other prescribed information, should be submitted along with the Exit Application Form. In absence of such certificate, the Company shall deduct the tax as per paragraph mentioned above.
- In case of a NRI, where it is claimed that he is governed by the provisions of Section 115E of the IT Act, he should submit the relevant information as prescribed in the Exit Application Form as requested in the Exit Application Form, along with documents in support thereof and to the satisfaction of the Company. In case the information and documents are not submitted or the Company is not satisfied regarding the same, then the rate of tax would be that as applicable to any other non-residents.
- These can either be documents proving that the Shares were purchased by the Residual Public Shareholders either from foreign remittances or from funds lying in the NRE account or FCNR account and that these Shares have been declared as such in the return of income filed by the Residual Public Shareholders.

Note:

- (a) Non Resident Residual Public Shareholders (including FPIs) are required to submit their PAN for income-tax purposes. In case of Non-Residents (including FPIs), if PAN is not submitted or is invalid, the non-resident Eligible Shareholders can submit the following information to the Company:
 - Name, email id and contact number;
 - Address in the country of resident;
 - Tax Residency Certificate, if the law of country of residence provides for such certificate; and
 - Tax Identification Number (TIN) in the country of residence. Where TIN is not available, a unique identification number is required to be furnished through which the deductee is identified in the country of residence.
- (b) If the information as per above clause is not provided by the Non Resident Residual Public Shareholders, the Company will deduct tax @ 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher, in accordance with provisions of Section 206AA of the IT Act.
- (c) For the purpose of computing the tax deduction at source, Residual Public Shareholders who wish to tender their shares must submit the information mentioned above along with information required in the Exit Application Form.
- (d) The tax deducted under this offer is not the final liability of the Residual Public Shareholders or in no way discharge the obligation of Residual Public Shareholders to disclose the amount received in pursuant to this Exit Letter of Offer.

- (e) If for any reasons, the income-tax department raises a vicarious liability on the Company and seeks to recover the tax on the transaction (which is actually tax liability of the Residual Public Shareholder) from the Company, the Residual Public Shareholder agrees to indemnify the Company for the same.

9. COMPLIANCE OFFICER

The Compliance Officer of the Company is:

Mr. Binaya Kumar Dash

Electrosteel Steels Limited,

801, Uma Shanti Apartments, Kanke Road, Ranchi - 834 008, Jharkhand, India

Email: BinayaKumar.Dash@vedanta.co.in

Contact No.: +91 - 08651102477- 1021(extension)

In case the Residual Public Shareholders have any queries concerning the non-receipt of credit or payment for Equity Shares, they may address the same to the Registrar to Exit Offer.

10. REGISTRAR TO EXIT OFFER

Name: Karvy Fintech Private Limited (Formerly known as KCPL Advisory Private Limited)

Kind Attn: Mr. M Murali Krishna

Address: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032

Email: esl.delistingoffer@karvy.com

Contact No.: 040 67162222

SEBI Registration No.: INR000000221

11. GENERAL DISCLAIMER

Every person who desires to avail the Exit Offer may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Acquirer or the Company or the Registrar to Exit Offer, whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with the tendering of the Equity Shares in the Exit Offer.

For and on behalf of the board of directors of Vedanta Star Limited

Sd/-

Director

Pooja Somani

Date: December 17, 2018

Place: Mumbai

Enclosures:

1. Exit Application Form
2. Blank transfer deed for Residual Public Shareholders holding physical share certificates

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Please read this document along with the enclosed Exit Letter of Offer dated December 17, 2018 (“**Exit Letter of Offer**”) issued by **Vedanta Star Limited (“Acquirer”)**, since the terms and conditions of the Exit Letter of Offer are deemed to have been incorporated in and form part of this document. Unless the context otherwise requires, capitalized expression used in this Exit Application Form have the same meaning as defined in the Exit Letter of Offer.

EXIT OFFER		
Exit Window Opens	Friday	December 21, 2018
Exit Window Closes	Friday	December 20, 2019
Exit Price per share	INR 9.54/- (Rupees nine and fifty-four paise only)	

EXIT APPLICATION FORM

for tender of Equity Shares of face value of INR 10 each of Electrosteel Steels Limited pursuant to the Exit Offer by Vedanta Star Limited

Residual Public Shareholders should ensure that their Exit Application Form together with necessary enclosures is delivered by hand or sent by registered post / speed post or courier (at the Residual Public Shareholders’ sole cost and risk) to the Registrar to Exit Offer on or before the last day of the Exit Window, at the address of the Registrar to Exit Offer given on the cover page of this Exit Letter of Offer.

Dear Sir(s),

Re: Exit Offer for fully paid up Equity Shares of Electrosteel Steels Limited (“Company”) by the Acquirer. The Exit Price for the Exit Offer has been determined as INR 9.54 per Equity Share.

By signing the Exit Application Form, you will be deemed to have made each of the following acknowledgements and authorisations:

1. I/We, having read and understood the terms and conditions set out below, in the Exit Letter of Offer hereby tender my/our Equity Shares in response to the Exit Offer.
2. I/We hereby undertake the responsibility for the Exit Application Form and the Equity Shares tendered under the Exit Offer and I/We hereby confirm that the Acquirer /Registrar to Exit Offer shall not be liable for any delay/loss in transit resulting into delayed receipt or non-receipt of the Exit Application Form along with all requisite documents, by the Registrar to Exit Offer or delay/failure in credit of Equity Shares to the Special Depository Account within due time, due to inaccurate/incomplete particulars/instructions or any reason whatsoever.
3. I/We understand that the Equity Shares tendered under the Exit Offer shall be held in trust by the Registrar to Exit Offer until the time of the dispatch of payment of consideration calculated at Exit Price and/or the unaccepted Equity Shares are returned.
4. I/We also understand that the payment of consideration will be done to the first name Residual Public Shareholder after due verification of Exit Application Forms, documents and signatures.
5. I/We hereby confirm that I/We have full power and authority to tender, sell and transfer the Equity Shares I/We are tendering (together with all rights attaching thereto) and there are no restraints/injunctions, or other orders of any nature which limit/restrict my/our rights to tender the Equity Shares and that I/we have never sold or parted/dealt with in any manner with the Equity Shares tendered under the Exit Offer and these Equity Shares are free from any lien, equitable interest, charges & encumbrances, whatsoever.

6. I/We hereby declare that I/We am/are the absolute and only owner of these Equity Shares and legally entitled to tender the Equity Shares under the Exit Offer.
7. I/We authorize the Acquirer and Registrar to Exit Offer to send the payment of consideration by way of crossed account payee cheque/demand draft/pay order through registered post or ordinary post at the address registered with the Company, or by way of electronic credit as the case may be.
8. I/We undertake to return any amount received by me/us inadvertently, immediately.
9. I/We authorize the Acquirer to accept the Equity Shares so offered.
10. I/We agree that upon acceptance of the Equity Shares by the Acquirer, tendered by me/us under the Exit Offer, I/We would cease to enjoy all right, title, claim and interest whatsoever, in respect of such Equity Shares of the Company; and
11. I/We further authorize the Acquirer to return to me/us, the Equity Share Certificate(s) in respect of which the Exit Application Form along with the submitted documents is not found valid / complete / not accepted, specifying the reasons thereof and in the case of dematerialized Equity Shares, to the extent not accepted will be released to my depository account at my/our sole risk.
12. I/we hereby undertake to execute any further documents, give assurance and provide assistance, which may be required in connection with the Exit Offer and agree to abide by the decisions taken in accordance with the applicable rules and regulations.
13. I/We acknowledge and confirm that all the particulars/statements given are true and correct.

S. No.	Name (in BLOCK LETTERS)	Holder	Name	PAN No.
1.	(Please write the names of the joint holders in the same order as appearing in the share certificate(s)/demat account)	Sole / First Holder		
		Second Holder		
		Third Holder		
2.	Contact Details:	Tel No:		
		Mobile No:		
		Email Id:		
3.	Full Address of the First Holder (with pin code)			
4.	Type of Investor (Please tick(v) the box to the right of the appropriate category)	Individual(s)		NRI - Repatriable
		HUF		NRI - Non Repatriable
		Domestic Company /Bodies Corporate		FPI
		Mutual Fund		Insurance Company
		Banks & Financial Institutions		Others (Please specify)

14. FOR RESIDUAL PUBLIC SHAREHOLDERS HOLDING EQUITY SHARES 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.		Number of Equity Shares
			From	To	
(If the space provided is inadequate please attach a separate continuation sheet)				TOTAL	

FOR RESIDUAL PUBLIC SHAREHOLDERS HOLDING EQUITY SHARES IN DEMATERIALISED FORM

Details of Residual Public Shareholder's demat account and delivery instruction executed in favour of Special Depository Account

(to be filled in by the tendering Residual Public Shareholder)

Name of Depository Participant of the Residual Public Shareholder	
Depository Participant's ID No. of the Residual Public Shareholder	
Client ID No. of the Residual Public Shareholder	
Beneficiary's Name (as appearing in DP's records)	
Date of Execution/Acknowledgement of Delivery Instruction (Copy enclosed)	
Number of Equity Shares (In Figures)	
Number of Equity Shares (in Words)	

Other enclosures, as applicable

(Please tick (v) the box to the right of the appropriate category)

Power of Attorney	<input type="checkbox"/>	Others (Please specify)	<input type="checkbox"/>
Death Certificate	<input type="checkbox"/>	Corporate Authorization	<input type="checkbox"/>

15. Details of Bank Account

- 15.1 **Residual Public Shareholders holding shares in demat form:** Residual Public Shareholders should fill up their bank account details in the Exit Application Form. If the Residual Public Shareholder does not provide the said details or if the details provided are different from those received electronically from the Residual Public Shareholder's depository participant, the bank details received electronically from the Residual Public Shareholder's depository participant shall be used for making payment of the consideration. Thus, the Residual Public Shareholders are advised to ensure that bank account details are updated in their respective depository participant accounts as these bank account details would be used for payment of consideration, if any. In case of wrong bank accounts details or unavailability of bank account details or availability of incomplete bank account details of the Residual Public Shareholders, the payment of consideration to the Residual Public Shareholder will be done in the form of a demand draft/pay order in favor of the first/sole Residual Public Shareholder and dispatched by

registered post/speed post, at the Residual Public Shareholder's sole risk, at the address obtained from the first/sole Residual Public Shareholders' depository participant (however, there will be no obligation on the Acquirer or Registrar to Exit Offer to do the same). None of the Acquirer, the Company, or the Registrar to Exit Offer shall be responsible for delay in receipt of consideration by the Residual Public Shareholder.

- 15.2 **Residual Public Shareholders holding shares in physical form: Residual Public Shareholders holding shares in physical form:** In order to avoid any fraudulent encashment in transit of the crossed account payee cheque, pay order or demand draft issued by the Acquirer or by electronic credit towards the consideration payable for the Equity Shares tendered under this Exit Application Form, please fill the following details of the sole Residual Public 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 issuing an instrument or electronic transfer carrying the details of the bank account so provided. If you do not provide the following details or the details provided are different from those received electronically from your depository participant, any consideration payable will be sent to the first/sole Residual Public Shareholder at the address based on details obtained from the first/sole Residual Public Shareholders' depository participant (however, there will be no obligation on the Acquirer or Registrar to Exit Offer to do the same). In case the electronic transfers are unsuccessful due to wrong or incomplete bank account details provided by the Residual Public Shareholder in the application form, the payment of consideration to the Residual Public Shareholder will be done in the form of a demand draft/pay order in favor of the first/sole Residual Public Shareholder and dispatched by registered post/speed post at the Residual Public Shareholder's sole risk (however, there will be no obligation on the Acquirer or Registrar to Exit Offer to do the same). None of the Acquirer, the Company or the Registrar to Exit Offer shall be responsible for delay in receipt of consideration by the Residual Public Shareholder.

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 (in case you wish to receive funds electronically)	
IFSC Code (in case you wish to receive funds electronically)	

Note: You may enclose copy of a cancelled cheque to enable us to ensure the correct bank details.

(Please note that for fund transfer in electronic mode, the transfer would be done at your risk based on the data provided as above by you)

16. Signatures

I/We hereby tender to the Acquirer, the number of Equity Shares set out or deemed to be set out in paragraph 5 of this Exit Application Form in accordance with and subject to the terms and conditions herein, and in the Exit Letter of Offer:

Signature			
	Sole / First Holder	Second Holder	Third Holder

Note: *In case of joint holdings, all holders must sign.*

In case of bodies corporate the Exit Application Form is to be signed by the authorized signatory under the stamp of the company and necessary board resolution authorizing the submission of this Exit Application Form should be attached.

Tax Certification (Non Resident Indians (“NRIs”) / Overseas Corporate Bodies (“OCBs”) / Foreign Portfolio Investors (“FPIs”) / Other Non Resident Residual Public Shareholders ONLY)			
Please refer to the Exit Letter of Offer for details regarding tax to be deducted at source. Residual Public Shareholders are also advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.			
I/We certify that the Equity Shares referred to in Box 14 are held: Please tick (√)			
On Investment / Capital Account		On Trade Account /to be taxed as Business Profits	
I/We certify that the tax deduction on the Equity Shares referred to in Box 14 is to be deducted on account of			
Short Term Gains		Long Term Gains	Business Profits
<p>Note: Where the shares tendered comprise both long term capital assets and short term capital asset please furnish a statement showing computation of the break up into short term capital gains and long term capital gains In the case of NRIs only, where the Equity Shares have been acquired/purchased with or subscribed to in convertible foreign exchange and the shareholder wants to certify himself as having opted/not opted out of Chapter XII-A of the Income Tax Act, 1961 then please tick (√) in the appropriate box below</p> <p>I certify that:</p> <p><input type="checkbox"/> I have not opted out of Chapter XII-A of the Income Tax Act, 1961</p> <p><input type="checkbox"/> I have opted out of Chapter XII-A of the Income Tax Act, 1961</p>			
PERMANENT ACCOUNT NUMBER : (For tax deduction at source purposes)			
FOR FPI Shareholders			
I/We have enclosed the following documents that are applicable to me/us (Please tick (√))			
TCC from income tax authorities u/s 195(3) or u/s 197 of the Income T ax Act, 1961			
Form 10F with respect to claiming the benefit of DTAA			
Previous RBI approvals for holding the Equity Shares referred to in Box 5 of this Exit Application Form			
Self-Attested Copy of Permanent Account Number (PAN) Letter / PAN Card			
Self-Attested Copy of SEBI registration certificate (including sub - account of FPI) along with a copy of notification issued under section 115AD of the IT Act showing name of FPI			
Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the FPI is a tax resident, wherever applicable			
For Non-Resident Shareholders (Other than FPIs)			
I/We have enclosed the following documents that are applicable to me/us (Please tick (√))			
TCC from income tax authorities u/s 195(3) or u/s 197 of the Income Tax Act, 1961			
Form 10F with respect to claiming the benefit of DTAA			
Previous RBI approvals for holding the Equity Shares referred to in Box 5 of this Exit Application Form			
Self-Attested Copy of Permanent Account Number (PAN) Letter / PAN Card			
Copy of relevant pages of demat account if the shares have been held for more than twelve months prior to the date of acceptance of Equity Shares under the Offer along with broker invoice/contract note evidencing the date on which the shares were acquired.			
Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the shareholder is a tax resident, wherever applicable			

Copies of relevant pages of demat account in case of a shareholder claiming benefit mentioned in paragraph 10 of the Exit Letter of Offer. In case, shares are held in physical form, banker's certificate related to payment for acquisition of shares in convertible foreign exchange	
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Notes :

- (a) In case the Equity Shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence/Incorporation and that you do not have a "permanent establishment" in India in terms of the Double Taxation Avoidance Agreement ("DTAA") entered into between India and your country of residence.
- (b) In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a tax residency certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.
- (c) Non Resident_Residual Public Shareholders should enclose a copy of the permission received from RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the Non Resident_Residual Public Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.
- (d) Non Resident_Residual Public Shareholders (including NRIs, OCBs and FPIs) should enclose no objection certificate / tax clearance certificate from income tax authorities u/s 195(3) or u/s 197 of the Income Tax Act, 1961, indicating the tax to be deducted, if any, by the Acquirer before remittance of consideration at a rate lower than the applicable rate. Otherwise, tax will be deducted at maximum marginal rate as may be applicable to the category and status of the Residual Public Shareholder, on the full consideration payable by the Acquirer.
- (e) If for any reasons, the income-tax department raises a vicarious liability on the Company and seeks to recover the tax on the transaction (which is actually tax liability of the Residual Public Shareholder) from the Company, the Residual Public Shareholder agrees to indemnify the Company for the same.
- (f) NRIs, OCBs, FPIs and Non Resident_Residual Public Shareholders are required to furnish bankers' certificates certifying inward remittance of funds for their original acquisition of Equity Shares of the Company.
- (g) NRIs holding shares on non-repatriable basis and OCBs shall also enclose a copy of the permission received from the RBI, if any, for tendering their Equity Shares in the Offer.
- (h) FPIs are requested to enclose the SEBI Registration Letter;
- (i) Non Resident_Residual Public Shareholders (including NRIs, OCBs and FPIs) should also enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. "Electrosteel Steels Limited" and the price at which the Equity Shares are being transferred i.e. "Price determined in accordance with the Delisting Regulations" duly signed by the Residual Public Shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.
- (j) OCBs are requested to enclose Form OAC of the current year.

CHECKLIST (Please tick (v))

DEMAT RESIDUAL PUBLIC SHAREHOLDERS		PHYSICAL RESIDUAL PUBLIC SHAREHOLDERS	
1	EXIT APPLICATION FORM	1	EXIT APPLICATION FORM
2	DULY EXECUTED PHOTOCOPY OF DELIVERY INSTRUCTION SLIP	2	ORIGINAL SHARE CERTIFICATE OF THE COMPANY
		3	VALID SHARE TRANSFER DEED
3	OTHER DOCUMENTS, AS APPLICABLE	4	OTHER DOCUMENTS, AS APPLICABLE

Notes:

1. **All documents/remittances sent by / to the Residual Public Shareholders will be at their risk and Residual Public Shareholders are advised to adequately safeguard their interests in this regard.**

2. **Please read these notes along with the entire contents of the Exit Letter of Offer.**
3. In the case of Residual Public Shareholders 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 Exit Application Form shall also be provided otherwise the Exit Application Form shall be liable for rejection. Please refer to paragraphs 3.6 and 4.2 of the Exit Letter of Offer, as applicable, for details of documents.
4. The number of Equity Shares tendered under the Exit Offer should match with the number of Equity Shares specified in the share certificate(s) enclosed or Equity Shares credited in the Special Depository Account under the respective Client ID number.
5. The consideration shall be paid in the name of sole/first holder.
6. In case, the Exit Application Form is not complete in all respects, the same may be liable for rejection.
7. **It is the sole responsibility of the Residual Public Shareholders to ensure that their Equity Shares are credited to the Special Depository Account in the manner as mentioned above and their application are delivered or reach the Registrar to Exit Offer on or before the last date of the Exit Window.**
8. **FOR EQUITY SHARES HELD IN DEMATERIALIZED FORM:**
 - (a) Before submitting this Exit Application Form to the Registrar to Exit Offer, please issue necessary instructions to your depository participant (where you hold the depository account in which the Equity Shares of Company are presently held) to credit your Equity Shares **into the Special Depository Account** (whose details are below). Please ensure that your Equity Shares are credited into the Special Depository Account in **OFF MARKET MODE**.
 - (b) A photocopy of the delivery instruction or counterfoil of the delivery instruction slip furnished to the depository participant of your depository account (duly acknowledged by such depository participant) as proof of credit of your Equity Shares to the Special Depository Account ("**Depository Participant Instruction**") should be attached to this Exit Application Form.

Depository	NSDL
Special Depository Account Name	ELECTROSTEEL LIMITED- DELISTING OFFER
Name of the Depository Participant	KARVY STOCK BROKING LIMITED
DP Identification Number	IN300394
Client Identification Number	19912720

- (c) **It is the sole responsibility of Residual Public Shareholders to ensure that their Equity Shares are credited to the Special Depository Account before the Exit Window ends.**
9. **FOR EQUITY SHARES HELD IN PHYSICAL FORM:** Before submitting this Exit Application Form to the Registrar to Exit Offer, you must execute valid Share Transfer Deed(s) in respect of the Equity Shares intended to be tendered under the Exit Offer and attach thereto all the relevant Physical Share Certificate(s). The share transfer deed(s) shall be signed by the Residual 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.

In case, the sole/any joint holder has died, but the share certificate(s) are still in the name of the deceased person(s), please enclose the requisite documents, i.e., copies of death certificate/will/probate/succession certificate and other relevant papers, as applicable.
10. **FOR UNREGISTERED RESIDUAL PUBLIC SHAREHOLDERS:** Unregistered Residual Public Shareholders should enclose, as applicable, (a) this Exit Application 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) by the said transferee(s) and witnessed at the

appropriate place. **The transfer deed should be in favour of “Vedanta Star Limited”**. All other requirements for valid transfer will be preconditions for acceptance.

11. Residual Public Shareholders are requested to submit all the documents as specified in paragraphs 3.7 and 4.2 of the Exit Letter of Offer, as applicable, along with the Exit Application Form.

THE EXIT APPLICATION FORM IS TO BE SUBMITTED TO THE REGISTRAR TO EXIT OFFER ONLY AND BY HAND DELIVERY OR BY REGISTERED POST/SPEED POST OR COURIER ALONG WITH ALL APPLICABLE DOCUMENTS

Registrar to Exit Offer

Karvy Fintech Private Limited (Formerly known as KCPL Advisory Private Limited)

Corporate Identity Number: U72400TG2003PTC041636

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032

Tel: +91 040 6716 2222

Fax: +91 040 23431551

Email: esl.delistingoffer@karvy.com

Contact Person: Mr M Murali Krishna

ACKNOWLEDGEMENT SLIP

Received from Mr./Ms./M/s. _____ an Exit Application Form for

Equity Shares of Electrosteel Steels Limited at the Exit Price of INR 9.54 per equity share.

Received a photocopy of the Depository Participant Instruction for the transfer of such Equity Shares from the account bearing.

DEMAT RESIDUAL PUBLIC SHAREHOLDER		PHYSICAL RESIDUAL PUBLIC SHAREHOLDER	
DP ID NO.		FOLIO NUMBER	
CLIENT ID NO		SHARE CERTIFICATE NO.	
NUMBER OF EQUITY SHARES		NUMBER OF EQUITY SHARES	

Received but not verified share certificate(s) and share transfer deeds

ACKNOWLEDGEMENT	
APPLICATION NUMBER	
DATE OF RECEIPT	
SIGNATURE OF OFFICIAL	