

**Electrosteel Steels Limited**

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

Tel: +91 - 08651102477- 1021 (extension)

Email: esl.shares@vedanta.co.in. Website: www.electrosteelsteels.com

CIN: L27310JH2006PLC012663

**NOTICE TO EQUITY SHAREHOLDERS**
**MEETING OF EQUITY SHAREHOLDERS CONVENED PURSUANT TO ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, KOLKATA BENCH**

<b>Day</b>	Friday
<b>Date</b>	29th March, 2019
<b>Time</b>	2:30 P.M.
<b>Venue</b>	CAPITOL HILL HOTEL, MAHATMA GANDHI MARG, MAIN ROAD, RANCHI 834001

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Before the National Company Law Tribunal  
Kolkata Bench  
Company Application No.39 of 2019

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In the Matter of the Companies Act, 2013 - Section 230(1) read with Section 232(1)

And

In the Matter of :

Vedanta Star Limited, a Company incorporated under the Companies Act, 2013, having Corporate Identification Number U13209JH2018PLC011308 and its Registered Office at M 11, First Floor, VIP Road, Harmu Housing Colony, P.S. Argoda, Ranchi 834 002 in the State of Jharkhand.

And

Electrosteel Steels Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013, having Corporate Identification Number L27310JH2006PLC012663 and its Registered Office at 801, Uma Shanti Apartments, Kanke Road, Ranchi 834 008 in the State of Jharkhand.

1. Vedanta Star Limited
2. Electrosteel Steels Limited

. . . . . Applicants

**NOTICE CONVENING MEETING**

To,  
The Equity Shareholders of  
Electrosteel Steels Limited

**NOTICE** is hereby given that by an order dated 24th January, 2019, the Hon'ble National Company Law Tribunal, Kolkata Bench ("**Tribunal**") has directed a meeting, of the Equity Shareholders of Electrosteel Steels Limited, the Applicant No.2 abovenamed ("**the Transferee Company**"), to be held for the purpose of their considering, and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation of Vedanta Star Limited ("**Transferor Company**"), the Applicant No.1 abovenamed with the Transferee Company.

In pursuance of the said order and as directed therein, **further notice** is hereby given that a meeting of the Equity Shareholders of the Transferee Company will be held at Capitol Hill Hotel, Mahatma Gandhi Marg, Main Road, Ranchi 834001 on Friday, 29th March, 2019 at 2:30 P.M. to consider, and if thought fit, to pass the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(6) read with Section 232(1) of the Companies Act, 2013:-

**"RESOLVED THAT** pursuant to the provisions of Section 230(1) read with Section 232(1) of the Companies Act, 2013, the Scheme of Amalgamation of Vedanta Star Limited with Electrosteel Steels Limited ("**Scheme**") presented in Company Application No.39 of 2019 before the Hon'ble National Company Law Tribunal, Kolkata Bench ("**Tribunal**"), a copy whereof is enclosed with the Notice dated 20th February, 2019 convening meeting of Equity Shareholders of Electrosteel Steels Limited be and is hereby approved.

**RESOLVED FURTHER THAT** the Board of Directors of Electrosteel Steels Limited (hereinafter referred to as the "**Board**" which term shall be deemed to mean and include one or more Committee(s) constituted by the Board or any other person authorized by it to exercise its power including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Tribunal or its appellate

*authority(ies) / while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”*

It is clarified that the aforesaid resolution is put to the shareholders for their approval to the Scheme and all matters covered by the same, including change of name of the Transferee Company to "ESL Steel Limited", as mentioned in paragraph 5(xviii) of the Explanatory Statement enclosed herewith.

TAKE FURTHER NOTICE that you shall have the facility and option of voting on the resolution for approval of the Scheme by casting your votes in person or by proxy at the venue of the meeting on 29th March, 2019 or by postal ballot/ electronic voting (“**remote e-voting**”) during the respective periods as stated below:-

	<b>Manner of voting</b>	<b>Commencement of voting</b>	<b>End of Voting</b>
A.	Postal Ballot	9:00 A.M. 27th February, 2019	5:00 P.M. 28th March, 2019
B.	Remote e-voting	9:00 A.M. 27th February, 2019	5:00 P.M. 28th March, 2019
C.	Poll at Venue of meeting	29th March, 2019 (upon poll being announced by Chairperson)	29th March, 2019 (till poll is open)

Take note that you may opt to exercise your votes only in one mode, i.e. by (a) postal ballot, (b) remote e-voting or (c) by poll at the venue of the meeting. In case you cast your votes by both, postal ballot and remote e-voting, then voting done through remote e-voting shall prevail and voting done by postal ballot will be treated as invalid. Further, if you cast your votes by postal ballot and/or remote e-voting, as aforesaid, you shall nevertheless be entitled to attend the meeting and participate in the discussions in the meeting but shall not be entitled to vote again by poll at the meeting, whether in person or by proxy. If you do so, the votes so cast by you at the venue of the meeting shall be treated as invalid. At the venue of the meeting the votes shall be taken only physically by polling papers. Facility for postal ballot or remote e-voting shall not be available at the venue of the meeting.

The business of the meeting shall be transacted and the result thereof ascertained accordingly. The aforesaid resolution for approval of the Scheme shall, if passed by a majority in number representing three-fourths in value of the Equity Shareholders of the Transferee Company casting their votes, as aforesaid, shall be deemed to have been duly passed on the date of the said meeting (i.e. 29th March, 2019) of the Equity Shareholders of the Transferee Company under Section 230(6) read with Section 232(1) of the Companies Act, 2013.

Votes may be cast, as aforesaid, at the venue of the meeting by you personally or by proxy provided that in the latter case, a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Transferee Company, not later than 48 (forty eight) hours before the time for holding the meeting. In case of a Body Corporate, being an Equity Shareholder of the Transferee Company, opting to attend and vote at the venue of the meeting, as aforesaid, through its authorised representative, such Body Corporate may do so provided a certified copy of the resolution of its Board of Directors or other governing body authorising such representative to attend and vote at the meeting on its behalf is deposited at the Registered Office of the Transferee Company not later than 48 (forty eight) hours before the time for holding the meeting.

The Hon’ble Tribunal has appointed Mr Atul Kumar Labh, Practicing Company Secretary to be the Chairperson of the said meeting of the Equity Shareholders of the Transferee Company and Ms. Madhuri Pandey, Practicing Company Secretary to be the Scrutinizer for the purpose of the said meeting.

A copy each of the said Scheme of Amalgamation; form of proxy; attendance slip; the Explanatory Statement under Section 230(3) read with Sections 102(1) and 232(2) of the Companies Act, 2013 along with all annexures to such statement; Postal Ballot Form; and postage pre-paid envelope are enclosed herewith. A copy of this notice and the accompanying documents are also placed on the website of the Transferee Company ([www.electrosteelsteels.com](http://www.electrosteelsteels.com)) at the link <http://www.electrosteelsteels.com>.

Shareholders opting to cast their votes by postal ballot/ remote e-voting, are requested to read the instructions in the notes below carefully. In case of voting by postal ballot, the Postal Ballot Form duly completed should be returned by the shareholders in the enclosed self-addressed, postage pre-paid envelope so as to reach the Scrutinizer on or before 5:00 P.M on 28th March, 2019.

In case of remote e-voting the votes should be cast in the manner described in the instructions by 5:00 P.M on 28th March, 2019. Responses received after the said times will be treated as invalid.

The votes cast by the shareholders shall be reckoned and scrutinised for all modes with reference to the Register of Members on 20th February, 2019, being the cut-off date fixed for this purpose.

The Scrutiniser shall submit her report on the voting to the Chairperson within 7 days of the conclusion of the meeting and the Chairperson shall declare the results of the meeting after submission of such report to him. The results shall be announced by the Chairperson accordingly upon receipt of Scrutinizer's Report and the same shall be displayed on the website of the Transferee Company ([www.electrosteelsteels.com](http://www.electrosteelsteels.com)) and on the website of Karvy Fintech Private Limited ("Karvy") (<https://evoting.karvy.com/>), being the agency appointed by the Transferee Company to provide the remote e-voting facility to the shareholders, as aforesaid.

The abovementioned Scheme of Amalgamation, if approved at the aforesaid meeting, will be subject to the subsequent sanction of the Hon'ble Tribunal.

Dated this 20th day of February, 2019.

Sd/-

Atul Kumar Labh

Chairperson appointed for the Meeting

Drawn on behalf of Applicants by

Sd/-

(Aniket Agarwal)

Advocate for the Applicants

Khaitan & Co, Advocates

1B, Old Post Office Street

Kolkata 700 001

**Notes for meeting of Equity Shareholders of Electrosteel Steels Limited (“the Transferee Company”):**

- 1) Only registered Equity Shareholders of the Transferee Company may attend (either in person or by proxy or by authorised representative) at the said meeting of the Equity Shareholders of the Transferee Company (“Meeting”).
- 2) The authorised representative of a body corporate which is a registered Equity Shareholder of the Transferee Company may attend the Meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is deposited at the Registered Office of the Transferee Company not later than 48 hours before the scheduled time of the commencement of the Meeting.
- 3) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF the Transferee Company. The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Transferee Company not later than 48 hours before the scheduled time of the commencement of the Meeting. All alterations made in the form of Proxy should be initialled.
- 4) A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the Transferee Company carrying voting rights. A Member holding more than 10% of the total share capital of the Transferee Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
- 5) It is further clarified that the Proxies can only vote on Poll at the Meeting and not through any other mode.
- 6) A registered Equity Shareholder or his Proxy or Authorized Representative is requested to bring copy of the notice to the Meeting and produce the attendance slip duly completed and signed at the entrance of the Meeting venue.
- 7) Members are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the Register of Members of the Transferor Company/ list of beneficial owners as received from National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) (collectively referred to as “Depositories”) in respect of such joint holding will be entitled to vote.
- 8) This Notice of the Meeting of Equity Shareholders of the Transferee Company is also displayed / posted on the website of the Transferee Company ([www.electrosteelsteels.com](http://www.electrosteelsteels.com)) and on the website of Karvy (<https://evoting.karvy.com>).
- 9) Equity Shareholders of the Transferee Company shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes in person or by proxy at the venue of the meeting on 29th March, 2019 or by postal ballot/ electronic voting (“remote e-voting”) during the respective periods as stated below:-

<b>Manner of voting</b>	<b>Commencement of voting</b>	<b>End of Voting</b>
Postal Ballot	9:00 A.M. 27th February, 2019	5:00 P.M. 28th March, 2019
Remote e-voting	9:00 A.M. 27th February, 2019	5:00 P.M. 28th March, 2019
Poll at Venue of meeting	29th March, 2019 (upon poll being announced by Chairperson)	29th March, 2019 (till poll is open)

- 10) This notice is being dispatched to all Equity Shareholders of the Transferee Company whose names appear in the Register of Members of the Transferee Company as on 20th February, 2019. Only a person whose name is recorded in the Register of Members of the Transferee Company or register of beneficial owners of the Transferee Company maintained by the depositories as on the said date, viz 20th February, 2019 (“Cut Off Date”) shall be entitled to vote as per the mode chosen by them during the respective voting period for such mode, as specified in the table above. Voting rights shall be reckoned accordingly on the paid-up value of the shares registered in the names of Equity Shareholders as on the said Cut Off Date. Any person who acquires shares and becomes a member of the Transferee Company after the Cut Off Date, i.e. 20th February, 2019, shall not be eligible to vote either through postal ballot, remote e-voting or by poll at the venue of the Meeting.

- 11) The Transferee Company has appointed Karvy Fintech Private Limited (“**Karvy**”) to provide remote e-voting facility to its members. All investor related communication may be addressed to Karvy at the following address:
- Karvy Fintech Private Limited  
Karvy Selenium Tower  
B, Plot No. 31 & 32 Financial District,  
Nanakramguda Serilingampally Mandal  
Hyderabad - 500 032  
Tel. : +91-40-67162222  
Fax : +91-40-23001153  
E-mail : einward.ris@karvy.com
- 12) The Equity Shareholder(s) can opt for only one mode of voting, i.e. (a) postal ballot, (b) remote e-voting or (c) by poll at the venue of the Meeting. If the Equity Shareholders cast their votes by both, postal ballot and remote e-voting, then voting done through remote e-voting shall prevail and voting done by postal ballot will be treated as invalid. Further, Equity Shareholders who have cast their votes by postal ballot and/or remote e-voting, as aforesaid, will not be entitled to vote again by poll at the venue of the meeting, whether in person or by proxy. If they do so, the votes so cast by them at the venue of the meeting shall be treated as invalid.
- 13) It is clarified that casting of votes by postal ballot / remote e-voting does not disentitle the shareholders from attending the Meeting. The Equity Shareholder, after exercising his/her right to vote through postal ballot / remote e-voting, shall not be allowed to vote again at the Meeting.
- 14) Ms Madhuri Pandey, Practicing Company Secretary, has been appointed by the Tribunal, as the Scrutinizer to scrutinize the voting by postal ballot, remote e-voting and poll process.
- 15) The Scrutinizer will submit her consolidated report to the Chairperson of the Meeting upon scrutiny of voting by the Equity Shareholders through postal ballot, remote e-voting and poll at venue of the meeting within 7 days of the conclusion of the meeting and the Chairperson shall declare the results of the meeting after submission of such report to him. The results will be posted on the website of the Transferee Company on the link <https://www.electrosteelsteels.com> and on the website of Karvy at [www.evoting.karvy.com](http://www.evoting.karvy.com)
- 16) Relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the Equity Shareholders at the registered office of the Transferee Company as mentioned in the Explanatory Statement.
- 17) Voting by Postal Ballot form
- (a) A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed.
- (b) Members are requested to carefully read the instructions printed overleaf on the postal ballot form and return the form duly completed with assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer on or before 28th March, 2019 at 5.00 P.M. Postal Ballot Form(s), if sent by courier or by registered post / speed post at the expense of the Equity Shareholder will also be accepted. However Postal Ballot Form(s), received after the aforesaid time shall be considered as invalid.
- (c) In terms of the order dated 24th January, 2019 of the Hon’ble Tribunal and in furtherance to the Go Green Initiative of the Ministry of Corporate Affairs, Notice of Postal Ballot is being sent to the Members whose e-mail addresses are registered with the Company/Depository Participants through e-mail and to all other Members by post along with Postal Ballot Form and Self Addressed Business Reply Envelope. The Notice is also placed on the Website of the Company.
- (d) In case an Equity Shareholder is desirous of obtaining a printed duplicate Postal Ballot form, he or she may send request by letter at the Registered Office of the Transferee Company or send E-mail from their registered email id to [esl.shares@vedanta.co.in](mailto:esl.shares@vedanta.co.in).
- (e) Voting rights in the Postal Ballot cannot be exercised by a proxy.
- (f) Any Member holding shares as on the Cut-Off date may also download the postal ballot form from the website of the Transferee Company or send request by letter to the Transferee Company for a duplicate postal ballot form at the registered office of the Transferee Company or send e-mail from their registered email id to [esl.shares@vedanta.co.in](mailto:esl.shares@vedanta.co.in).
- 18) Procedure for remote e-voting:  
The instructions for members for voting electronically are as under:-

- (i) In case an Equity Shareholder of the Transferee Company ("Member") receives an E-mail from Karvy [for Members whose email addresses are registered with the Company/Depository Participant(s)]:
- a) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
  - b) Enter the login credentials (i.e. user-id & password mentioned in the email. In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by folio number. In case of Demat holding, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - c) After entering these details appropriately, click on "LOGIN".
  - d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.,). The system will prompt you to change your password and update your contact details like mobile number, E-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - e) You need to login again with the new credentials.
  - f) On successful login, the system will prompt you to select the "EVEN" for Electrosteel Steels Limited.
  - g) On the voting page enter the number of shares (which represents the number of votes) as on the Cut-Off Date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" or partially "AGAINST" but the total number in "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - h) Members holding shares under multiple folios/Demat Accounts shall choose the voting process separately for each of the folio/Demat Accounts.
  - i) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as "ABSTAIN".
  - j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
  - k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote.
  - l) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter/ Power of Attorney, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at E-mail address: [pandey.madhu4@gmail.com](mailto:pandey.madhu4@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVEN NO."
- (ii) In case of a member receiving physical copy of the Notice [for Members whose email addresses are not registered with the Company/ Depository Participant(s)]:
- a) EVEN, User ID and password are mentioned in a separate communication annexed to this Notice.
  - b) Please follow all steps from Sr. No. (a) to (l) as mentioned in (i) above, to cast your vote by electronic means.
- (iii) During the voting period, Members can login any number of times till they have voted on the Resolution(s). Once the vote on a resolution is cast by a Member, it cannot be changed subsequently.
- Members who have cast their vote through remote e-voting may attend the Meeting but shall not be allowed to vote again.
- (iv) A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the Meeting. If a member casts votes by both modes then voting done through remote e-voting shall prevail and vote at the Meeting shall be treated as invalid.
- (v) You can update your mobile number and E-mail address in the user profile details of the folio which may be used for sending future communication(s).
- (vi) Voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on

the Cut-Off date i.e. 20th February, 2019.

- (vii) Any Member of the Company holding shares as on the Cut-Off date, may also obtain the User ID and Password in the manner as mentioned below :
- If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to +91-9212993399  
Example for NSDL: MYEPWD <SPACE> IN12345612345678  
Example for CDSL: MYEPWD <SPACE> 1402345612345678  
Example for Physical: MYEPWD <SPACE> XXXX1234567890
  - If e-mail address or mobile number of the member is registered against Folio No./ DPID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a new password.
  - Member may call Karvy's toll free number 1800-345-4001 (from 9.00 A.M. to 6.00 P.M).
  - Member may send an E-mail to [evoting@karvy.com](mailto:evoting@karvy.com) requesting User ID and Password. However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.
19. In case of any query/ grievance, in respect of remote e-voting, Members may please refer to Help & FAQs and E-voting user manual available at the "Downloads" section of Karvy's website: <https://evoting.karvy.com> or contact Mr. PSRCH Murthy, Manager, Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032 or at e-mail address: [evoting@karvy.com](mailto:evoting@karvy.com) or contact no. 040 – 6716 2222 or Karvy's toll free No. 1800-345-4001 (from 9:00 A.M. to 6:00 P.M.) or Mr. Binaya Kumar Dash, Company Secretary of Electrosteel Steels Limited, 801, Uma Shanti Apartments, Kanke Road, Ranchi 834 008, Phone No. 08651102477-1021(extension)/ email: [BinayaKumar.Dash@vedanta.co.in](mailto:BinayaKumar.Dash@vedanta.co.in), as the case may be. In case of any query/grievance with regard to Postal Ballot, Members may contact the said Mr. Binaya Kumar Dash, as aforesaid.

Enclosures: As above



Before the National Company Law Tribunal  
Kolkata Bench  
Company Application No.39 of 2019

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In the Matter of the Companies Act, 2013 - Section 230(1) read with Section 232(1)

And

In the Matter of :

Vedanta Star Limited, a Company incorporated under the Companies Act, 2013, having Corporate Identification Number U13209JH2018PLC011308 and its registered office at M 11, First Floor, VIP Road, Harmu Housing Colony, P.S. Argoda, Ranchi 834 002 in the State of Jharkhand.

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Electrosteel Steels Limited, a Company incorporated under the Companies Act, 1956 and being a company within the meaning of the Companies Act, 2013, having Corporate Identification Number L27310JH2006PLC012663 and its registered office at 801, Uma Shanti Apartments, Kanke Road, Ranchi 834 008 in the State of Jharkhand.

1. Vedanta Star Limited
2. Electrosteel Steels Limited

. . . . . Applicants

**Explanatory Statement under Section 230(3) read with Sections 102(1) and 232(2) of the Companies Act, 2013**

**1. Meeting for Scheme of Amalgamation**

This Explanatory Statement is attached to the notice convening meeting of the Equity Shareholders of Electrosteel Steels Limited, being the Applicant No.2 abovenamed ("**Transferee Company**") for the purpose of their considering and if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation of Vedanta Star Limited, being the Applicant No.1 abovenamed ("**Transferor Company**") with the Transferee Company pursuant to Section 230 of the Companies Act, 2013. The salient features of the Scheme of Amalgamation are given in paragraph 5 of this Statement. The detailed terms of the Scheme will appear from the enclosed draft of the Scheme.

**2. Date, time and venue of Meeting**

Pursuant to an order dated 24th January, 2019, passed by the Hon'ble National Company Law Tribunal, Kolkata Bench ("**Tribunal**") in Company Application No.39 of 2019, a meeting of the Equity Shareholders of the Transferee Company will be held for the purpose of their considering and if thought fit, approving, with or without modification, the said Scheme of Amalgamation at Capitol Hill Hotel, Mahatma Gandhi Marg, Main Road, Ranchi 834001 on Friday, 29th March, 2019 at 2:30 P.M. It is clarified that by the said order, meeting of Equity Shareholders of the Transferor Company and meetings of creditors of the Applicants have been dispensed with.

**3. Rationale and benefits**

The rationale, circumstances and/or reasons and/or grounds that have necessitated and/or justify the said Scheme of Amalgamation and the benefits of the same as perceived by the Boards of Directors of the Applicant Companies, are, inter alia, as follows:-

- (i) The Transferee Company is engaged in the business of manufacture of Wire Rods, Thermo Mechanically Treated (TMT) Bars, Ductile Iron Pipes and Pig Iron and Billets at its plant at Village Siyaljori in the State of Jharkhand. Due to a combination of various factors and circumstances, the business and financial performance of the Transferee Company was adversely affected in the past which led to the Transferee Company becoming insolvent and being referred to the Hon'ble National Company Law Tribunal, Kolkata Bench ("**Tribunal**" or "**NCLT**") for resolution of insolvency under the

provisions of the Insolvency and Bankruptcy Code, 2016 (“Code”). The Corporate Insolvency Resolution Process under the Code commenced on 21st July, 2017 being the date on which the application of State Bank of India (then the Lead Banker of the Transferee Company) was admitted under Section 7 of the Code by the Hon’ble NCLT.

- (ii) In terms of the Code, plans for resolution of Corporate Insolvency of the Transferee Company were invited from interested applicants. Pursuant to such invitation, Vedanta Limited, a well known global player in the zinc, lead, silver, copper, iron ore, oil and gas, aluminium and commercial power businesses with significant expertise and operations in such businesses, also submitted a Resolution Plan for resolution of Corporate Insolvency of the Transferee Company through its wholly owned subsidiary, being the Transferor Company. After evaluating the resolution plans submitted by various applicants, the Committee of Creditors of the Transferee Company formed under the Code approved the resolution plan submitted as aforesaid, by Vedanta Limited, which was ultimately approved by the Hon’ble NCLT by its order dated 17th April, 2018, inter alia, under Section 31(1) of the Code. An appeal was filed from the said order before the Hon’ble National Company Law Appellate Tribunal (“NCLAT”). The Hon’ble NCLAT, by an interim order dated 30th May, 2018, allowed the parties to act in terms of the said approved resolution plan. The said resolution plan became effective accordingly on 4th June, 2018.
- (iii) By its final order dated 10th August 2018, the Hon’ble NCLAT rejected the appeal and upheld the order dated 17th April, 2018 of the Hon’ble NCLT approving the resolution plan. A further appeal to the Hon’ble Supreme Court of India from such order dated 10th August, 2018 has been preferred and was pending as on 22nd December, 2018, being the date of approval of the said Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company. However, no stay of operation of the impugned order or the resolution plan has been granted by the Hon’ble Supreme Court of India.
- (iv) The said resolution plan, as approved, is binding on the Transferee Company, its employees, members, creditors, co-ordinators and other stakeholders and became effective on 4th June, 2018, as aforesaid. In terms of the said resolution plan, the Transferee Company stands restructured and its debt rationalised, inter alia, as follows:-
- Unsustainable Debt of Rs.7399,13,20,550 out of the total debt, including interest, of Rs.13,175.15 Crores due to the financial creditors was converted into 739,91,32,055 fully paid-up equity shares of Rs.10 each of the Transferee Company issued to the financial creditors in proportion to their debt, leaving a balance debt due to them of Rs.5,320 Crores;
  - The resulting post-conversion Equity Share Capital of the Transferee Company of Rs. 9808,36,70,780 divided into 980,83,67,078 Equity Shares of Rs.10/- each consisting of (i) the existing (pre-conversion) 240,92,35,023 Equity Shares of Rs.10 each and (ii) the said 739,91,32,055 Equity Shares of Rs.10 each issued to the financial creditors, stood reduced to Rs.196,16,73,416 divided into 9,80,83,67,078 equity shares of INR 0.20 each fully paid-up. Further, every 50 (fifty) such resulting equity shares of Re 0.20 each stands consolidated into 1 (one) fully paid-up equity share of Rs.10 each;
  - Following such reduction and consolidation, the Transferor Company acquired control of the Transferee Company and infused funds aggregating to Rs.5,320 Crores by (i) subscribing to new 176,55,06,078 Equity Shares of Rs.10/- each aggregating to Rs. 1765.51 Crores and (b) providing additional Rs.3,554.49 Crores by way of debt. The said 176,55,06,078 Equity Shares held by the Transferor Company in the Transferee Company represented 90% of the total post-issue paid up Share Capital of the Transferee Company of Rs.1961,67,34,200/-divided into 196,16,73,420 Equity Shares of Rs.10/- each fully paid up.
  - The said funds brought in by the Transferor Company were utilised to repay and discharge the balance debt of Rs.5,320 Crores owed to the financial creditors.
  - The Transferee Company was delisted from BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), with effect from 20th December, 2018. An exit price of Rs. 9.54 was duly offered to the shareholders in terms of the resolution plan. Consequent to such delisting, the shareholding pattern of the Transferee Company as on date of delisting as summarised in the table below:-

Sl. No.	Particulars	No of Equity Shares	% of Holding
1	Vedanta Star Limited	1,765,553,035	90.00
2	Other Shareholders	19,61,20,385	10.00
	Total	<b>1,961,673,420</b>	100.00

- (v) The Transferor Company is itself a wholly owned subsidiary of Vedanta Limited. The Transferee Company is thus a step-down subsidiary of Vedanta Limited. The Transferor Company and the Transferee Company are under the same management and have interests in the same business, as aforesaid. The undertaking of the Transferor Company can be combined conveniently with the undertaking of the Transferee Company. As such, no useful purpose is being served in continuing with the two entities as separate legal entities. It was contemplated by the resolution plan that upon acquisition of the Transferee Company by the Transferor Company and implementation of the steps in the Resolution Plan, as described in sub-paragraph (iii) above, the Transferor Company may be amalgamated with the Transferee Company.
- (vi) In the circumstances it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in the said Scheme of Amalgamation.
- (vii) The benefits and advantages of the amalgamation are, inter alia, as follows:-
  - (a) The amalgamation will enable appropriate consolidation of the undertakings of the Transferor Company and the Transferee Company. The business of the amalgamated entity will be carried on more efficiently and economically as a result, inter alia, of pooling and more effective utilisation of the combined resources of the said companies.
  - (b) In consideration of the amalgamation, the Transferee Company will issue and allot to the shareholders of the Transferor Company, Equity Shares credited as fully paid up in the Transferee Company. The existing Equity Shares of the Transferee Company held by the Transferor Company shall stand necessarily cancelled as a consequence of the amalgamation. The aforesaid will enable the shareholder of the Transferor Company to hold shares directly in the operating company, viz the Transferee Company. The same will simplify the holding structure of the Transferee Company, enable easier and better evaluation of the Transferee Company and unlock shareholders value.
  - (c) The amalgamation will result in the formation of a stronger company having greater capacity to raise and access funds for growth and expansion of its business, marketing and selling its products and conducting trade on more favourable terms. The amalgamation will enable more effective revival of the business of the Transferee Company and greater realisation of its potential.
  - (d) The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

#### **4. Background of the Companies**

##### **A. Particulars of the Applicant No.1 (the Transferor Company)**

- (i) The Transferor Company was incorporated on the 23rd day of April, 2018 under the provisions of the Companies Act, 2013 as a Company limited by shares. The Transferor Company is registered with the Registrar of Companies, Jharkhand (hereinafter referred as "ROC") having CIN U13209JH2018PLC011308. Its PAN is AAGCV3962K. There has been no change in the name or the Registered Office of the Transferor Company since incorporation of the Transferor Company. The email id of the Transferor Company is [BinayaKumar.Dash@vedanta.co.in](mailto:BinayaKumar.Dash@vedanta.co.in).
- (ii) The objects of the Transferor Company as contained in Clause 3 of the Memorandum of Association amongst others include conducting, buying, selling, producing, importing and exporting, dealing in and carrying on the business of ferrous and non-ferrous metals and mining, refining and preparing of market ores, minerals, metals and substances of every kind and description and processing them, trading in the products and bi products and engaging in working of iron ore, coal, bauxite, magnesite and other minerals or, metallic ores or substances of all description, the production and working of aluminum hydroxide, alumina, magnesia, stainless steel, pig iron, sponge iron, ferro silicon, ferro chrome, ferro manganese and other ferrous substances and metals of every description and grades and to manufacture, deal, import, and export all kinds and varieties of nonferrous raw metals such as aluminum, copper, tin, lead etc. and the by products obtained in processing and manufacturing these raw metals and other oxides or alloys and to acquire lands, mining rights, water rights and other easement necessary to carry out the above activities; providing consultancy services required to design, establish, provide, maintain and perform engineering and related technical and consultancy services for the development of ferrous and nonferrous metallurgical enterprises, chemical and petrochemical enterprises, fertilizer plants, cement plants, refractory plants, laboratories for control and/or research purposes water works, gas works, sewage disposal plants, thermal and hydro-electric power stations, electrical generators, operating and maintaining the mechanized coal handling facilities or any other commodities at multipurpose berth, shipyards, jetties, harbours, docks or transmission and distribution and all other types of industrial projects; prepare and get prepared feasibility reports, detailed project reports, market studies, techno-economic investigations, survey of all types, site selection, planning basic and process engineering, preparing specifications and documents, tender evaluation and purchase assistance, details design and working drawing, shop inspection, expediting construction, supervision, project management, commissioning, operation and maintenance, training of personnel, pre and post operation consultancy and any such other services; and carrying on the business of trading in and dealing in any manner whatsoever in all commodities, goods and things, manufactured, produced or dealt with in any manner by the company or any of its related parties; and acquiring, and hold shares in any other company

domicile or foreign, having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company, but not to act as an investment company.

The Transferor Company has not altered the Object Clause of its Memorandum of Association since incorporation.

- (iii) The Transferor Company has taken and holds a substantial interest in the Transferee Company which is engaged in the business of manufacture of Wire Rods, Thermo Mechanically Treated (TMT) Bars, Ductile Iron Pipes and Pig Iron and Billets.
- (iv) The Authorised Share Capital of the Transferor Company is ₹ 20,00,00,000 divided into 2,00,00,000 equity shares of INR 10 each. The Issued, Subscribed and Paid Up Share Capital of the Transferor Company as on 30th September, 2018 was ₹ 17,75,00,000 divided into 1,77,50,000 equity shares of INR 10 each. The Transferor Company issued further 18,67,256 Equity Shares of INR 10 each by way of bonus shares on 22nd December, 2018. Consequently, the Issued, Subscribed and Paid up Share Capital of the Transferor Company presently is INR 19,61,72,560 divided into 1,96,17,256 equity shares of INR 10 each fully paid up.
- (v) The Transferor Company has prepared its financial statements (unaudited) as on 30th September, 2018, a copy whereof is included in **Annexure “ES-1”** attached hereto. The Transferor Company has not issued any debentures. The following summary extracted from the said financial statements as on 30th September, 2018 indicates the financial position of the Transferor Company as on the said date as follows:-

Particulars		Rupees in lakhs
A.	Share Capital	1775
B.	Reserves and Surplus	174,420
	Net Shareholders Fund (A+B)	<b>176,195</b>
C.	Assets	
	Non Current Assets	179,193
	Current Assets	358,984
	Total (C)	<b>538,177</b>
D.	Liabilities	
	Non Current Liabilities	356,590
	Current Liabilities	5,392
	Total (D)	<b>361,982</b>
	Excess of Assets over Liabilities (C – D)	<b>176,195</b>

Subsequent to the date of the aforesaid financial statements, i.e., 30th September, 2018, there has been no substantial change in the financial position of the Transferor Company excepting those arising or resulting from the usual course of business.

- (vi) The details of Directors and Key Managerial Personnel (“KMP”) of the Transferor Company along with their addresses are mentioned herein below:

Sl. No.	Name of Director / KMP	Category	Address
1	Mr. Tarun Jain	Non – Executive Director	1201, Yoga CHS Gulmohar Cross Road No 12, JVPD Scheme Mumbai 400049
2	Mr. Guggilam Rajagopalan Arun Kumar	Non – Executive Director	E 702, Palm Springs, Golf Course Road DLF Phase V Gurugram 122002
3	Mr. Pooja Somani	Non – Executive Director	Flat No. 1805, Silver Oak, Raheja Willows Aakurli Road Near Mahindra Gate No. 4 Lokhandwala, Ka Ndivali (E Mumbai 400101)
4	Mr. Jalaj Kumar Malpani	Chief Financial Officer	137 VIP Road, Natural Heights, Phase-2, Block-3, Flat No. 1A, Kolkata - 700052
5	Mr. Binaya Kumar Dash	Company Secretary	HIG-W-7, Niva Park, PH-2, Brahmapur, Kolkata 700096

(vii) The details of promoter/ promoter group of the Transferor Company along with their addresses are accordingly mentioned herein below:

Sl. No.	Name	Category	Address
1	Vedanta Limited	Body Corporate	1st Floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East) Mumbai - 400093, Maharashtra

(viii) The Transferor Company is an unlisted Company.

**B. Particulars of the Applicant No.2 (Transferee Company)**

(i) The Transferee Company was incorporated on the 20th day of December, 2006 under the provisions of the Companies Act, 1956 as a Company limited by shares by the name and style of 'Electrosteel Integrated Limited'. With effect from the 5th day of May, 2010, the name of the Applicant No.2 was changed to its present one, i.e. 'Electrosteel Steels Limited'. The Transferee Company is a company within the meaning of the Companies Act, 2013. The Transferee Company is registered with the ROC having CIN L27310JH2006PLC012663. Its PAN is AABCE6875H. There has been no change in the name or the registered office of the Transferee Company in the last five years. The website of Transferee Company is [www.electrosteelsteels.com](http://www.electrosteelsteels.com) and email id is [esl.shares@vedanta.co.in](mailto:esl.shares@vedanta.co.in).

(ii) The objects of the Transferee Company as contained in Clause III of the Memorandum of Association amongst others include carrying on or to be interested or engaged in either solely or in partnership with other companies, corporation, or individual, or firm or any other association or person as manufacturers exporters, importers, buyers, sellers, agents and dealers in all kinds and description of iron and steel, structural steel, stainless steel, carbon steel, alloy steel, mild steel, micro-alloy steel, tool steel and other special steel group and their products such as ingots, billets, blooms, sheets, strips, rounds, rods, bars, tops, squares, invert angles, valve, plates mining U-beam, elevator guide channels, flats, stabs, I-Beams, H-Beams, rails, joints, joist, channels, angles, rolls, steel, strips, plates plain and cooled twisted bars, Z-sections, shafting, structural pipes, tubes, wires etc; generating and transmitting electrical power by conventional and non-conventional methods including coal, gas, lignite, oil, bio-mass, waste, thermal, solar, atomic, ocean energy, geo-hydeal, wind and tidal waves or any other form of energy; transmitting, distributing, buying, selling, supplying, exchanging, marketing, functioning as a licensee and otherwise dealing in power and energy and for that purpose to own, acquire, erect, construct, establish, maintain, improve, manage, operate, alter, carry on control, take on hire or lease, power generation plants of all kinds including co-generation plants, wind farms, solar farms, hydel projects, thermal power stations etc. and transmission lines and grids; produce, manufacture, purchase, refine, prepare, process, import, export, sell and generally deal in cement, Portland cement, alumina cement, lime and lime-stone and by products thereof, cement-pipes, sheets and other building materials, refractories and bricks and in connection therewith to take on lease or acquire, erect, construct, establish, operate and maintain cement factories, quarries and collieries, workshop and other works; and taking on lease, purchasing or otherwise acquiring mining and other rights together with the veins, seams or beds of coal and other minerals, along with mining rights grant concessions and effects appertaining or belonging thereto.

During the last five years, the Transferee Company has not altered the Object Clause of its Memorandum of Association.

(iii) The Transferee Company is engaged in the business of manufacture of Wire Rods, Thermo Mechanically Treated (TMT) Bars, Ductile Iron Pipes and Pig Iron and Billets at its plant at Village Siyaljori, Bokaro in the State of Jharkhand.

(iv) The Authorised Share Capital of the Transferee Company is INR 10000,00,00,000 divided into 1000,00,00,000 equity shares of INR 10 each. The Issued, Subscribed and Paid up Share Capital of the Transferee Company is INR 1961,67,34,200 divided into 196,16,73,420 equity shares of INR 10 each fully paid up. Consequent to the ongoing exit offer, the Transferor Company has acquired further shares from the shareholders of the Transferee Company. The Transferor Company holds as on date 176,55,59,949 Equity Shares of the Transferee Company constituting 90% of the total shareholding of the Transferee Company.

(v) The latest annual accounts of the Transferee Company have been audited for the financial year ended on 31st March 2018. The financial statements of the Transferee Company for the period of six months ended on 30th September, 2018 have also been drawn up, a copy whereof is included in **Annexure "ES-1"** attached hereto. The Transferee Company has not issued any debentures. The following summary extracted from the said financial statement as on 30th September, 2018 indicates the financial position of the Transferee Company as on the said date as follows:-

Particulars		Rupees in lakhs
A.	Share Capital	196,167.34
B.	Reserves and Surplus	133,860.59
	Net Shareholders Fund (A+B)	<b>330,027.93</b>
C.	Assets	
	Non-Current Assets	599,368.83
	Current Assets	196,353.79
	Total (C)	<b>795,722.62</b>
D.	Liabilities	
	Non-Current Liabilities	356,211.86
	Current Liabilities	109,482.83
	Total (D)	<b>465,694.69</b>
	Excess of Assets over Liabilities (C – D)	<b>330,027.93</b>

Subsequent to the date of the aforesaid financial statements, i.e., 30th September, 2018, there has been no substantial change in the financial position of the Transferee Company excepting those arising or resulting from the usual course of business.

- (vi) The details of Directors and Key Managerial Personnel (“KMP”) of the Transferee Company along with their addresses are mentioned herein below:

Sl. No.	Name of Director / KMP	Category	Address
1	Mr. Prasun Kumar Mukherjee	Independent Director	Flat No. 301 Brindavan, VS Dempo Marg Tonca Caranzalem Caranzalem 403002
2	Mr. Mahendra Singh Mehta	Independent Director	1701,Raheja Excelsior, Pandit Madan Mohan Malviya Marg Near Sobo Mall Taredo, Tulsiwadi Mumbai 400034
3	Mr. Naveen Kumar Singhal	Non – Executive Director	Near H.Z.L, Office,D-2 Zinc Park,Moti Magri Scheme, Udaipur, Rajasthan 313004
4	Ms. Rashmi Mohanty	Non – Executive Director	401- B Hamilton Court DLF Phase IV Gurgaon 122002
5	Mr. Jalaj Kumar Malpani	Chief Financial Officer	137 VIP Road, Natural Heights, Phase-2, Block-3, Flat No. 1A, Kolkata - 700052
6	Mr. Binaya Kumar Dash	Company Secretary	HIG-W-7, Niva Park, PH-2, Brahmapur, Kolkata 700096

- vii. The details of promoter/ promoter group of the Transferee Company along with their addresses are accordingly mentioned herein below:

Sl. No.	Name	Category	Address
1	Vedanta Star Limited	Body Corporate	M 11, First Floor, VIP Road, Harmu Housing Colony, P.S. Argoda, Ranchi JH 834002

- (viii) The Transferee Company was delisted from BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), with effect from 20th December, 2018 and is now an unlisted Company.

## 5. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are, inter alia, as follows:-

- (i) The Scheme shall be effective from the Appointed Date, i.e. the 1st day of October, 2018.
- (ii) The Scheme is conditional upon and subject to:
- i. Approval of the Scheme by the requisite majority of the members of the Transferor Company and the Transferee Company in accordance with law; and
  - ii. Sanction of the Scheme by the Hon'ble Tribunal under Sections 230 and 232 of the Companies Act, 2013 ('Act').
- Accordingly, it is provided that the Scheme although effective from the Appointed Date, shall become operative on the Effective Date upon filing of certified copies of the order sanctioning the same with the Registrar of Companies by the Transferor Company and the Transferee Company on such date.
- (iii) On the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under any other provisions of the Act, including Sections 13, 61, 62(1)(c) and 66 of the Act, to the extent the same may be considered applicable.
- (iv) With effect from the Appointed Date, the Transferor Company, shall stand amalgamated with the Transferee Company and all the assets, property, rights and powers as well as all debts, liabilities, duties and obligations, contracts, arrangements, employees, Permits, licences, records, approvals, etc of the Transferor Company shall without further act, instrument or deed stand transferred to and vested in the Transferee Company in the manner and subject to the modalities for transfer and vesting detailed in the Scheme.
- (v) Upon the said Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, if any, on the terms and conditions not less favourable than those on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company also agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits.
- (vi) All proceedings pending by or against the Transferor Company, on the Effective Date and all contracts, obligations, actions, rights and claims by or against the Transferor Company, will be transferred to the Transferee Company and will be enforceable by or against the Transferee Company.
- (vii) With effect from the Appointed Date and up to and including the Effective Date:
- i. The Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:
    - (a) when the same is expressly provided in the said Scheme; or
    - (b) when the same is in the ordinary course of business as carried on, as on the date of filing of the said Scheme in the Hon'ble Tribunal; or
    - (c) when written consent of the Transferee Company, as the case may be has been obtained in this regard.
  - ii. The Transferor Company shall not alter or substantially expand its business, or undertake (i) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business, except with the written concurrence of the Transferee Company, as the case may be;
  - iii. The Transferor Company shall not vary the terms and conditions of employment of any of its employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken except with the written concurrence of the Transferee Company, as the case may be;
  - iv. The Transferor Company shall not amend its Memorandum of Association or Articles of Association, except with the written concurrence of the Transferee Company, unless required to be done pursuant to actions between the Appointed Date and Effective Date expressly permitted under the said Scheme.
  - v. The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall hold and

stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company. All profits or income accruing or arising to the Transferor Company (including taxes paid thereon) or expenditure or losses arising or incurred by the Transferor Company on and after the Appointed Date and up to and including the Effective Date shall, for all purposes, be deemed to have accrued as the profits or income (including taxes paid) or expenditure or losses, as the case may be, of the Transferee Company.

(viii) In consideration of and subject to other provisions of the said Scheme, Transferee Company shall, without any further application, act, deed, consent, instrument, issue and allot, to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Effective Date, shares in the following proportion:

***“90 (Ninety) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Transferee Company shall be issued and allotted, credited as fully paid up, for every 1 (One) equity share of INR 10 (Indian Rupees Ten) each held in the Transferor Company.” (“Transferee Company New Equity Shares”).***

(ix) The Transferor Company is a wholly owned (100%) subsidiary of Vedanta Limited. All Equity Shares of the Transferor Company are held by Vedanta Limited along with its nominees. It is clarified that the Transferee Company New Equity Shares in respect of the Equity Shares of the Transferor Company held by the nominees shall be issued to Vedanta Limited itself.

(x) The Transferee Company's New Equity Shares shall be subject to the provisions of the Memorandum of Association and Articles of Association of Transferee Company and shall rank pari passu in all respects with the existing equity shares of Transferee Company, as the case may be, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached thereto.

(xi) Upon the Scheme becoming effective, all Equity Shares held by the Transferor Company in the share capital of the Transferee Company (held either directly or through its nominees), shall stand cancelled, without any further act or deed as an integral part of the said Scheme and in lieu thereof no allotment of any new shares in the Transferee Company shall be made to any person whatsoever.

(xii) On the Scheme taking effect, the Transferee Company shall account for amalgamation of the Transferor Company with Transferee Company in its Books of Account with effect from the Appointed Date as under:

- i. The amalgamation shall be accounted for in the Books of Account of the Transferee Company according to the pooling of interests method under Indian Accounting Standard (Ind AS) 103, Appendix C, applicable to business combinations of entities under common control notified under the Companies (Indian Accounting Standards) Rules, 2015.
- ii. The inter-corporate investments / deposits / loans and advances between the Transferee Company and the Transferor Company as on the Appointed Date will stand cancelled and there shall be no further obligation in that behalf.

(xiii) Consequent to and as an integral part of the amalgamation of the Transferor Company with the Transferee Company herein, the Authorised Share Capital of the Transferor Company shall stand merged into and combined with the Authorised Share Capital of the Transferee Company pursuant to the Scheme, without any further act or deed, and without payment of any stamp duty, registration fee or filing fee on such combined Authorised Share Capital, the Transferor Company and the Transferee Company having already paid such stamp duty and fees. Accordingly, the Authorised Share Capital of the Transferee Company resulting from the amalgamation of the Transferor Company with the Transferee Company shall be a sum of Rs.10,020,00,00,000/- divided into 1002,00,00,000 Equity Shares of Rs.10/- each. Clause V of the Memorandum of Association of the Transferee Company shall stand altered accordingly and substituted by the following Clause upon the Scheme becoming effective:-

***“The Authorised Share Capital of the Company is Rs.10,020,00,00,000/- divided into 1002,00,00,000 Equity Shares equity shares of Rs. 10 each with such rights, privileges and conditions attached thereto as may be determined by the Board of Directors of the Company. The Company has and shall have always have the power to divide or to consolidate the share capital from time to time into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any such rights, privileges or conditions attached to any class of shares in such manner as may for the time being be provided by the regulations of the Company.”***

(xiv) The Transferor Company shall be dissolved without winding up pursuant to the provisions of Sections 230 and 232 of the Act.

(xv) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 30th September, 2018 and such future accounting periods consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/ declared only by the mutual consent of the respective Board of Directors of the Transferee Company and the Transferee Company. Any such final dividend shall be subject to approval of shareholders of the concerned company in General Meeting.



(xvi) It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of the Transferor Company.

(xvii) As stated aforesaid, the Equity Shares of the Transferee Company were delisted from the Stock Exchanges (BSE and NSE) with effect from 20th December, 2018 ("Delisting Date") pursuant to the approved resolution plan and offer for delisting ("Delisting Offer") which opened on 11th October, 2018 and closed on 17th October, 2018. Consequent to the delisting, an exit opportunity ("Exit Offer") to the eligible Equity Shareholders of the Transferee Company who had not tendered their Equity Shares in the delisting offer is available for a period of one year from the Delisting Date. Notwithstanding anything to the contrary contained in the said Scheme, it is expressly provided and clarified that upon the Scheme coming into effect, Vedanta Limited, the holding company of the Transferor Company, will stand substituted for the Transferor Company, for the purpose of fulfilment of all outstanding obligations under the Exit Offer and completion thereof on the same terms and conditions. Accordingly, the Exit Offer shall remain in full force and effect against or in favour of Vedanta Limited and shall be binding on and be enforceable by and against Vedanta Limited as fully and effectually as if Vedanta Limited had been the offeror instead of the Transferor Company. It is clarified that the period of one year from the Delisting Date for tendering the shares under the Exit Offer shall, however, not stand extended by virtue of this clause. Upon the Scheme coming into effect Vedanta Limited will take such steps as may be considered necessary or expedient to give due effect to the Exit Offer. The procedure for such Exit Offer will continue to be made available on the website of the Transferee Company '[www.electrosteelsteels.com](http://www.electrosteelsteels.com)'.

(xviii) Consequent to the amalgamation and upon the Scheme becoming effective, the name of the Transferee Company shall be changed to "ESL Steel Limited". Clause I of the Memorandum of Association shall stand altered accordingly. The Scheme was approved by the Board of the Transferee Company on 22nd December, 2018. It is clarified that the said name, viz "ESL Steel Limited", has since been accepted and also made available by the Registrar of Companies pursuant to clause 22.2 of the Scheme. Clause 22.1 of the Scheme providing for change of name of the Transferee Company is thus to be read and applied accordingly.

(xix) The Transferee Company shall file the requisite forms and take necessary steps to give effect to such change of name.

(xx) The Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

- i. To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble Tribunal and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.
- ii. To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of the said Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

Without prejudice to the generality of the foregoing the Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from the said Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

**Note: The aforesaid are the salient features of the Scheme. The shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

## 6. Board approvals

(i) The Board of Directors of the Transferor Company have at their Board Meeting held on 22nd December, 2018 by resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	Voted in favour / against / did not participate or vote
Mr. Traun Jain	Voted in favour
Mr. Guggilam Rajagopalan Arun Kumar	Voted in favour
Ms. Pooja Somani	Voted in favour

- (ii) The Board of Directors of the Transferee Company have at their Board Meeting held on 22nd December, 2018 by resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	Voted in favour / against / did not participate or vote
Mr. Prasun Kumar Mukherjee	Voted in favour
Mr. Naveen Kumar Singhal	Voted in favour
Mr. Mahendra Singh Mehta	Voted in favour
Ms. Rashmi Mohanty	Leave of Absence was granted

#### 7. Relationship between Applicant Companies

The Transferee Company is a Subsidiary of the Transferor Company. The Transferor Company and the Transferee Company are thus under the same management.

#### 8. Interest of Directors, Key Managerial Personnel and their relatives

The shareholdings of the Directors and Key Managerial Personnel (“KMP”) of the Applicants and their relatives is set out in **Annexure “ES-2”** attached herewith. Save as aforesaid, none of the Directors and KMPs of the said companies and their relatives have any concern or interest in the Scheme of Amalgamation. Save and except to the extent that the shareholding of the Directors and KMPs of the said companies, will change upon issue and allotment of shares in terms of the Scheme, the Scheme will have no effect on the material interest of the Directors and KMPs of the said Companies. None of the said companies have any outstanding debentures or debenture trustees.

#### 9. Effect of Scheme on stakeholders.

The effect of the Scheme on various stakeholders is summarised below:-

##### A. Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders

The effect of the Scheme on the Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Applicants is given in the attached reports (**Annexure “ES-3”**) adopted by the respective Board of Directors of the said companies at their meetings held on 22nd December, 2018 pursuant to the provisions of Section 232(2)(C) of the Companies Act, 2013.

##### B. Directors

- i. The Directors of the Transferor Company will cease to be Directors of the Transferor Company consequent to the dissolution without winding up of the Transferor Company pursuant to the Scheme.
- ii. The Scheme will have no effect on the office of existing Directors of the Transferee Company. It is clarified that following the Scheme, the composition of the Board of Directors of such companies may change by appointments, retirements or resignations in accordance with the provisions of the Act and Memorandum and Articles of Association of such companies but the Scheme itself does not affect the office of Directors of the Transferee Company.
- iii. The effect of the Scheme on Directors of the Transferor Company and the Transferee Company in their capacity as shareholders of the said companies is the same as in case of other shareholders of the said companies, as mentioned in the said report enclosed herewith as **Annexures “ES-3”** hereto.

##### C. Employees

All employees of the Transferor Company, if any, will become employees of the Transferee Company as provided in the Scheme. The Scheme will not affect the existing employees of the Transferee Company.

##### D. Creditors

- i. All creditors of the Transferor Company will become creditors of the Transferee Company as provided in the Scheme.
- ii. The Scheme will not affect the existing creditors of the Transferee Company.
- iii. The effect of the Scheme on creditors generally is further discussed in paragraph 11(ii) below.

##### E. Debentureholders and Debenture Trustees

None of the Applicants have raised funds by way of debentures and thus have no Debenture holders or Debenture Trustees.

##### F. Depositors and Deposit Trustees

None of the Applicants have taken any term deposits from depositors. No deposit trustees have been appointed.

There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the

advantage of all concerned, including the said stakeholders.

#### 10. No investigation proceedings

There are no proceedings pending under Sections 210 to 227 of the Companies Act, 2013 against any of the Applicant Companies.

#### 11. Amounts due to unsecured creditors and no compromise with creditors

i The respective amounts due to unsecured creditors, as on 31st January, 2019 are as follows:-

Sl. No.	Name of Company	Amount in Rupees
1.	Vedanta Star Limited	234,11,13,512
2.	Electrosteel Steels Limited	42,52,84,05,884

ii. The Scheme embodies arrangement between the Applicants and their respective shareholders. No change in value or terms or any Compromise or Arrangement is proposed under the Scheme with any of the creditors of the Applicants. Each of the Companies have a substantial excess of assets over liabilities. Further, the amalgamated Transferee Company will continue to have positive net worth with substantial excess of assets over liabilities post effectiveness of the Scheme. Creditors of the Applicants thus cannot lose or be adversely affected in any manner by the Scheme. On the contrary, the Scheme will inure to their benefit and is in their interest.

#### 12. Summary of Valuation report

i. The Share Exchange Ratio for amalgamation of the Transferor Company with the Transferee Company has been fixed on a fair and reasonable basis and on the basis of the Report dated 20th December, 2018 of Messrs. Walker Chandiook & Co LLP, Chartered Accountants ("Valuers").

ii. The Valuers used Net Asset Value (Cost) method in case of Transferor Company and Comparable Companies Transaction Multiple Method in case of Transferee Company to arrive at the relative value per share of the said Companies as follows:-

Valuation Approach	VSL	ESL
	Value per share (INR)	Value per share (INR)
Cost Approach	900.2	--
Comparable Companies Transaction Multiple Method	NA	10
Relative Value Per Share	900.2	10.0
Exchange Ratio Round Off	1	90

iii. Based, inter alia, on the aforesaid, and on a consideration of all the relevant factors and circumstances for the proposed amalgamation of the Transferor Company with the Transferee Company, the said Chartered Accountants recommended the Share Exchange Ratio of shares as follows:-

90 Equity Shares of Rs.10/- each in the Transferee Company credited as fully paid up for every 1 Equity Share of Rs.10/- each fully paid-up held in the Transferor Company.

iv. Further details of the share exchange ratio will appear from the Report thereon of the said Messrs. Walker Chandiook & Co LLP, Chartered Accountants which is attached to this explanatory statement as **Annexure "ES-4"**. The said documents is also available for inspection at the registered office of the Transferor Company and the Transferee Company.

### 13. Shareholding pattern

#### A. The pre-Scheme shareholding pattern of the Transferor Company and the Pre and Post-Scheme Shareholding Pattern of the Transferee Company is as follows:-

	Category	Pre-Scheme Transferor Company		Pre-Scheme Transferee Company		Post Scheme Transferee Company	
		No of shares	%	No of shares	%	No of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group:</b>						
<b>(1)</b>	Indian						
(a)	Individuals/Hindu undivided Family	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-
(d)	Any Other (specify): Bodies Corporate	19,61,72,560	100	1,765,559,949	90	1,765,553,040	90
	<b>Sub-Total (A)(1)</b>	<b>196,172,560</b>	<b>100</b>	<b>1,765,559,949</b>	<b>90</b>	<b>1,765,553,040</b>	<b>90</b>
<b>(2)</b>	Foreign	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	-	-	-	-	-	-
<b>(B)</b>	<b>Public Shareholding:</b>	-	-	-	-	-	-
<b>(1)</b>	<b>Institutions</b>	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	20,000	0.00	20,000	0.00
(f)	Financial Institutions / Banks	-	-	136,550,131	6.96	136,550,131	6.96
(g)	Insurance Companies	-	-	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-
(i)	Any Other (specify) – UTI - Foreign Companies	-	-	1,265,667	0.06	1,265,667	0.06
	Foreign Institutional Investors	-	-	-	-	-	-
	<b>Sub Total (B)(1)</b>	-	-	<b>137,835,798</b>	<b>7.02</b>	<b>137,835,798</b>	<b>7.02</b>

	Category	Pre-Scheme Transferor Company		Pre-Scheme Transferee Company		Post Scheme Transferee Company	
		No of shares	%	No of shares	%	No of shares	%
(2)	Central Government / State Government(s) / President of India	-	-	-	-	-	-
	<b>Sub Total (B)(2)</b>	-	-	-	-	-	-
<b>(3)</b>	<b>Non-Institutions</b>	-	-	-	-	-	-
(a)	Individuals	-	-	-	-	-	-
	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs	-	-	17,210,086	0.88	17,210,086	0.88
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	2,541	0.00	2,541	0.00
(c)	Employee Trusts	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-
	Bodies Corporate	-	-	39,549,990	2.01	39,549,990	2.01
	Overseas Corporate Bodies	-	-	-	-	-	-
	Non Resident	-	-	463,850	0.02	463,850	0.02
	Individual	-	-	-	-	-	-
	HUF	-	-	1,048,682	0.05	1,048,682	0.05
	Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-
	Trusts	-	-	2,524	0.00	2,524	0.00
	Foreign Portfolio Investors (Category III)	-	-	-	-	-	-
	Custodian	-	-	-	-	-	-
	IEPFA	-	-	-	-	-	-
	<b>Sub Total (B)(3)</b>	-	-	<b>58,284,587</b>	<b>2.96</b>	<b>58,284,587</b>	<b>2.96</b>
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	-	-	-	-	-	-
<b>(C)</b>	<b>Shareholding of Non Promoter - Non Public shareholder:</b>						
(1)	Custodian / DR Holder	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-
	Total Non Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	-	-	-	-	-	-
	<b>TOTAL (A) + (B) + (C)</b>	<b>196,172,560</b>	<b>100</b>	<b>1,961,673,420</b>	<b>100</b>	<b>1,961,666,511</b>	<b>100</b>

**B. Pre/post Scheme capital structure of the Transferor Company and the Transferee Company.**

i. Pre – Scheme capital structure:

The pre-Scheme Authorised, Issued, Subscribed and Paid up Share Capital of the Applicants is given in paragraphs 4.A(iv) and 4.B(iv) above.

ii. No Post – Scheme capital structure of Transferor Company:

The Transferor Companies will stand amalgamated with the Transferee Company under the Scheme and hence there will be no post Scheme capital structure of the Transferor Company.

iii. Post – Amalgamation capital structure of the Transferee Company:

Consequent to the Scheme, the Authorised Share Capital of the Transferee Company will increase to Rs.100,20,00,00,000/- divided into 10,02,00,00,000 Equity Shares of Rs.10/- each. All Equity Shares held by the Transferor Company in the share capital of the Transferee Company (held either directly or through its nominees), shall stand cancelled, without any further act or deed as an integral part of the said Scheme. In consideration of the amalgamation, the Transferee Company will issue and allot 1,765,553,040 Equity Shares of Rs.10/- each to the shareholders of the Transferor Company. Accordingly, the post amalgamation Issued, Subscribed and Paid Up Share Capital of the Transferee Company is expected to be Rs. 19,61,66,65,110 divided into 1,96,16,66,511 Equity Shares of Rs.10/- each fully paid up. It is clarified that the said expected post amalgamation Issued, Subscribed and Paid Up Share Capital is based on present shareholding of the Transferor Company in the Transferee Company which may change depending on further acquisition of shares by the Transferor Company under the ongoing exit offer. The post- amalgamation Issued, Subscribed and Paid Up Share Capital of the Transferee Company may change accordingly.

**14. Auditors Certificate of conformity of accounting treatment in the Scheme**

The Auditors of the Transferee Company have confirmed that the accounting treatment in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.

**15. Approvals and intimations in relation to the Scheme**

- i. As stated above, meeting of the Equity Shareholders of the Transferor Company and creditors of the Transferor Company and the Transferee Company have been dispensed with as such shareholders and creditors have already approved the Scheme and given their consent to the Scheme by way of affidavits.
- ii. The Applicants confirm that notice in the prescribed form is being served on all Authorities in terms of the order dated 24th January, 2019 along with copy of this notice, Scheme and other documents accompanying the same.

**16. Inspection of Documents**

In addition to the documents annexed hereto, the following documents will be open for inspection at the Registered Office of the Transferee Company on any working day, (between 11.00 A.M. to 02.00 P.M.) except Saturdays, Sundays and Public Holidays prior to the date of the meeting:

- (i) Order dated 24th January, 2019 passed by the Hon'ble National Company Law Tribunal, Kolkata Bench in Company Application No.39 of 2019;
- (ii) Memorandum and Articles of Association of the Transferor Company and Transferee Company;
- (iii) Annual Accounts and Reports of the Transferee Company as on 31st March, 2018;
- (iv) Register of Shareholding of Directors' and Key Managerial Personnel of the Transferor Company and Transferee Company and their relatives;
- (v) Certificates of the Auditors of the Transferee Company confirming the accounting treatment under the Scheme; and
- (vi) All other documents displayed on the website of the Transferee Company.

Dated this 20th day of February, 2019.

Sd/-  
(Atul Kumar Labh)  
Chairperson appointed for the Meeting

Drawn on behalf of Applicants by

Sd/-

(Aniket Agarwal)

Advocate for the Applicants

Khaitan & Co, Advocates

1B, Old Post Office Street

Kolkata 700 001

## SCHEME OF AMALGAMATION

(Under Sections 230 and 232 of the Companies Act, 2013)

OF

VEDANTA STAR LIMITED

WITH

ELECTROSTEEL STEELS LIMITED

### A. COMPANIES

- (i) **Vedanta Star Limited**, the “**Transferor Company**”, is an unlisted public company incorporated under the provisions of the Companies Act, 2013 and having corporate identity number U13209JH2018PLC011308. Its registered office is situated at M 11, First Floor, VIP Road, Harmu Housing Colony, P.S. Argoda, Ranchi 834 002 in the State of Jharkhand.
- (ii) **Electrosteel Steels Limited**, the “**Transferee Company**”, is an unlisted public company incorporated under the provisions of the Companies Act, 1956 and having corporate identity number L27310JH2006PLC012663. Its registered office is situated at 801, Uma Shanti Apartments, Kanke Road, Ranchi 834 008 in the State of Jharkhand.

### B. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme (*defined hereinafter*) provides for the amalgamation of the Transferor Company with the Transferee Company, with effect from 1st October 2018 (“**Appointed Date**”), under the provisions of Sections 230 and 232 of the Companies Act, 2013 and consequential reduction and reorganisation of existing share capital of the Transferee Company.

### C. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions of capitalized terms used in this Scheme and the share capital of the Transferor Company and the Transferee Company;
- (ii) **PART II** deals with the amalgamation of the Transferor Company with the Transferee Company and consequential reduction and reorganisation of existing share capital of the Transferee Company; and
- (iii) **PART III** deals with the general terms and conditions that would be applicable to this Scheme.

### D. BACKGROUND AND RATIONALE FOR THIS SCHEME

- (i) The Transferee Company is engaged in the business of manufacture of Wire Rods, Thermo Mechanically Treated (TMT) Bars, Ductile Iron Pipes and Pig Iron and Billets at its plant at Village Siyaljori in the State of Jharkhand. Due to a combination of various factors and circumstances, the business and financial performance of the Transferee Company was adversely affected in the past which led to the Transferee Company becoming insolvent and being referred to the Hon’ble National Company Law Tribunal, Kolkata Bench (“**Tribunal**” or “**NCLT**”) for resolution of insolvency under the provisions of the Insolvency and Bankruptcy Code, 2016 (“**Code**”). The Corporate Insolvency Resolution Process under the Code commenced on 21st July, 2017 being the date on which the application of State Bank of India (then the Lead Banker of the Transferee Company) was admitted under Section 7 of the Code by the Hon’ble NCLT.
- (ii) In terms of the Code, plans for resolution of corporate insolvency of the Transferee Company were invited from interested applicants. Pursuant to such invitation, Vedanta Limited, a well known global player in the zinc, lead, silver, copper, iron ore, oil and gas, aluminium and commercial power businesses with significant expertise and operations in such businesses, also submitted a resolution plan for resolution of corporate insolvency of the Transferee Company through its wholly owned subsidiary, being the Transferor Company. After evaluating the resolution plans submitted by various applicants, the Committee of Creditors of the Transferee Company formed under the Code approved the resolution plan submitted as aforesaid, by Vedanta Limited, which was ultimately approved by the Hon’ble NCLT by its order dated 17th April, 2018, inter alia, under Section 31(1) of the Code. An appeal was filed from the said order before the Hon’ble National Company Law Appellate Tribunal (“**NCLAT**”). The Hon’ble NCLAT, by an interim order dated 30th May, 2018, allowed the parties to act in terms of the said approved resolution plan. The said resolution plan became effective accordingly on 4th June, 2018.
- (iii) By its final order dated 10th August 2018, the Hon’ble NCLAT rejected the appeal and upheld the order dated 17th April, 2018 of the Hon’ble NCLT approving the resolution plan. A further appeal to the Hon’ble Supreme Court of India from such order dated 10th August, 2018 has been preferred and was pending as on 22nd December 2018, being the date of approval of this Scheme by the respective Board of Directors of the Transferor Company and the Transferee Company. However, no stay of operation of the impugned order or the resolution plan has been granted by the Hon’ble Supreme Court of India.

- (iv) The said resolution plan, as approved, is binding on the Transferee Company, its employees, members, creditors, coordinators and other stakeholders and became effective on 4th June, 2018, as aforesaid. In terms of the said resolution plan, the Transferee Company stands restructured and its debt rationalised, inter alia, as follows:-
- (a) Unsustainable Debt of Rs.7399,13,20,550 out of the total debt, including interest, of Rs.13,175.15 Crores, due to the financial creditors was converted into 739,91,32,055 fully paid-up equity shares of Rs.10 each of the Transferee Company issued to the financial creditors in proportion to their debt, leaving a balance debt due to them of Rs.5,320 Crores;
  - (b) The resulting post-conversion Equity Share Capital of the Transferee Company of Rs.9808,36,70,780 divided into 980,83,67,078 Equity Shares of Rs.10/- each consisting of (i) the existing (pre-conversion) 240,92,35,023 Equity Shares of Rs.10 each and (ii) the said 739,91,32,055 Equity Shares of Rs.10 each issued to the financial creditors, stood reduced to Rs.196,16,73,416 divided into 9,80,83,67,078 equity shares of INR 0.20 each fully paid-up. Further, every 50 (fifty) such resulting equity shares of Re 0.20 each stands consolidated into 1 (one) fully paid-up equity share of Rs.10 each.
  - (c) Following such reduction and consolidation, the Transferor Company acquired control of the Transferee Company and infused funds aggregating to Rs.5,320 Crores by (i) subscribing to new 176,55,06,078 Equity Shares of Rs.10/- each aggregating to Rs. 1765.51 Crores and (b) providing additional Rs.3,554.49 Crores by way of debt. The said 176,55,06,078 Equity Shares held by the Transferor Company in the Transferee Company represented 90% of the total post-issue paid up Share Capital of the Transferee Company of Rs.1961,67,34,200/-divided into 196,16,73,420 Equity Shares of Rs.10/- each fully paid up.
  - (d) The said funds brought in by the Transferor Company were utilised to repay and discharge the balance debt of Rs.5,320 Crores owed to the financial creditors.
  - (e) The Transferee Company was delisted from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), with effect from 20th December, 2018. An exit price of Rs. 9.54 was duly offered to the shareholders in terms of the resolution plan. Consequent to such delisting, the shareholding pattern of the Transferee Company was held as summarised in the table below:-

Sl. No.	Particulars	No of Equity Shares	% of Holding
1	Vedanta Star Limited	1,765,553,035	90.00
2	Other Shareholders	19,61,20,385	10.00
	<b>Total</b>	<b>1,961,673,420</b>	<b>100.00</b>

- (v) The Transferor Company is itself a wholly owned subsidiary of Vedanta Limited. The Transferee Company is thus a step-down subsidiary of Vedanta Limited. The Transferor Company and the Transferee Company are under the same management and have interests in the same business, as aforesaid. The undertaking of the Transferor Company can be combined conveniently with the undertaking of the Transferee Company. As such, no useful purpose is being served in continuing with the two entities as separate legal entities. It was contemplated by the resolution plan that upon acquisition of the Transferee Company by the Transferor Company and implementation of the steps in the resolution plan, as described in sub-paragraph (iii) above, the Transferor Company may be amalgamated with the Transferee Company.
- (vi) In the circumstances it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.
- (vii) The benefits and advantages of the amalgamation are, inter alia, as follows:-
  - (a) The amalgamation will enable appropriate consolidation of the undertakings of the Transferor Company and the Transferee Company. The business of the amalgamated entity will be carried on more efficiently and economically as a result, inter alia, of pooling and more effective utilisation of the combined resources of the said companies.
  - (b) In consideration of the amalgamation, the Transferee Company will issue and allot to the shareholders of the Transferor Company, Equity Shares credited as fully paid up in the Transferee Company. The existing Equity Shares of the Transferee Company held by the Transferor Company shall stand necessarily cancelled as a consequence of the amalgamation. The aforesaid will enable the shareholder of the Transferor Company to hold shares directly in



the operating company, viz the Transferee Company. The same will simplify the holding structure of the Transferee Company, enable easier and better evaluation of the Transferee Company and unlock shareholders value.

- (c) The amalgamation will result in the formation of a stronger company having greater capacity to raise and access funds for growth and expansion of its business, marketing and selling its products and conducting trade on more favourable terms. The amalgamation will enable more effective revival of the business of the Transferee Company and greater realisation of its potential.
- (d) The Scheme is proposed accordingly and will have beneficial results for the said Companies, their shareholders, employees and all concerned.

## PART I

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Laws; and (iii) the following expressions shall have the following meanings:

**“Act”** means the Companies Act, 2013 and shall include any other statutory amendment or re-enactment or restatement thereof and the rules and/ or regulations and/ or other guidelines or notifications made thereunder from time to time;

**“Appointed Date”** means opening of business hours of 1st October, 2018;

**“Applicable Law”** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Hon’ble Tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties;

**“Appropriate Authority”** means:

- (a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
- (c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) the Hon’ble Tribunal (*as defined hereinafter*). and

**“Board”** in relation to the Transferor Company or the Transferee Company means its board of directors and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

**“Code”** means the Insolvency and Bankruptcy Code, 2016 as amended from time to time and rules prescribed thereunder;

**“Effective Date”** means the day or last of the dates on which certified copies of the order of the Hon’ble Tribunal sanctioning this Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Jharkhand. Reference in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;

**“Encumbrance”** means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **“Encumber”** shall be construed accordingly;

**“INR”** means Indian Rupee, the lawful currency of the Republic of India;

**“Parties”** shall mean collectively the Transferor Company and the Transferee Company and **“Party”** shall mean each of them, individually;

“**Permits**” means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law;

“**Person**” means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

“**Record Date**” in relation means the date to be fixed by the Board of the Transferee Company for determining the shareholders of the Transferor Company to whom shares are to be issued in consideration of the amalgamation.

“**Transferee Company**” means Electrosteel Steels Limited, a company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Act having corporate identity number L27310JH2006PLC012663 and its registered office at 801, Uma Shanti Apartments, Kanke Road, Ranchi 834 008 in the State of Jharkhand;

“**Transferor Company**” means Vedanta Star Limited, a company, incorporated under the provisions of the Companies Act, 2013, having corporate identity number U13209JH2018PLC011308 and its registered office at M 11, First Floor, VIP Road, Harmu Housing Colony, P.S. Argoda, Ranchi 834 002 in the State of Jharkhand;

“**RoC**” means the Registrar of Companies, Jharkhand;

“**Scheme**” means this Scheme of Amalgamation, with or without any modification approved or imposed or directed by the Hon’ble Tribunal;

“**Taxation**” or “**Tax**” or “**Taxes**” means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company or the Transferee Company or any other Person and all penalties, charges, costs and interest relating thereto;

“**Tax Laws**” means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature; and

“**Tribunal**” means the Hon’ble National Company Law Tribunal, Kolkata Bench.

1.2 In this Scheme, unless the context otherwise requires:

- 1.2.1 words denoting singular shall include plural and vice versa;
- 1.2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.2.3 references to the word “include” or “including” shall be construed without limitation;
- 1.2.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.2.5 unless otherwise defined, the reference to the word “days” shall mean calendar days;
- 1.2.6 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- 1.2.7 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

**2. SHARE CAPITAL**

2.1 The share capital of the Transferor Company as on 22nd December, 2018, being the date of approval of the Scheme by the Board of the Transferor Company, is as follows:

Particulars	INR
<b>Authorised Share Capital</b> 2,00,00,000 equity shares of INR 10 each	20,00,00,000
<b>Issued, Subscribed and Paid Up Capital</b> 1,96,17,256 equity shares of INR 10 each fully paid up	19,61,72,560

- 2.2 The share capital of the Transferee Company as on 22nd December, 2018, being the date of approval of the Scheme by the Board of the Transferor Company, is as follows:

Particulars	INR
<b>Authorised Share Capital</b> 1000,00,00,000 equity shares of INR 10 each	10000,00,00,000
<b>Issued, Subscribed and Paid Up Capital</b> 196,16,73,420 equity shares of INR 10 each fully paid up	1961,67,34,200

### 3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Hon'ble Tribunal or made as per Clause 19 of this Scheme, shall become effective from Appointed Date, as the case may be, but shall be operative from the Effective Date.

## PART II

### AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

#### 4. TRANSFER OF ASSETS AND LIABILITIES

- 4.1 With effect from the Appointed Date, and subject to the provisions of this Scheme and pursuant to Section 232 of the Act and Section 2(1B) of the Income-tax Act, 1961, the Transferor Company shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:
- 4.2.1 With respect to the assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/ or delivery, the same may be so transferred by the Transferor Company by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date.
- 4.2.2 Subject to Clause 4.2.3 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date, by operation of law as transmission or as the case may be in favour of Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.
- 4.2.3 Without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company, as the case may be and/ or the Transferee Company.
- 4.2.4 All debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any Person who is

a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 4.

- 4.2.5 The vesting of the entire undertaking of the Transferor Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Company or part thereof on or over which they are subsisting on and vesting of such assets in Transferee Company and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company is a party) related to any assets of Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.
- 4.2.6 Taxes, if any, paid or payable by the Transferor Company after the Appointed Date shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.
- 4.2.7 If the Transferor Company is entitled to any unutilized credits (including balances or advances), benefits, subsidies, grants, special status and other benefits or privileges of whatsoever nature under the incentive schemes and policies including tax holiday or concessions under any Tax Laws or Applicable Laws, the Transferee Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits as the case may be automatically without any specific approval or permission.
- 4.2.8 Upon this Scheme becoming effective, the Transferor Company and / or the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/ or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.
- 4.2.9 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Hon'ble Tribunal having sanctioned this Scheme under Sections 230 and 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.2.10 On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.
- 4.2.11 Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company shall be entitled to apply to the Appropriate Authorities, if necessary under any law for such consents, approvals and sanctions which the Transferee Company may require, and execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned RoC or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions.

## 5. PERMITS

With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Company shall, pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be transferred to and vest in, or be deemed to have been transferred to and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Appointed Date and until the Permits are transferred, vested, recorded, effected,

and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and/ or permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions.

## **6. CONTRACTS**

- 6.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Effective Date, to which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above. Any inter-se contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon this Scheme coming into effect.
- 6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Transferor Company occurs by virtue of this Scheme, the Transferee Company may, at any time, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 6.3 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company, to the Transferee Company under this Scheme has been given effect to under such contracts and transactions.

## **7. EMPLOYEES**

- 7.1 Upon this Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage the employees of the Transferor Company, if any, on the terms and conditions not less favourable than those on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company also agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits. It is expressly provided that Provident Fund, Gratuity Fund, Superannuation Fund or other fund(s) created or existing for the benefit of the employees of the Transferor Company, if any, shall be continued by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including in relation to the obligation to make contributions to the said funds in accordance with the provisions thereof to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company.

## **8. LEGAL PROCEEDINGS**

If any suit, cause of action, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Transferor Company be pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

## **9. CONSIDERATION**

- 9.1 In consideration of and subject to other provisions of this Scheme, the Transferee Company shall, without any further application, act, deed, consent or instrument, issue and allot, to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Effective Date, equity shares in the following proportion:

*“90 (Ninety) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of the Transferee Company shall be issued and allotted, credited as fully paid up, for every 1 (One) equity share of INR 10 (Indian Rupees Ten) each held in the Transferor Company.” (“Transferee Company New Equity Shares”).*

- 9.2 The Transferor Company is a wholly owned (100%) subsidiary of Vedanta Limited. All Equity Shares of the Transferor Company are held by Vedanta Limited along with its nominees. It is clarified that the Transferee Company New Equity Shares in respect of the Equity Shares of the Transferor Company held by the nominees shall be issued to Vedanta Limited itself.
- 9.3 The Transferee Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of Transferee Company, as the case may be, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached thereto.
- 9.4 The issue and allotment of equity shares as above, is an integral part hereof and shall be deemed to have been carried out under the order(s) passed by the Hon’ble Tribunal without requiring any further act on the part of Transferee Company or Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members of the Transferee Company and/ or the Transferor Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, as the case may be, pursuant to this Clause 9.

#### **10. CANCELLATION OF EXISTING EQUITY SHARES OF THE TRANSFEREE COMPANY**

Upon the Scheme becoming effective, all Equity Shares held by the Transferor Company in the share capital of the Transferee Company (held either directly or through its nominees), shall stand cancelled, without any further act or deed as an integral part of this Scheme

#### **11. ACCOUNTING TREATMENT BY THE TRANSFEREE COMPANY IN RESPECT OF ASSETS AND LIABILITIES OF TRANSFEROR COMPANY**

On the Scheme taking effect, the Transferee Company shall account for amalgamation of the Transferor Company with Transferee Company in its books of account with effect from the Appointed Date as under:

- 11.1 The amalgamation shall be accounted for in the books of account of the Transferee Company according to the pooling of interests method under Indian Accounting Standard (Ind AS) 103, Appendix C, applicable to business combinations of entities under common control notified under the Companies (Indian Accounting Standards) Rules, 2015.
- 11.2 The inter-corporate investments / deposits / loans and advances between the Transferee Company and the Transferor Company as on the Appointed Date will stand cancelled and there shall be no further obligation in that behalf.

#### **12. VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the coming into effect of this Scheme, the resolutions/ power of attorney of/ executed by the Transferor Company, as are considered necessary by the Board of the Transferor Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferor Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

#### **13. COMBINATION OF AUTHORISED CAPITAL**

Consequent to and as an integral part of the amalgamation of the Transferor Company with the Transferee Company herein, the Authorised Share Capital of the Transferor Company shall stand merged into and combined with the Authorised Share Capital of the Transferee Company pursuant to the Scheme, without any further act or deed, and without payment of any stamp duty, registration fee or filing fee on such combined Authorised Share Capital, the Transferor Company and the Transferee Company having already paid such stamp duty and fees. Accordingly, the Authorised Share Capital of the Transferee Company resulting from the amalgamation of the Transferor Company with the Transferee Company shall be a sum of Rs.10,020,00,00,000/- divided into 1002,00,00,000 Equity Shares of Rs.10/- each. Clause V of the Memorandum of Association of the Transferee Company shall stand altered accordingly and substituted by the following Clause upon the Scheme becoming effective:-

*“The Authorised Share Capital of the Company is Rs.10,020,00,00,000/- divided into 1002,00,00,000 Equity Shares equity shares of Rs. 10 each with such rights, privileges and conditions attached thereto as may be determined by the Board of Directors of the Company. The Company has and shall have always have the power to divide or to consolidate the share capital from time to time into several classes and to increase or reduce its capital from time to time and to vary, modify or*

*abrogate any such rights, privileges or conditions attached to any class of shares in such manner as may for the time being be provided by the regulations of the Company.”*

#### **14. DISSOLUTION OF TRANSFEROR COMPANY**

The Transferor Company shall be dissolved without winding up pursuant to the provisions of Sections 230 and 232 of the Act.

#### **15. DIVIDEND**

15.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 30th September, 2018 and such future accounting periods consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/ declared only by the mutual consent of the respective Board of Directors of the Transferee Company and the Transferor Company. Any such final dividend shall be subject to approval of shareholders of the concerned company in General Meeting.

15.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of the Transferor Company.

### **PART III**

#### **GENERAL TERMS & CONDITIONS**

#### **16. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE**

16.1 With effect from the Appointed Date and up to and including the Effective Date:

16.1.1 The Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:

- (a) when the same is expressly provided in this Scheme; or
- (b) when the same is in the ordinary course of business as carried on, as on the date of filing of this Scheme in the Hon'ble Tribunal; or
- (c) when written consent of the Transferee Company, as the case may be has been obtained in this regard.

16.1.2 The Transferor Company shall not alter or substantially expand its business, or undertake (i) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business, except with the written concurrence of the Transferee Company, as the case may be;

16.1.3 The Transferor Company shall not vary the terms and conditions of employment of any of its employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken except with the written concurrence of the Transferee Company, as the case may be;

16.1.4 The Transferor Company shall not amend its Memorandum of Association or Articles of Association, except with the written concurrence of the Transferee Company, unless required to be done pursuant to actions between the Appointed Date and Effective Date expressly permitted under this Scheme.

16.1.5 The Transferor Company shall carry on and be deemed to have carried on all its business and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company. All profits or income accruing or arising to the Transferor Company (including taxes paid thereon) or expenditure or losses arising or incurred by the Transferor Company on and after the Appointed Date and up to and including the Effective Date shall, for all purposes, be deemed to have accrued as the profits or income (including taxes paid) or expenditure or losses, as the case may be, of the Transferee Company.

16.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such consents, approvals and sanctions as it may require to carry on the business of the Transferor Company and to give effect to the Scheme.

16.3 For the purpose of giving effect to the order sanctioning the Scheme passed under Sections 230 and 232 of the Act by the Hon'ble Tribunal, the Transferee Company shall, at any time pursuant to the said order, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of Sections 230 and 232 of the Act. The Transferee Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Transferee Company shall be entitled to exercise all rights and privileges, as may be necessary or expedient in this regard.

#### **17. CONTINUATION OF EXIT OFFER**

As stated aforesaid, the Equity Shares of the Transferee Company were delisted from the Stock Exchanges (BSE and NSE) with effect from 20th December, 2018 ("Delisting Date") pursuant to the approved resolution plan and offer for delisting ("Delisting Offer") which opened on 11th October, 2018 and closed on 17th October, 2018. Consequent to the delisting, an exit opportunity ("Exit Offer") to the eligible Equity Shareholders of the Transferee Company who had not tendered their Equity Shares in the delisting offer is available for a period of one year from the Delisting Date. Notwithstanding anything to the contrary contained in this Scheme, it is expressly provided and clarified that upon the Scheme coming into effect, Vedanta Limited, the holding company of the Transferor Company, will stand substituted for the Transferor Company, for the purpose of fulfilment of all outstanding obligations under the Exit Offer and completion thereof on the same terms and conditions. Accordingly, the Exit Offer shall remain in full force and effect against or in favour of Vedanta Limited and shall be binding on and be enforceable by and against Vedanta Limited as fully and effectually as if Vedanta Limited had been the offeror instead of the Transferor Company. It is clarified that the period of one year from the Delisting Date for tendering the shares under the Exit Offer shall, however, not stand extended by virtue of this clause. Upon the Scheme coming into effect Vedanta Limited will take such steps as may be considered necessary or expedient to give due effect to the Exit Offer. The procedure for such Exit Offer will continue to be made available on the website of the Transferee Company 'www.electrosteelsteels.com'.

#### **18. APPLICATIONS**

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications pursuant to Sections 230 and 232 of the Act, to the Hon'ble Tribunal for sanction and carrying out of the Scheme and for consequent dissolution of the Transferor Company without winding up. The said companies shall also apply for and obtain such other approvals, as may be necessary in law, if any, for bringing the Scheme into effect and be entitled to take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

#### **19. APPROVALS AND MODIFICATIONS**

The Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

19.1 To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble Tribunal and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.

19.2 To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

Without prejudice to the generality of the foregoing the Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

19.3 It is clarified that if any modifications are required post satisfaction of the conditions precedent mentioned in Clause 20 and the Scheme having been made effective, the Appointed Date shall not be affected by any such modifications that might be required to be made and the Appointed Date for such modified Scheme shall be same as the date on which Scheme was made effective prior to the modifications

#### **20. CONDITIONS PRECEDENT**

The Scheme is conditional upon and subject to:

20.1 Approval of the Scheme by the requisite majority of the members of the Transferor Company and the Transferee Company in



accordance with law; and

**20.2 Sanction of the Scheme by the Hon'ble Tribunal under Sections 230 and 232 of the Act.**

Accordingly, it is provided that the Scheme although effective from the Appointed Date, shall become operative on the Effective Date upon filing of certified copies of the order sanctioning the same with the Registrar of Companies by the Transferor Company and the Transferee Company on such date.

**20.3 It is hereby clarified that submission of this Scheme to the Hon'ble Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Company and/ or the Transferee Company may have under or pursuant to all Applicable Laws.**

**21. SEVERABILITY**

**21.1** If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferee through its Board, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

**21.2** Further, it is the intention of the Parties that each part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

**22. CHANGE OF NAME OF TRANSFEE COMPANY**

**22.1** Consequent to the amalgamation and upon the Scheme becoming effective, the name of the Transferee Company shall be changed to "Vedanta Steel Limited". Clause I of the Memorandum of Association shall stand altered accordingly and substituted by the following Clause:

*"The Name of the Company is Vedanta Steel Limited."*

**22.2** The Transferee Company shall file the requisite forms and take necessary steps to give effect to such change of name. It is clarified that in case any name, other than "Vedanta Steel Limited", is made available by the Registrar of Companies, which is also acceptable to the Board of the Transferee Company, the name of the Transferee Company shall be changed to such other name and clause 22.1 shall be read and applied accordingly.

**23. COSTS AND TAXES**

All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company.

**24. MISCELLANEOUS**

**24.1** On the approval of the Scheme by the members of the Transferor Company and the members of the Transferee Company pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under any other provisions of the Act, including Sections 13, 61, 62(1)(c) and 66 of the Act, to the extent the same may be considered applicable.


**24.2** Without prejudice to the generality of the foregoing, it is clarified and provided that cancellation of Share Capital of the Transferee Company in terms of Clause 10 of this Scheme, shall be effected as an integral part of this Scheme. Such cancellation of Share Capital does not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital. Further, since such cancellation is an integral part of the Scheme, the provisions of Section 66 of the Act are not applicable. It is further clarified and provided that notwithstanding such cancellation of Share Capital of the Transferee Company, it shall not be required to add "And Reduced" as suffix to its name.

**24.3** The transfer and vesting of the undertaking of the Transferor Company to the Transferee Company and the continuance of Proceedings and effectiveness of contracts, relating to the Transferor Company, by or against the Transferee Company in terms of this Scheme shall not affect any transaction or proceeding already concluded by the Transferor Company on or before the Effective Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by and on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

**24.4** In the event of this Scheme failing to take effect finally by 31st March 2020, or by such later date as may be determined by the Boards of the Transferor Company and the Transferee Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred, inter-se, by the Parties or their shareholders or creditors or employees or any other person. In such case, each Party shall bear its own costs, charges and expenses incurred in relation or in connection with this Scheme or as may be mutually agreed.

**Vedanta Star Limited**  
**Balance Sheet as at Sep 30,2018**

**Annexure ES-1**

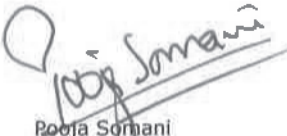
Particulars	Notes	Amount in Cr Sep 30,2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets		
(i) Investments	1	1,783.81
Income tax assets non current		8.12
<b>Total Non-current assets</b>		<b>1,791.93</b>
<b>Current assets</b>		
Financial Assets		
(ii) Cash and cash equivalents	2	25.53
(iii) Loans	3	3,554.49
Other Current Assets	4	9.81
<b>Total Current assets</b>		<b>3,589.84</b>
<b>Total assets</b>		<b>5,381.77</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	5	17.75
Other equity	6	1,744.20
<b>Total Equity</b>		<b>1,761.95</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
Financial liabilities		
(i) Borrowings	7	3,561.90
Deferred tax liabilities (Net)		3.99
<b>Total Non-current liabilities</b>		<b>3,565.90</b>
<b>Current Liabilities</b>		
Financial liabilities		
(i) Other financial liabilities	8	53.61
Other current liabilities	9	0.306
<b>Total Current Liabilities</b>		<b>53.92</b>
<b>Total Equity and Liabilities</b>		<b>5,381.77</b>
<p>For and on behalf of the Board of Directors of Vedanta Star Limited</p> <p>Tarun Jain  Director  DIN No 0006843</p> <p style="text-align: right;">   Booja Somani  Director  DIN No 07131449</p>		

**Vedanta Star Limited**

**Statement of Profit and loss for the period ended Sep 30,2018**

Particulars	Notes	Amount in Cr
		Sep 30,2018
Other Income	10	107.37
<b>Total Income</b>		<b>107.37</b>
<b>Expenses:</b>		
Finance costs	11	111.18
Other expenses	12	0.30
<b>Total expenses</b>		<b>111.48</b>
<b>Profit before exceptional items and tax</b>		<b>(4.11)</b>
Exceptional items		-
<b>Profit/(Loss) before tax</b>		<b>(4.11)</b>
<b>Tax expense/(benefit) :</b>		
Net Current tax Expense		-
Net Deferred tax expense		<b>3.99</b>
<b>Net Tax (benefit)/expense :</b>		<b>3.99</b>
<b>Profit for the year</b>		<b>(8.10)</b>

For and on behalf of the Board of Directors of Vedanta Star Limited  Tarun Jain Director DIN No 0006843	 Roopa Somani Director DIN No 07131449
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**Vedanta Star Limited****Notes to Financial statements for the period ended Sep 30,2018****Amount in Cr  
Sep 30,2018****1 Non-current financial assets - Investments****Investment in Equity Shares - unquoted**

- Subsidiary company(1,76,55,06,078 equity shares of Electrosteel Steel Limited)

1,783.81

**Total****1,783.81****2 Current Financial Assets - Cash and cash equivalents**

Balances with banks

0.20

Bank deposits with original maturity of less than 3 months  
(including interest accrued thereon)

25.33

**Total****25.53****3 Financial Assets- Current : Loans****Unsecured considered good (unless otherwise stated)****Loans to related parties-Electrosteel Steel Limited**

3,554.49

**Total****3,554.49****4 Other Current Assets****Unsecured, Considered good**

Guarantee Commission Recoverable

0.07

GST Receivable

9.74

**Total****9.81****5 Share capital****Issued, subscribed and paid up**Equity Share capital(17750000, Equity shares of INR 10 each issued,  
subscribed and fully paid)

17.75

**Total****17.75**

**Vedanta Star Limited**

**STATEMENT OF CHANGES IN EQUITY**

**6**

Particulars	Reserve and Surplus			Total equity
	Share Premium Account	Retained Earnings	Total reserves (other than OCI)	
<b>Balance at the beginning of the reporting period</b>	-	-	-	-
Total Comprehensive Income for the year	-	(8.10)	(8.10)	(8.10)
Addition during the year	1,752.30	-	1,752.30	1,752.30
<b>Balance at the end of the reporting period</b>	<b>1,752.30</b>	<b>(8.10)</b>	<b>1,744.20</b>	<b>1,744.20</b>

Amount in Cr  
Sep 30,2018

**7 Non-current financial liabilities - Borrowings**

**Secured**

Term loans from banks	3,400.00
Long term borrowings from related parties-Vedanta Limited	197.00
Less : Upfront fees	(35.10)
<b>Total</b>	<b>3,561.90</b>

**8 Current financial liabilities - Other financial liabilities**

Interest accrued but not due on borrowings	24.92
Due to related parties	5.06
- Interest Due on Term Loan	
- Advance Received from Electrosteel Steel Limited	0.90
- Corporate Guarantee Commission	1.14
- Other	21.59
<b>Total</b>	<b>53.61</b>

**9 Other current liabilities**

TDS payable	0.21
Other Payables	0.09
<b>Total</b>	<b>0.31</b>

**ELECTROSTEEL STEELS LIMITED****BALANCE SHEET AS AT SEPTEMBER 30, 2018**

(Rs. in lakhs)

Particulars	Note No.	As at September 30, 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment		505,814.55
(b) Capital work-in-progress		92,227.03
(c) Other Intangible Assets		91.25
(d) Financial Assets		
(i) Loans	8	43.84
(ii) Other Financial Assets	9	424.98
(e) Non Current Tax Assets (net)	10	647.85
(f) Other Non-Current Assets	11	119.33
<b>Current assets</b>		
(a) Inventories	12	101,659.41
(b) Financial Assets:		
(i) Trade Receivables	13	16,697.50
(ii) Cash and Cash Equivalents	14	728.98
(iii) Bank Balances other than (ii) above	15	68,185.88
(iv) Other Financial Assets	16	991.65
(c) Other Current Assets	17	8,090.37
<b>TOTAL ASSETS</b>		<b>795,722.62</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share Capital	18	196,167.34
(b) Other Equity	19	133,860.59
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities:		
(i) Borrowings	20	355,449.39
(b) Provisions	22	762.47
<b>Current liabilities</b>		
(a) Financial Liabilities:		
(i) Borrowings	23	3,086.45
(ii) Trade Payables	24	
(i) total outstanding dues of micro enterprises and small enterprises		318.00
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		91,941.86
(iii) Other Financial Liabilities	25	1,089.52
(b) Other Current Liabilities	26	12,855.98
(c) Provisions	27	191.02
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>795,722.62</b>

**ELECTROSTEEL STEELS LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER, 2018**

		(Rs. in lakhs)
Particulars	Note No.	Year ended
		<b>September 30, 2018</b>
Revenue from Operations	28	212,030.52
Other Income	29	4,163.15
<b>Total Income</b>		<b>216,193.67</b>
<b>Expenses</b>		
Cost of Materials Consumed	30	137,952.73
Purchases of Stock-in-Trade		-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	31	(4,632.38)
Excise Duty on Sale of Goods		-
Employee Benefits Expense	32	8,042.39
Finance Costs	33	12,553.54
Depreciation and Amortisation Expense	34	15,637.49
Other Expenses	35	48,035.98
<b>Total Expenses</b>		<b>217,589.75</b>
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>(1,396.08)</b>
<b>Exceptional Items</b>	<b>36</b>	<b>(85,627.50)</b>
<b>Profit/ (loss) before tax</b>		<b>84,231.42</b>
<b>Tax expense:</b>		
(1) Current tax		-
(2) Deferred tax		-
<b>Profit/ (loss) for the year</b>		<b>84,231.42</b>
<b>Other Comprehensive Income:</b>		
(i) Items that will not be reclassified to profit or loss	37	94.67
(ii) Income tax relating to items that will not be reclassified to profit or loss		-
<b>Other Comprehensive Income for the Year (net of taxes)</b>		<b>94.67</b>
<b>Total Comprehensive Income for the year</b>		<b>84,326.10</b>
<b>Earning per equity share of Par value of Rs. 10 each:</b>	<b>41</b>	
Basic and Diluted		3.43



		(Rs. in lakhs)
<b>8</b>	<b>Loans</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
	<b>Unsecured, considered good</b>	
(a)	Security Deposit	43.84
	Considered Doubtful	871.05
	Less: Impairment Allowance for doubtful deposit	(871.05)
		<b>43.84</b>
<b>9</b>	<b>Other Financial Assets</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
(a)	Fixed Deposits with Banks (having original maturity of more than 12 months)	416.11
(b)	Interest receivable on fixed deposits	8.87
		<b>424.98</b>
<b>10</b>	<b>Current Tax Assets (net)</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
	Advance Income Tax including Tax deducted at source (net of provision)	647.85
		<b>647.85</b>
<b>11</b>	<b>Other Non-Current Assets</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
(a)	Capital advances	
	Considered good	47.05
	Considered Doubtful	3,038.72
	Less: Impairment Allowance for doubtful Advances	(3,038.72)
(b)	Leasehold land prepayment	72.28
		<b>119.33</b>
<b>12</b>	<b>Inventories</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
(a)	Raw Materials	28,430.92
(b)	Raw Materials in transit	31,528.80
(c)	Semi Finised Goods/ Work In Progress	3,623.59
(d)	Finished Goods	17,029.63
(e)	Stores and Spares	17,865.61
(f)	Stores and Spare Parts in transit	1,187.90
(g)	Scrap and By Products	1,992.96
		<b>101,659.41</b>

		(Rs. in lakhs)
<b>13</b>	<b>Trade Receivables</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
	<b>Unsecured</b>	
	Considered good	16,697.50
	Considered Doubtful	2,312.67
	Less: Impairment Allowance for doubtful debts	(2,312.67)
		<b>16,697.50</b>
<b>14</b>	<b>Cash and Cash Equivalents</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
	(a) <b>Balances with Banks:</b>	
	- In Current Accounts	728.34
	(b) Cash on hand	0.64
		<b>728.98</b>
<b>15</b>	<b>Bank Balances other than Cash and cash equivalents</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
	(a) Fixed Deposits with Banks (having original maturity of more than three months)	68,185.88
		<b>68,185.88</b>
<b>16</b>	<b>Other Financial Assets</b>	<b>As at</b>
	<b>Particulars</b>	<b>September 30,</b>
		<b>2018</b>
	(a) Earnest Money to Vendors	199.70
	(b) Earnest Money to Customers	
	Considered good	4.00
	Considered Doubtful	6.75
	Less: Impairment Allowance for doubtful debts	(6.75)
	(c) Derivative Assets at fair value through profit and loss	(0.00)
	(d) Interest receivable on fixed deposits	662.98
	(e) Export incentive receivables	124.97
		<b>991.65</b>

		(Rs. in lakhs)
		<b>As at</b>
		<b>September 30,</b>
		<b>2018</b>
<b>17 Other current assets</b>		
<b>Particulars</b>		
(a) Balance with Government Authorities		510.39
(b) Advances for supply of goods and services		
Considered good		6,057.01
Considered doubtful		1,289.59
Less: Impairment Allowance for doubtful balances		(1,289.59)
(c) Leasehold land prepayment		1.66
(d) Prepaid Expenses		1,217.85
(e) Advances against salaries		20.33
(f) Stamp papers on hand		11.88
(g) Export incentive receivables		148.20
(e) Others		123.05
		<b>8,090.37</b>
<b>18 Equity Share Capital</b>		
<b>Particulars</b>		<b>As at</b>
		<b>September 30,</b>
		<b>2018</b>
(a) <b>Authorised:</b>		
10,00,00,00,000 Equity Shares of Rs. 10/- each (March 31, 2017: 5,00,00,00,000 Equity		1,000,000.00
		<b>1,000,000.00</b>
(b) <b>Issued, Subscribed and Fully Paid Up:</b>		
1,96,16,73,420 Equity Shares of Rs. 10/- each (March 31, 2018: 2,40,92,35,023 Equity Shares)		196,167.34
		<b>196,167.34</b>
<b>19 Other Equity</b>		
<b>Particulars</b>		<b>As at</b>
		<b>September 30,</b>
		<b>2018</b>
(a) Capital Reserve		961,219.97
(b) Securities Premium Reserve		3,993.17
(c) Retained Earnings		(831,352.55)
		<b>133,860.59</b>

		(Rs. in lakhs)
<b>20 Borrowings</b>		<b>As at</b>
<b>Particulars</b>		<b>September 30,</b>
		<b>2018</b>
<b>Secured Borrowings</b>		
(a) <b>From Banks:</b>		
- Restructured Term Loan		-
- Additional Term Loan		-
- Funded Interest Term Loan (FITL)		-
<b>Total (a)</b>		<b>-</b>
(b) <b>From Others:</b>		
- Restructured Term Loan		-
- Funded Interest Term Loan (FITL)		-
<b>Total (b)</b>		<b>-</b>
<b>Unsecured Borrowings</b>		
(a) From Holding Company		355,449.39
		355,449.39
Less: Disclosed under Current Maturity of Long Term Debt- Secured		-
		<b>355,449.39</b>
<b>21 Other Financial Liabilities</b>		<b>As at</b>
<b>Particulars</b>		<b>September 30,</b>
		<b>2018</b>
Security Deposits/ EMD from Vendors		-
		<b>-</b>
<b>22 Provisions</b>		<b>As at</b>
<b>Particulars</b>		<b>September 30,</b>
		<b>2018</b>
Provision for Employee Benefits		762.47
		<b>762.47</b>
<b>23 Borrowings</b>		<b>As at</b>
<b>Particulars</b>		<b>September 30,</b>
		<b>2018</b>
<b>Loans Repayable on Demand (Secured):</b>		
Working Capital Facility from banks		-
Factored Receivable		3,086.46
Buyers Credit		-
		<b>3,086.46</b>
<b>24 Trade Payables</b>		<b>As at</b>
<b>Particulars</b>		<b>September 30,</b>
		<b>2018</b>
Payable for goods and services		
Due to Micro and Small Enterprises		318.00
Others		91,941.86
		<b>92,259.86</b>

		(Rs. in lakhs)
<b>25 Other Financial Liabilities</b>		<b>As at September 30, 2018</b>
(a)	Current maturities of long-term debts- Secured	-
(b)	Interest accrued but not due on borrowings	413.90
(c)	Interest accrued and due on borrowings	-
(d)	Security Deposits from Customers	-
(e)	Earnest Money Deposit against EOI	-
(f)	Capital Vendors	59.74
(g)	Derivative Instrument Liability at fair value through profit and loss (net)	58.04
(h)	Temporary Overdraft in Current Account with Banks	545.63
(i)	Others Payables	12.22
		<b>1,089.52</b>
<b>26 Other Current Liabilities</b>		<b>As at September 30, 2018</b>
(a)	Advance from customers	8,564.55
(b)	Statutory Dues Payables (includes Provident Fund, Excise Duty, Service Tax, Tax deducted at source etc.)	4,291.43
		<b>12,855.98</b>
<b>27 Provisions</b>		<b>As at September 30, 2018</b>
(a)	Provision for Employee Benefits	191.02
(b)	Provision for Claims admitted pursuant to CIRP	-
		<b>191.02</b>

		(Rs. in lakhs)
		<b>For the Period ended September 30, 2018</b>
<b>28</b>	<b>Revenue from Operations</b>	
	<b>Particulars</b>	
(a)	<b>Sale of Products (including excise duty):</b>	
	Semi-Finished & Finised Goods:	
	- Export Sales	3,412.66
	- Domestic Sales	204,730.89
(b)	<b>Other Operating Revenue:</b>	
	- Scrap/ By-products & Others (including excise duty)	3,583.72
	- Incentive on exports	303.25
	<b>Revenue from operations (Gross)</b>	<b>212,030.52</b>
<b>29</b>	<b>Other Income</b>	
	<b>Particulars</b>	
(a)	Interest income on Fixed deposits, overdue debts etc.	1,802.70
(b)	Interest income on financial assets measured at amortised cost	-
(c)	Sundry credit balances written back	175.26
(d)	Net gain/(loss) on Derivative Instruments on fair valuation through profit and loss	2,122.05
(e)	Miscellaneous Income	63.14
		<b>4,163.15</b>
<b>30</b>	<b>Cost of Materials Consumed</b>	
	<b>Particulars</b>	
(a)	<b>Raw material and other materials consumed</b>	
	Inventory at the beginning of the year	44,742.93
	Add: Purchases	153,169.59
	Less: Cost of goods sold	0.07
	Less: Inventory at the end of the year	59,959.72
		<b>137,952.73</b>
<b>31</b>	<b>Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress</b>	
	<b>Particulars</b>	
(i)	<b>Inventories at the end of the year</b>	
(a)	Finished Goods	17,029.63
(b)	Stock-in-Trade	-
(c)	Semi-Finished Goods	3,623.59
(d)	Scrap / By-products	1,992.96
		<b>22,646.19</b>
(ii)	<b>Inventories at the beginning of the year</b>	
(a)	Finished Goods	5,482.46
(b)	Stock-in-Trade	-
(c)	Semi-Finished Goods	6,184.71
(d)	Scrap / By-products	6,346.64
		<b>18,013.81</b>
	Inventories transferred to/from Project and other adjustments	-
		<b>(4,632.38)</b>

(Rs. in lakhs)

		<b>For the Period ended September 30, 2018</b>
<b>32</b>	<b>Employee Benefits Expense</b>	
	<b>Particulars</b>	
	(a) Salaries and wages	7,400.52
	(b) Contribution to Provident and Other Funds	370.16
	(c) Staff welfare expenses	271.71
		<b>8,042.39</b>
<b>33</b>	<b>Finance Costs</b>	
	<b>Particulars</b>	
	(a) Interest Expense	11,995.00
	(b) Other Borrowing Cost	558.54
		<b>12,553.54</b>
<b>34</b>	<b>Depreciation and Amortisation Expense</b>	
	<b>Particulars</b>	
	(a) Depreciation on Tangible Assets	15,634.08
	(b) Amortisation of Intangible Assets	3.41
		<b>15,637.49</b>
<b>35</b>	<b>Other Expenses</b>	
	<b>Particulars</b>	
	(a) Consumption of Stores and Spares	7,827.02
	(b) Power and Fuel	6,081.74
	(c) Freight and Forwarding Charges	5,115.03
	(d) Rent	202.30
	(e) Rates and taxes	243.78
	(f) Insurance	1,290.90
	(g) Repairs to Plant and Machinery	4,139.44
	(h) Repairs to Building	98.87
	(i) Repairs to Others	136.87
	(j) Operation & Maintenance expenses	5,109.37
	(k) Machine Hire Charges	594.95
	(l) Material Handling Expenses	472.15
	(m) Listing & Registrar Expenses	293.71
	(n) Security Expenses	469.03
	(o) Advertisement and Business Promotion Expenses	5.04
	(p) Travelling & Conveyance	561.27
	(q) Legal & Professional Fees	1,538.71
	(r) Payment to Auditors	14.86
	(s) Excise Duty on Closing Stock	-
	(t) Net (gain)/loss on foreign exchange fluctuation	4,917.67
	(u) Net (gain)/loss on Derivative Instruments on fair valuation through profit and loss	-
	(v) Loss on Sale of Fixed Assets	-
	(w) Selling & Distribution Expenses	1,760.53
	(x) CSR Expenditure	28.74
	(y) Impairment Allowance for Doubtful Debt and Deposits	1,419.86
	(z) Provision for Doubtful Advance	3,769.13
	(aa) Provision for Obsolete and Non-moving Stores and Spares	1,181.53
	(ab) Sundry Balances written-off	16.56
	(ac) Fair valuation (Gain)/ Loss on Financial Assets	-
	(ad) Other Miscellaneous Expenses	746.91
		<b>48,035.98</b>

**DETAILS OF SHAREHOLDINGS OF DIRECTORS, KMPs and their relatives**

Shareholdings of the Directors and Key Managerial Personnel (“KMP”) of the Transferor Company and the Transferee Company and their relatives are as follows:-

	No. of Equity Shares in the Transferor Company	No. of Equity Shares in the Transferee Company
<b>Directors of Transferor Company</b>		
Tarun Jain	1 (as a nominee of Vedanta Limited)	NA
Guggilam Rajagopalan Arun Kumar	1 (as a nominee of Vedanta Limited)	NA
Pooja Somani	NA	NA
<b>KMP of Transferor Company</b>		
Jalaj Kumar Malpani (CFO)	NA	NA
Binaya Kumar Dash (CS)	NA	02
<b>Relatives of Directors</b>		
Relatives of Mr. Tarun Jain	NA	NA
Relatives of Mr. Guggilam Rajagopalan Arun Kumar	NA	NA
Relatives of Ms. Pooja Somani	NA	NA
<b>Relative of KMP</b>		
Relatives of Mr. Jalaj Kumar Malpani	NA	NA
Relatives of Mr. Binaya Kumar Dash	NA	NA
<b>Directors of Transferee Company</b>		
Mr. Prasun Kumar Mukherjee	NA	NA
Mr. Naveen Kumar Singhal	NA	NA
Ms. Rashmi Mohanty	NA	NA
Mr. Mahendra Singh Mehta	NA	NA
<b>KMP of Transferee Company</b>		
Mr. Jalaj Kumar Malpani	NA	NA
Mr. Binaya Kumar Dash	NA	NA

Regd Office : 801, Uma Shanti Apartments, Kanke Road, Ranchi-834 008, Jharkhand, India  
 Tel: 0651 2285636; Website: [www.electrosteelsteels.com](http://www.electrosteelsteels.com); CIN: L27310JH2006PLC012663



<b>Relatives of Directors</b>		
Mr. Prasun Kumar Mukherjee	NA	NA
Mr. Naveen Kumar Singhal	NA	NA
Ms. Rashmi Mohanty	NA	NA
Mr. Mahendra Singh Mehta	NA	NA
<b>Relatives of KMP</b>		
Mr. Jalaj Kumar Malpani	NA	NA
Mr. Binaya Kumar Dash	NA	NA

**For Electrosteel Steels Limited**

Sd/-  
**Binaya Kumar Dash**  
**Company Secretary**  
**Mem No.: A 17982**

**Report of Board of Directors of the Company u/s 232(2)(c) of the Companies Act, 2013 on effect of Scheme of Amalgamation on Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders**

22nd December, 2018

**1. Background**

- 1.1 The Board of Directors at their meeting held on 22nd December, 2018 after considering, inter alia, the following documents placed before the meeting, approved the proposed Scheme of Amalgamation of Vedanta Star Limited (“**Transferor Company**”) with Electrosteel Steels Limited (“**Transferee Company**”) with effect from 1st October, 2018 (“**Appointed Date**”):-
- i. Draft of the said Scheme of Amalgamation prepared by Messrs. Khaitan & Co, Advocates.
  - ii. Valuation Report dated 20th December, 2018 of Messrs. Walker Chandiook & Co LLP, Chartered Accountants, on the share exchange ratio for the amalgamation.
- 1.2 The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Board of Directors to adopt a report explaining the effect of the Arrangement on Shareholders, Key Managerial Personnel (KMPs), Promoter and Non-Promoter Shareholders. This report of the Board is made and adopted accordingly.

**2. Effect of the Scheme of Amalgamation on the said stakeholders.**

- 2.1 At the outset, it is stated that no compromise or arrangement is proposed under the Scheme between the said companies and any classes of persons other than the shareholders of the said companies.
- 2.2 Each of the said companies have only one class of shareholders, i.e. Equity Shareholders. In so far as the Equity Shareholders of the said companies are concerned, the existing Equity Shares of the Transferee Company held by the Transferor Company shall stand cancelled and the shareholders of the Transferor Company will receive new Equity Shares in the Transferee Company in consideration of the amalgamation in the following exchange ratio:-
- 90 (Ninety) New Equity Share of Rs.10/- each in the Transferee Company credited as fully paid up for every 1 (One) Equity Share of Rs.10/- each fully paid-up held by the shareholders of the Transferor Company in the capital of the Transferor Company.
- 2.3 The share exchange ratio, as aforesaid, was fixed on a fair and reasonable basis and on the basis of the said valuation report dated 20th December, 2018 of Messrs. Walker Chandiook & Co LLP, Chartered Accountants. There was no difficulty in valuation.
- 2.4 The effect of the Scheme on Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders is summarised below:-

Category	Transferor Company	Transferee Company
(a) Shareholders	The Transferor Company shall be dissolved without winding up pursuant to the Scheme. Shareholders of the Transferor Company will thus cease to be shareholders of the Transferor Company and receive shares in the Transferee Company in the exchange ratio aforesaid.	The existing Equity Shares held by the Transferor Company in the Transferee Company shall stand cancelled. The Transferee Company shall issue new Equity Shares to the shareholders of the Transferor Company in the exchange ratio aforesaid.
(b) Non-promoter members	There are no Non-promoter members in the Transferor Company.	Effect of the Scheme on Non-promoter members is the same as in case of all shareholders, as stated in item (a) above.

Category	Transferor Company	Transferee Company
(c) Promoters/Promoter Group	Both Companies are under common management and control. There will be no change in management and control of the Transferor Company or the amalgamated Transferee Company consequent to the Scheme. In so far as shares held by promoters/promoter group are concerned, the effect of the scheme is the same as stated in item (a) above.	Both Companies are under common management and control. There will be no change in management and control of the amalgamated Transferee Company consequent to the Scheme. In so far as shares held by promoters/promoter group are concerned, the effect of the scheme is the same as stated in item (a) above.
(d) Key Managerial Personnel ("KMP")	There are KMPs in the Transferor Company.	KMPs of the Transferee Company will continue to be KMPs of the Transferee Company, as before.

2.5 In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Companies, Shareholders and all concerned.

**For Vedanta Star Limited**

Sd/-  
**Binaya Kumar Dash**  
**Company Secretary**  
**Mem No.: A 17982**

22nd December, 2018

## 1. Background

1.1 The Board of Directors at their meeting held on 22nd December, 2018 after considering, inter alia, the following documents placed before the meeting, approved the proposed Scheme of Amalgamation of Vedanta Star Limited (“**Transferor Company**”) with Electrosteel Steels Limited (“**Transferee Company**”) with effect from 1st October, 2018 (“**Appointed Date**”):-

- i. Draft of the said Scheme of Amalgamation prepared by Messrs. Khaitan & Co, Advocates.
- ii. Valuation Report dated 20th December, 2018 of Messrs. Walker Chandiok & Co LLP, Chartered Accountants, on the share exchange ratio for the amalgamation.
- iii. Certificate of Messrs. Lodha & Co., Auditors of the Transferee Company confirming that the accounting treatment under the Scheme was in accordance with the Accounting Standards.

1.2 The provisions of Section 232(2)(c) of the Companies Act, 2013 require the Board of Directors to adopt a report explaining the effect of the Arrangement on Shareholders, Key Managerial Personnel (KMPs), Promoter and Non-Promoter Shareholders. This report of the Board is made and adopted accordingly.

## 2. Effect of the Scheme of Amalgamation on the said stakeholders.

2.1 At the outset, it is stated that no compromise or arrangement is proposed under the Scheme between the said companies and any classes of persons other than the shareholders of the said companies.

2.2 Each of the said companies have only one class of shareholders, i.e. Equity Shareholders. In so far as the Equity Shareholders of the said companies are concerned, the existing Equity Shares of the Transferee Company held by the Transferor Company shall stand cancelled and the shareholders of the Transferor Company will receive new Equity Shares in the Transferee Company in consideration of the amalgamation in the following exchange ratio:-

90 (Ninety) New Equity Share of Rs.10/- each in the Transferee Company credited as fully paid up for every 1 (One) Equity Share of Rs.10/- each fully paid-up held by the shareholders of the Transferor Company in the capital of the Transferor Company.

2.3 The share exchange ratio, as aforesaid, was fixed on a fair and reasonable basis and on the basis of the said valuation report dated 20th December, 2018 of Messrs. Walker Chandiok & Co LLP, Chartered Accountants. There was no difficulty in valuation.

2.4 The effect of the Scheme on Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders is summarised below:-

Category	Transferor Company	Transferee Company
(a) Shareholders	The Transferor Company shall be dissolved without winding up pursuant to the Scheme. Shareholders of the Transferor Company will thus cease to be shareholders of the Transferor Company and receive shares in the Transferee Company in the exchange ratio aforesaid.	The existing Equity Shares held by the Transferor Company in the Transferee Company shall stand cancelled. The Transferee Company shall issue new Equity Shares to the shareholders of the Transferor Company in the exchange ratio aforesaid.
(b) Non-promoter members	There are no Non-promoter members in the Transferor Company.	Effect of the Scheme on Non-promoter members is the same as in case of all shareholders, as stated in item (a) above.

Category	Transferor Company	Transferee Company
(c) Promoters/Promoter Group	Both Companies are under common management and control. There will be no change in management and control of the Transferor Company or the amalgamated Transferee Company consequent to the Scheme. In so far as shares held by promoters/promoter group are concerned, the effect of the scheme is the same as stated in item (a) above.	Both Companies are under common management and control. There will be no change in management and control of the amalgamated Transferee Company consequent to the Scheme. In so far as shares held by promoters/promoter group are concerned, the effect of the scheme is the same as stated in item (a) above.
(d) Key Managerial Personnel ("KMP")	There are KMPs in the Transferor Company.	KMPs of the Transferee Company will continue to be KMPs of the Transferee Company, as before.

2.5 In the opinion of the Board, the said Scheme will be advantageous and beneficial to the Companies, Shareholders and all concerned.

**For Electrosteel Steels Limited**

Sd/-  
**Binaya Kumar Dash**  
**Company Secretary**  
**Mem No.: A 17982**

Annexure ES-4

Walker Chandlok & Co LLP

Strictly Private and Confidential

To  
**Board of Directors**  
**Vedanta Star Limited**  
M11, 1st floor  
VIP Road,  
Harmu Housing Colony, P.S. Argoda  
Ranchi - 834002  
Jharkhand, India

**Board of Directors**  
**Electrosteel Steels Limited**  
801, Uma Shanti Apartments,  
Kanke Road,  
Ranchi - 834 008,  
Jharkhand, India

Date: 20 December 2018

**Sub: Recommendation of Share Exchange Ratio pursuant to the Scheme of Amalgamation between Vedanta Star Limited and Electrosteel Steels Limited and their Respective Shareholders**

Dear Sir / Madam,

We refer to our Engagement Letter dated 5 December 2018 whereby the managements of Vedanta Star Limited ("VSL") and Electrosteel Steels Limited ("ESL") (collectively referred to as the "Management") have requested Walker Chandlok & Co LLP ("WCC" or the "firm") for a valuation report recommending the Share Exchange Ratio for the proposed amalgamation of VSL with ESL ("Proposed Transaction"), pursuant to a Scheme of Amalgamation pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ("Scheme" or "Scheme of Amalgamation"). The appointed date for the Scheme is 1 October 2018.

VSL and ESL are together referred to as the "Specified Companies".

WCC has been hereafter referred to as 'Valuer' or 'we' in this Share Exchange Ratio Report ('Report').

In the following paragraphs, we have summarized our valuation analysis together with the description of the methodologies used and limitations on our scope of work.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & Co LLP  
18th Floor, Tower II,  
Indiabulls Finance Centre,  
SB Marg, Elphinstone (W)  
Mumbai - 400 013  
Maharashtra, India

T +91 22 6626 2600  
F +91 22 6626 2601

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2035 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandiook & Co LLP

## CONTEXT AND PURPOSE

### Vedanta Star Limited

VSL is wholly owned subsidiary of Vedanta Limited ("Vedanta") which is a natural resources company with interests in zinc-lead-silver, Iron ore, Steel, Copper, Aluminium, Power, Oil and Gas.

Pursuant to the order dated April 17, 2018 of the National Company Law Tribunal, Kolkata bench and orders dated May 30, 2018 and August 10, 2018 of National Company Law Appellate Tribunal, Vedanta is implementing the resolution plan for resolution of corporate insolvency of the ESL through its wholly owned subsidiary, VSL. Accordingly, VSL acquired control of ESL and infused funds aggregating to INR 53,200 Million by (i) subscribing to new 176,55,06,078 Equity Shares of Rs.10/- each aggregating to INR 17,655.1 Million and (b) providing additional INR 35,544.9 Million by way of debt. VSL does not have any other significant business interest other than its aforesaid investment in the business of ESL.

The issued and subscribed equity share capital of VSL was INR 177.5 million consisting of 17,750,000 equity shares of face value of INR 10 each. The shareholding pattern of VSL as on the 30 September 2018 was as follows:

Sr. No.	Shareholder	No. of shares
1	Vedanta Limited	17,749,994
2	Other (nominee shareholders)	6
	<b>Total</b>	<b>17,750,000</b>

As informed by the Management of VSL, VSL's Board shall propose to issue 1,867,256 bonus shares of INR 10.0/- each to its shareholders prior to the Scheme being made effective. Subject to requisite approvals, the issued share capital of VSL post bonus issue shall increase to 19,617,256 shares of INR 10.0/- each. Hence, for the purpose of determining the share exchange ratio, the proposed enhanced share capital of 19,617,256 equity shares has been considered.

### Electrosteel Steels Limited

ESL is engaged in the business of manufacture of Wire Rods, Thermo Mechanically Treated (TMT) Bars, Ductile Iron Pipes and Pig Iron and Billets at its plant at Village Siyaljori in the State of Jharkand. Due to a combination of various factors and circumstances, the business and financial performance of the ESL was adversely affected in the past which led to the ESL becoming insolvent and being referred to the National Company Law Tribunal, Kolkata Bench for resolution of insolvency under the provisions of the Insolvency and Bankruptcy Code. As mentioned above, Vedanta is implementing the resolution plan for resolution of corporate insolvency of the ESL through its wholly owned subsidiary, VSL. The said resolution plan, as approved, is binding on ESL, its employees, members, creditors, coordinators and other stakeholders and became effective on 4th June, 2018.

ESL would be delisted from BSE Limited and National Stock Exchange of India Limited, with effect from 20th December, 2018. Consequent to such delisting, the issued and subscribed equity share capital of ESL as on 31 October 2018 was INR 19,616.7 million consisting of 1,961,673,420 equity shares of face value of INR 10 each. The shareholding pattern as on 31 October 2018 is as follows:

Sr. No.	Shareholder	No. of Shares	Percentage
1	VSL	1,765,553,035	90.0%
2	Others	19,61,20,385	10.0%
	<b>Total</b>	<b>1,961,673,420</b>	<b>100.0%</b>



# Walker Chandiook & Co LLP

## Proposed Transaction

We understand that the Management of the Specified Companies are contemplating a Proposed Transaction wherein VSL shall merge into ESL.

As a consideration for the Proposed Transaction, equity shareholders of VSL would be issued equity shares of ESL. Share Exchange Ratio for this Report refers to the number of equity shares of face value of INR 10/- each of ESL, which would be issued to shareholders of VSL.

For the aforesaid purpose, the Management of the Specified Companies have requested WCC to submit the Report recommending the Share Exchange Ratio in connection with the Proposed Transaction. The scope of our services is to conduct valuation in accordance with generally accepted professional standards for the purpose of the Proposed Transaction.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and/or gathered from public domain:

1. Shareholding Pattern of VSL and ESL as on 30 October 2018;
2. Consolidated Provisional financial statement of VSL and ESL as on 30 September 2018;
3. Draft Scheme of Amalgamation received by us on 19 December 2018;
4. International Database; World Wide Web;
5. Correspondence with the Management including Management Representation Letter;
6. In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of our analysis.

The Specified Companies have been provided with the opportunity to review the draft Report (excluding the recommended Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.

## APPROACH TO VALUATION ENGAGEMENT AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Discussions with the Specified Companies to understand the business of VSL and ESL.
- Research publicly available market data on the Specified Companies that may impact the valuation.
- Transaction value at which VSL acquired ESL
- Analysis of information.
- Selection of appropriate internationally accepted valuation methodology/(ies) after deliberations
- Determination of fully diluted per share value of the VSL and ESL to arrive at the Share Exchange Ratio.





## **SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

Our Report is subject to the scope limitations detailed hereinafter. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than date of the report.

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, and the information made available to us as of the Valuation Date. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Exchange Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Specified Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section – Sources of Information. In accordance with the terms of our engagement, we have assumed and relied upon, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Specified Companies. As per our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated the data provided by the Specified Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Specified Companies, we have been given to understand by the Specified Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information



## Walker Chandiook & Co LLP

to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Specified Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by the Specified Companies.

Accordingly, we assume no responsibility for any errors in the information furnished by the Management or obtained from public domain and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Management has represented that the business activities have been carried out in the normal and ordinary course between 30 September 2018 and the date of this report for the Specified Companies and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The Report assumes that the Specified Companies comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that all the companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Specified Companies. Our conclusion of value assumes that the assets and liabilities of the Specified Companies reflected in their respective latest balance sheets remain intact as of the date of this report.

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.

No investigation / inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the Specified Companies that have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Specified Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Specified Companies, their directors, employees or agents.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Exchange Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.



The Report should be used in connection with the Scheme.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the Proposed Scheme of Amalgamation, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock Exchanges, SEBI and National Company Law Tribunal.

We express no opinion or recommendation as to how the shareholders of Specified Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

## VALUATION APPROACH & METHODOLOGY

**Valuation Base:** Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. In transaction of the nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of equity of the acquirer or transferee entity with reference to an exchange ratio/ entitlement ratio considering the relative values.

Considering the nature of this exercise, we have considered Relative Value as the Valuation base.

**Premise of Value:** Premise of Value refers to the conditions and circumstances how an asset is deployed. We have considered Going Concern Value and "As-is-where-is" Value as applicable to the companies being valued, as the Premise of Value.

**Intended Users:** This report is intended for consumption of the Board of Directors of the Specified Companies for the purpose of submission to the relevant regulatory authorities.

The Scheme contemplates amalgamation of VSL with ESL. Arriving at the Share Exchange Ratio for the Proposed Transaction would require determining value of the equity shares of VSL and ESL independently but on a relative basis and without considering the current transaction. The Scheme contemplates the Proposed Transaction pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

As discussed below, there are several commonly used and accepted methods for determining the Share Exchange ratio for the proposed merger of VSL into ESL, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Approach:
  - a. Market Price method
  - b. Comparable Companies Multiples
  - c. Comparable Transaction Multiple Method
2. Income Approach: Discounted Cash Flows Method
3. Cost Approach: Net Asset Value Method

As discussed below for the Proposed Transaction we have considered these methods, to the extent relevant and applicable.



# Walker Chandiook & Co LLP

It should be understood that the valuation of any business / company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. This valuation could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the Specified Companies, and other factors which generally influence the valuation of companies and their assets.

We have relied on the judgment of the Management as regards contingent and other liabilities.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guideline and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The generally accepted valuation methodologies, as may be applicable, which have been used to arrive at the value of the Specified Companies are discussed hereunder:

## **Market Price (MP) Method**

The market price of an equity share as quoted on a Stock Exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

In the present case, equity shares of ESL and VSL are not listed on any stock exchange. Hence we have not considered this method for the purpose of valuation.

## **Comparable Companies Market Multiple ("CCM") Method**

This method is also known as Guideline Public Company Method. It involves valuing an asset based on market multiples derived from prices of market comparable companies traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. There aren't any closely comparable companies with product portfolio, size, stage of operations, and nature of business similar to that of VSL and ESL. Further, ESL was acquired by VSL through insolvency process under the Insolvency and Bankruptcy Code, accordingly CCM method cannot be applied for valuation of ESL. Hence, we have not used this method for the purpose of valuation.

## **Comparable Companies Transaction Multiple ("CTM") Method**

This method is also known as Guideline Transaction Method. It involves valuing an asset based on transaction multiples derived from prices paid in transactions of assets to be valued /market comparable (comparable transactions).



Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the transaction selected in terms of size and nature of business and competitive landscape as compared to our subject company and factor any changes in the marketplace environment into the analysis.

Similar to the CCM Method, it is difficult to find similar transactions to benchmark to arrive at the equity valuation of ESL and VSL. We have therefore not used this method for valuation of VSL. Although, as mentioned earlier, VSL has recently acquired 176,55,06,078 equity shares of ESL aggregating to INR 17,655.1 Million for INR 10 per share. As the transaction has happened recently in June 2018, we have relied on the same as a benchmark price to arrive at the valuation of ESL.

### **Net Asset Value (NAV) Method**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. Further, this method doesn't capture the value of intangible assets in the form of brands, trademarks etc as well as future growth potential of the business. Therefore, we have not considered this method to value ESL. Although we have considered this method for arriving at the value VSL, considering it does not have any other significant business interest other than its investment in the business of ESL.

### **Discounted Cash Flows (DCF) Method**

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with indefinite life.

Using the DCF analysis involves determining the following:

#### **Estimating future free cash flows:**

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

#### **Appropriate discount rate to be applied to cash flows i.e. the cost of capital:**

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

We have not been provided with mid-term/long term forecasts by/or on behalf of the Specified Companies. Hence, we have not considered DCF method of valuation.



## **BASIS OF SHARE EXCHANGE RATIO**

The basis of the Proposed Transaction would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair Share Exchange Ratio of equity shares it is necessary to arrive at a single value for each of the business / subject companies' shares. It is however important to note that in doing so we are not attempting to arrive at the absolute equity values of the business / companies and / or their associates, joint ventures and subsidiaries but at their relative values to facilitate the determination of a fair Share Exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of VSL and ESL. The Share Exchange Ratio is based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the companies, having regard to available information base, key underlying assumptions and limitations. To arrive at the Share Exchange Ratio, suitable averaging and rounding off in the values arrived at have been done. Please refer Annexure I for summary of valuation workings.

## **CONCLUSION**

Based on the forgoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, for the proposed amalgamation of VSL with ESL, we recommend the following Share Exchange Ratio:

90 (Ninety) Equity Shares of ESL (of INR 10/- each fully paid up) for every 1(One) Equity Share held in VSL (of INR 10/- each fully paid up).

Your faithfully,

For **Walker Chandiook & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/ N500013



**Sudhir N. Pillai**

Partner

Membership No: 105782

## Annexure 1

The Computation of Share Exchange Ratio as derived by us, is given below:

Valuation Approach	VSL		ESL	
	Value per share (INR)	Weight (%)	Value per share (INR)	Weight (%)
1. Cost Approach	900.2	100%	NA	-
2. Market Approach				
a. Market Price Method	NA	-	NA	-
b. Comparable Companies Market Multiple Method	NA	-	NA	-
c. Comparable Companies Transaction Multiple Method	NA	-	10.0	100%
3. Income Approach	NA	-	NA	-
<b>Relative Value Per Share</b>	<b>900.2</b>	<b>100%</b>	<b>10.0</b>	<b>100%</b>
<b>Exchange Ratio (rounded off)</b>	<b>1</b>		<b>90</b>	

NA= Not Applicable/Adopted

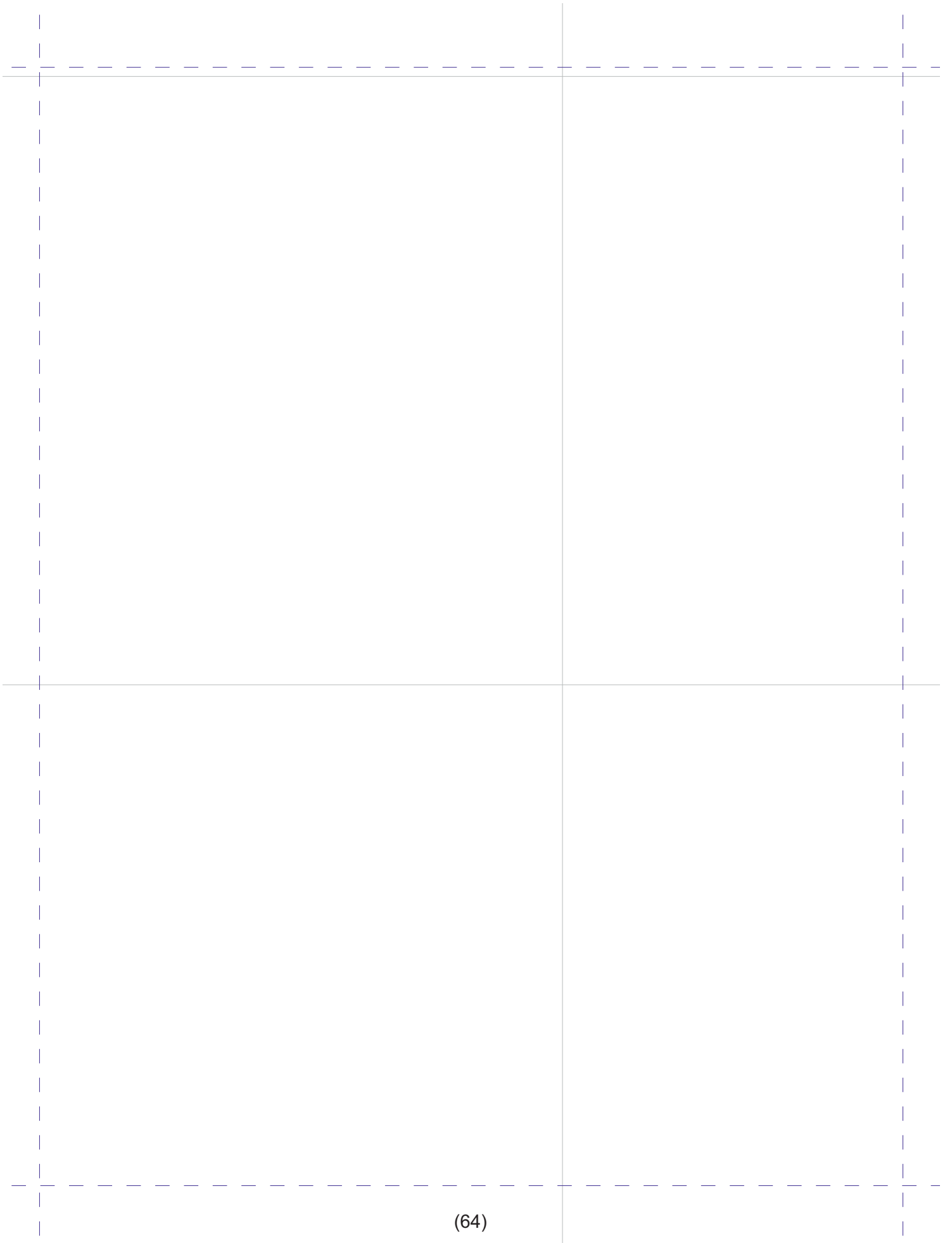
### Footnotes:

1. The Cost Approach is not adopted for valuation of ESL as this methodology shall not capture the future growth potential of the business of ESL.
- 2a. Market Price Method is not adopted since the equity shares of ESL and VSL are not listed on the stock exchange.
- 2b. CCM method is not adopted since there are no closely comparable companies with product portfolio, size, stage of operations, and nature of business similar to that of VSL and ESL.
- 2c. VSL has acquired equity shares of ESL in June 2018, hence we have adopted CTM method for the valuation of ESL. However, CTM method is not adopted for the valuation of VSL since there are no transactions in companies closely comparable to VSL in terms of product portfolio, size, stage of operations, and nature of business.
3. Since we have not been provided with financial projections of the Specified Companies, Income Approach has not been considered.

### Share Exchange Ratio

90 (Ninety) Equity Shares of ESL (of INR 10/- each fully paid up) for every 1(One) Equity Share held in VSL (of INR 10/- each fully paid up).







Before the National Company Law Tribunal  
Kolkata Bench  
Company Application No.39 of 2019

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In the Matter of the Companies Act, 2013 - Section 230(1) read  
with Section 232(1)

And

In the Matter of :

1. Vedanta Star Limited
2. Electrosteel Steels Limited

. . . . . Applicants

*PROXY FORM FOR MEETING OF EQUITY SHAREHOLDERS  
(Form MGT 11 read with Sections 230 and 105 of the Companies Act, 2013 and Rule 19 of the Companies  
(Management and Administration) Rules, 2014)*

Name of Equity Shareholder :  
Registered Address :  
Email Id :  
Ledger Folio No or DP ID/Client ID No. :

I/ We (\*) the undersigned Equity Shareholders of Electrosteel Steels Limited (CIN L27310JH2006PLC012663) do hereby nominate and appoint

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
4. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her

as my/our PROXY to act for me/us at the meeting of the Equity Shareholders of Electrosteel Steels Limited to be held on **Friday, 29th March, 2019 at 2:30 P.M. at Capitol Hill Hotel, Mahatma Gandhi Marg, Main Road, Ranchi 834001** for the purpose of considering and if thought fit, approving with or without modification, the proposed Scheme of Amalgamation of Vedanta Star Limited with Electrosteel Steels Limited and at such meeting or any adjournment thereof to vote for me/us and in my/our name \_\_\_\_\_ [here, 'if for', insert '**for**'; 'if against', insert '**against**' and in the latter case, strike out the words below after 'Scheme of Amalgamation'] the said Scheme of Amalgamation either with or without modification as my/our proxy may approve.

Signed this..... day of .....2019  
Signature of shareholder .....  
Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

NOTES:

1. Please affix appropriate Revenue Stamp before putting Signature.
  2. The proxy duly stamped, signed and completed must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
  3. A proxy need not be a shareholder of the company
  4. Alterations, if any made in the form of proxy must be initialled by the shareholder
  5. In case of multiple proxies, the Proxy later in the time shall be accepted.
- (\*) Strike out whichever not applicable.

**Electrosteel Steels Limited**

**Registered Office:** 801, Uma Shanti Apartments, Kanke Road, Ranchi 834 008

Tel: +91 - 08651102477- 1021(extension)

Email:esl.shares@vedanta.co.in. Website: www.electrosteelsteels.com

**CIN:** L27310JH2006PLC012663

**ATTENDANCE SLIP**

**(To be handed over at the entrance of the Meeting Hall)**

Folio No/ DP ID & Client ID No#	Folio No: _____ or DP ID No. _____ Client IDNo. _____
Name of Member	
Name of Proxyholder/ Authorised Representative, attending if any*	
Registered Address of Member	
Number of Shares held by Member	

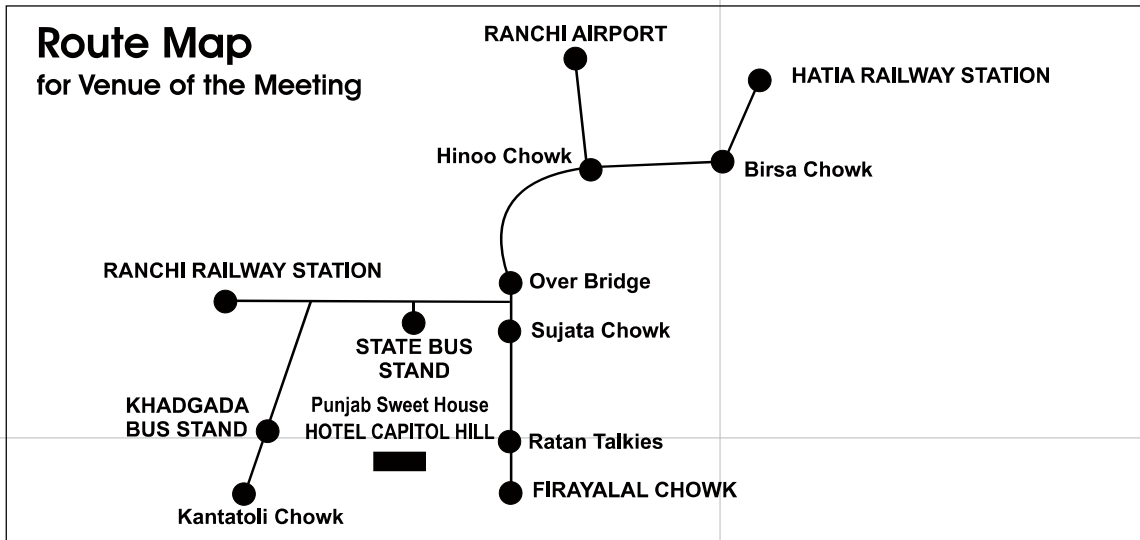
I hereby record my presence at the Meeting of Equity Shareholders of Electrosteel Steels Limited, convened pursuant to order of the Hon'ble National Company Law Tribunal, Kolkata Bench, on Friday, 29th March, 2019 at 2:30 P.M. at Capitol Hill Hotel, Mahatma Gandhi Marg, Main Road, Ranchi 834001

\_\_\_\_\_  
Signature of the Member/Authorised Representative/Proxyholder\*

\* Strike out whichever is not applicable

**# Applicable for shareholders holding shares in dematerialised form.**







**Electrosteel Steels Limited**

**Registered Office:** 801, Uma Shanti Apartments, Kanke Road, Ranchi 834 008

Tel: +91 - 08651102477- 1021(extension)

Email:esl.shares@vedanta.co.in. Website: www.electrosteelsteels.com

**CIN:** L27310JH2006PLC012663

**POSTAL BALLOT FORM**

1. Name(s) & Registered Address of the sole / first named shareholder:
2. Name(s) of the Joint-Holder(s) if any:
3. i) Registered Folio No:  
ii) \* DP ID No. & Client ID No:  
[\*Applicable to Shareholders holding shares in dematerialised form]
4. No of Equity Share(s) held
5. I/We hereby exercise my/our vote(s) in respect of the Resolution as detailed in the Notice dated 20th February, 2019 convening Meeting of Equity Shareholders of Electrosteel Steels Limited, on Friday, 29th March, 2019 at 2:30 P.M. at Capitol Hill Hotel, Mahatma Gandhi Marg, Main Road, Ranchi 834001, as directed by the Hon'ble National Company Law Tribunal, Kolkata Bench, by sending my/our assent or dissent to the said Resolution by placing a tick mark (✓) in the appropriate box below:

Resolution	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Approval of the Scheme of Amalgamation of Vedanta Star Limited with Electrosteel Steels Limited.			

Place : \_\_\_\_\_

Date : \_\_\_\_\_

\_\_\_\_\_  
Signature of the Shareholder/Authorised Representative


**Notes:**

- (i) If you opt to cast your vote by remote e-voting or by poll at the venue of the meeting, there is no need to fill up and sign this form.
- (ii) Please read the instructions printed overleaf carefully before exercising your vote.

(P.T.O.)

## INSTRUCTIONS

1. Shareholders, desiring to exercise vote by postal ballot, may fill up the Postal Ballot Form printed overleaf and submit the same in the attached self-addressed postage paid envelope which shall be properly sealed with adhesive or adhesive tape so as to reach the Scrutinizer by 5:00 PM on 28th March, 2019. Postal ballot form received thereafter will strictly be treated as if not received. The postage has been borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Form (s), if deposited in person or if sent by courier or registered/speed post at the expense of the shareholder will also be accepted.
2. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney (POA) on behalf of member may vote on the postal ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.
3. Duly completed Postal Ballot form should reach the Scrutinizer not later than 5:00 PM on 28th March, 2019. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
4. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Company.
5. The Company will not be responsible if the envelope containing the Postal Ballot Form is lost in transit.
6. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
7. As an alternate to voting by postal ballot, shareholders of the Transferee Company shall also have the option of voting on the resolution for approval of the Scheme by remote e-voting prior to the meeting or by poll at venue of the meeting. Take note that the Equity Shareholders may opt to exercise their votes only in one mode, i.e. by (a) postal ballot, (b) remote e-voting or (c) by poll at the venue of the meeting. In case Equity Shareholders cast their vote by both postal ballot and remote e-voting, then voting done through remote e-voting shall prevail and voting done by postal ballot will be treated as invalid. Further, Equity Shareholders casting their votes by postal ballot and/or remote e-voting, as aforesaid, shall not be entitled to vote again by poll at the venue of their meeting, whether in person or by proxy. If they do so, the votes so cast by them at the venue of the meeting shall be treated as invalid.
8. The right of voting by Postal Ballot Form shall not be exercised by a proxy.
9. To avoid fraudulent transactions, the identity/signature of the Shareholders holding shares in electronic/demat form is verified with the specimen signatures furnished by Karvy Fintech Private Limited ("Karvy"). Shareholders are requested to keep the same updated.
10. There will be only one Postal Ballot Form for every Folio/DP ID Client ID irrespective of the number of joint holders.
11. In case of joint holders, the Postal Ballot Form should be signed by the first named shareholder and in his/her absence by the next named Shareholder. Postal Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Postal Ballot Form from other joint holders.
12. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholder(s) as on the Cut-Off date i.e. 20th February, 2019.
13. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authority and preferably with attested specimen signature(s) of the duly authorized signatory(ies) giving requisite authority to the person voting on the Postal Ballot Form.
14. A shareholder need not use all the votes nor does he need to cast all he votes in the same way.
15. The consent must be accorded by recording the Assent in the column for or Dissent in the column against by placing a tick mark (-/) in the appropriate column in the postal ballot form.
16. The result of the voting on the resolutions will be announced within seven days of the conclusion of the Meeting of the Equity Shareholders and shall also be posted on the website of the Company [www.electrosteelssteels.com](http://www.electrosteelssteels.com) and also of Karvy (<https://evoting.karvy.com>).