

Sterlite Technologies Limited

L31300MH2000PLC269261

E 1, MIDC Industrial Area, Waluj,

Aurangabad, Maharashtra- 431 136, INDIA

Phone: +91-20 30514000, Fax: +91-20-30514113

Website: www.sterlitetechnologies.com;email – secretarial@sterlite.com**Sterlite Power Transmission Limited**

U74120PN2015PLC156643

4th Floor, Godrej Millennium,

9, Koregaon Road, Pune 411001 INDIA

Phone: +91-20-30514000, Fax: +91-20-30514113,

Website – www.sterlitetechnologies.com;email - secretarial@sterlite.com

Dear Eligible Member,

This Intimation is sent to you pursuant to the Scheme of Arrangement between Sterlite Technologies Limited (“**STL/ Company**”) and Sterlite Power Transmission Limited (“**SPTL/ Resulting Company**”) and their respective shareholders and creditors (hereinafter referred to as the “**Scheme of Arrangement**”), as a Non- Resident Shareholder of Sterlite Technologies Limited (other than FIIs) (“**Eligible Member**”) as on 16 June 2016 (“**Record Date**”).

SCHEME OF ARRANGEMENT

The Hon'ble High Court of Bombay (“**Hon'ble High Court**”) vide its Order dated 22 April 2016 (“**Order**”) approved the Scheme of Arrangement. The certified copy of the Order of the Hon'ble High Court has been filed with the Registrar of Companies on 23 May 2016 (“**Effective Date**”).

In accordance with the terms of the Scheme of Arrangement, all the assets and liabilities, in relation to the Power Products and Transmission Grid Business (as defined later) of the Company, have been vested in SPTL as of 1 April 2015 (“**Appointed Date**”).

Pursuant to the Scheme of Arrangement, the Eligible Members shall be entitled to receive Resulting Company Equity Shares.

For details in respect of the Scheme of Arrangement, the Eligible Member may visit the website of Sterlite Technologies Limited at www.sterlitetechnologies.com.

A. DETAILS OF THE RESULTING COMPANY EQUITY SHARES AND SHARE ENTITLEMENT

1. As a consideration for the Scheme of Arrangement, the Eligible Members shall receive 1 (one) fully paid equity share of Rs 2 (Rupees two) each of Sterlite Power Transmission Limited for every 5 (five) fully paid up equity shares of Rs 2 (Rupees two) each of the Sterlite Technologies Limited held by the Eligible Member.
2. In accordance with Clause 10.2 of the Scheme of Arrangement, the Eligible Member shall have to compulsorily sell the Resulting Company Equity Shares allotted (“**Equity Exit**”) as explained under Clause A (4) hereunder.
3. Please note that the Resulting Company Equity Shares will not be listed and/or admitted on any stock exchanges in India.

4. EQUITY EXIT

- (i) The Resulting Company Equity Shares will be issued and allotted, for and on behalf of and in trust for the Eligible Member, to Merchant Banker (Category-I) registered with the SEBI (“**Merchant Banker**”) appointed by Promoters to act on behalf of and as an agent and trustee of the Eligible

Member.

- (ii) The Merchant Banker will for and on behalf of such Eligible Member receive the aforesaid Resulting Company Equity Shares in an on-shore escrow account opened by it with a scheduled commercial bank in India for this purpose (“**Escrow Account**”).
- (iii) Immediately upon allotment of Resulting Company Equity Shares to the Merchant Banker, the Merchant Banker will for and on behalf of the Eligible Member, offer for sale the Resulting Company Equity Shares, issued and allotted to it under the Scheme of Arrangement, for purchase by the Promoters and/ or their affiliates or any other person and/or entity identified by them (“**Purchaser-Equity**”) within 30 (thirty) days from the date of allotment of the Resulting Company Equity Shares by Sterlite Power Transmission Limited at a price of Rs 112.30 (Rupees One hundred twelve and thirty paise) which includes a premium of Rs 110.30 (Rupees One hundred ten and thirty paise) per Resulting Company Equity Share (“**Purchase Consideration- Equity**”).
- (iv) Within 7 (seven) business days of the receipt of the Purchase Consideration – Equity, the Merchant banker will remit the Purchase Consideration – Equity received, subject to applicable withholding tax, to the Eligible Member, in the same proportion as its entitlements.
- (v) The allotment of Resulting Company Equity Shares to the Merchant Banker for and on behalf of the Eligible Members under this Scheme of Arrangement, shall be deemed to be allotment of equity shares to the Eligible Members under the provisions of applicable law including that under the provisions of Section 2(19AA) of the Income Tax Act.
- (vi) All the expenses including the appointment of the Merchant Banker, opening of the Escrow Account, the stamp duty for the said transfer of Resulting Company Equity Shares will be borne by the Purchaser-Equity. The Purchaser-Equity shall be deemed to include their nominees or assigns who accepts in totality the terms of the Scheme of Arrangement.

5. FRACTIONAL SHARES

In case any Eligible Member’s holding in Demerged Company is such that the Eligible Member becomes entitled to a fraction of a share of the Resulting Company, the Resulting Company shall not issue any fractional shares to such Eligible Member but shall consolidate such fractions and issue consolidated shares to the Trust to be established for this purpose. The Trust shall sell such shares to the Promoters and/ or their affiliates or any other person and/or entity identified by them, and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the Eligible Members entitled to the same in proportion to their fractional entitlements.

ILLUSTRATION OF THE SHARE ENTITLEMENT RATIO

Number of Equity Shares as of the Record Date (1)	Number of Resulting Company Equity Shares under Share Entitlement Ratio (2)	Fractional entitlements with respect to the Share Entitlement Ratio for Resulting Company Equity Shares (3)	Consideration for the fractional entitlement (Rs.)
1 Equity Share	Nil	0.2	22.46
2 Equity Shares	Nil	0.4	44.92
3 Equity Shares	Nil	0.6	67.38
4 Equity Shares	Nil	0.8	89.84
5 Equity Shares	1	Nil	Nil

- 6. All payments to Eligible Members shall be made through NECS, Direct Credit, RTGS or NEFT or other electronic modes, as applicable to the bank account of the Eligible Members provided in the Depositories’ database where such information is available. Where electronic modes are not available,

then the payments under this Election Notice shall be made through demand drafts / bankers' cheques that shall be dispatched to the respective Eligible Members on the address which is available in the records of the Registrar.

7. Indicative Schedule of Activities

Activity	Timelines
Record Date	16 June 2016, Thursday
Resulting Company Board of Directors to issue and allot Resulting Company Equity Shares to the Merchant Banker for and on behalf of Eligible Members	By 3 rd week of August 2016
Transfer of the Resulting Company Equity Shares from the Merchant Banker to the Purchaser – Equity	By 3 rd week of September 2016
Transfer of the Purchase Consideration – Equity from the Purchaser Equity to the Merchant Banker.	By 3 rd week of September 2016
Transfer of the Purchase Consideration – Equity from the Merchant Banker to the Eligible Members.	By 5 th week of September 2016

B. COMPLIANCE WITH TAX REQUIREMENTS

- There are no tax implications on receipt of Resulting Company Equity Shares in the hands of Eligible Members in the Resulting Company pursuant to provisions of section 47(vii) of Income Tax Act. The period of holding of equity shares of the Demerged Company ("**Demerged Company Shares**") shall be included in the period of holding for the Resulting Company Equity Shares pursuant to section 2(42A) Explanation 1(g) of the Income Tax Act.
- In accordance with section 49(2C) of the Income Tax Act, the cost of acquisition of the Resulting Company Equity Shares is derived based on the proportion as the net book value of the assets transferred bears to the net worth of the Demerged Company immediately before such demerger.

Cost of acquisition of Resulting Company Equity Shares = $\frac{\text{Original cost of acquisition of equity share in Demerged Company} \times \text{Net book value of assets transferred by the Demerged Company as on the Appointed Date}}{\text{Net worth of the Demerged Company immediately before the Demerger as on the Appointed Date}}$

Net worth of the Demerged Company immediately before the Demerger as on the Appointed Date

- In accordance with section 49(2D) of the Income Tax Act, the cost of acquisition of the original shareholding in the Demerged Company is deemed to have been reduced by the amount calculated as per the provisions of sub-section (2C) i.e.: **Cost of Acquisition of Demerged Company's Share:** Original cost of acquisition – cost of acquisition of Resulting Company Equity Shares.
- For the purpose of determining the post demerger cost of acquisition of equity share of STL and Resulting Company Equity Shares under the Income Tax Act, the Eligible Members are advised to apportion their pre demerger cost of acquisition of equity shares of STL in the following manner:

Particulars	% of cost of acquisition of STL shares
Equity shares of STL	54.47%
Equity shares/ Redeemable preference shares of SPTL	45.53%
Total	100%

5. The rate of tax deduction in case of Eligible Members depends on various factors like:

- (i) Date of acquisition of the shares;
- (ii) Whether shares are held on investment account or trading account;
- (iii) Whether shares qualify as long term capital asset or short term capital asset and exact period for which the shares have been held by the Eligible Member;
- (iv) In addition to the above, for the purposes of determining the rate of tax deduction at source on the gross consideration payable, the Eligible Member will have to deliver the below mentioned documents, as applicable, at the Registrar's office by (i) hand-delivery at the collection centres of the Registrar stated in Clause C below between 10.00 a.m. and 5.00 p.m. on any Business Day on or before 8 August 2016 ; or (ii) by post using the enclosed business reply envelope on or before 8 August 2016. Additionally envelopes containing relevant documents, if sent by courier or by Registered Post to the Registrar at the expense of the Eligible Member will also be accepted:
 - (a) Eligible Members should enclose a copy of the permission received from RBI for the equity shares of the Company held by them. If the equity shares of the Company are held under the general permission of RBI, the Eligible Members should furnish a copy of the relevant notification / circular pursuant to which the equity shares are held and state whether the equity shares are held on repatriable or non-repatriable basis;
 - (b) Eligible Members are required to furnish bankers' certificates certifying inward remittance of funds for their original acquisition of equity shares of the Company;
 - (c) Eligible Members are also required to furnish (a) written confirmation from their custodian confirming that the equity shares of the Company held by them were acquired from proceeds deposited in the Eligible Member's account maintained with the custodian in India **OR** (b) a copy of the statement of account maintained with an authorized dealer in India evidencing that the equity shares of the Company held by them were acquired from proceeds deposited in such account being a foreign currency denominated account or special non-resident rupee account **OR** (c) bankers' certificates certifying inward remittance of funds for the original acquisition of the equity shares of the Company held by them;
 - (d) Eligible Members should enclose a self attested copy of Permanent Account Number ("PAN") letter or a self attested copy of the PAN card;
 - (e) Eligible Members/sub-accounts are requested to enclose their registration certificate/ letter issued by SEBI;
 - (f) If the equity shares of the Company are held on Investment / Capital account, kindly enclose a certificate from Chartered Accountant certifying the same along with proof of investment. Tax will be deducted at source at the maximum marginal rates (plus cess & surcharge as applicable) if the shares are held on trade account or if the Eligible Member fails to certify that the shares are held by it on investment / capital account;
 - (g) In order to seek deduction of tax at a lower rate or on a lower amount, Eligible Members should enclose no objection certificate / tax clearance certificate from income tax authorities issued under Section 195(3) or under Section 197 of the Income Tax Act indicating the tax to be deducted, if any, by the Merchant Banker, as the case may be, before remittance of consideration. Otherwise, tax will be deducted at the rates as may be applicable to the category and status of the shareholder, on the full consideration payable by the Merchant Banker, as the case may be;

- (h) Self attested declaration of not having permanent establishment in India in case income is business income and the Eligible Member chooses to take benefit under the relevant Double Tax Avoidance Agreement (“DTAA”);
- (i) Section 90(4) and Section 90A(4) of the Income Tax Act provide that, any person claiming benefit under any DTAA between India and any other foreign country / specified territory should furnish the 'Tax Residency Certificate' (“TRC”) (containing the specified particulars) provided to him / it by the Government of that foreign country / specified territory of which he / it claims to be tax resident. The TRC should contain particulars and should be verified in the manner provided in Form No. 10F of Income Tax Rules, 1962;
- (j) As per the provisions of Income Tax Act, where the non-resident shareholder fails to furnish its PAN, tax will be required to be withheld at higher of the following rates:
- At the rate specified under the Income Tax Act; or
 - At the rates in force; or
 - At the rate of 20%.
- (k) The rate of deduction of tax at source under Income Tax Act, for non-residents for FY 2016-17 is tabulated below:

Particulars	Non Resident (other than FIIs)
If short term capital gain i.e period of holding is less than 24 months. (Maximum Marginal Rate)	<ul style="list-style-type: none"> • 30% plus applicable surcharge and cess for non-corporate shareholder • 40% plus applicable surcharge and cess in case of corporate shareholder
If long term capital gain i.e. period of holding is more than 24 months	<ul style="list-style-type: none"> • 10% plus applicable surcharge and cess (without any benefit of indexation)

- (l) In case the documents /information as requested above are not submitted or the documents /information submitted is considered to be ambiguous/incomplete/conflicting, tax shall be withheld on the gross consideration at the maximum marginal rate as applicable.

C. Collection Centres of Karvy Computershare Private Limited

Collection Centre	Address	Contact Person	Contact Details	E-mail	Mode of delivery
Mumbai	24B Rajabahudar Mansion, Ground Floor, 6 Ambalal Doshi Marg, Behind BSE Limited, Fort, Mumbai 400 051	Ms. Nutan Shirke	Tel: 022 66235454 Fax: 022 6633 1135	nutan.shirke@karvy.com	Hand delivery

Collection Centre	Address	Contact Person	Contact Details	E-mail	Mode of delivery
New Delhi	305 New Delhi House, 27 Barakhamba Road, Connaught Place, New Delhi 110 001	Mr. Rakesh Kumar jamwal /Mr. Vinod Singh Negi	Tel: 011 4368 1700 Tel: 011 4368 1707/08 Fax: 011 4368 1710	rakesh.jamwal@karvy.com	Hand delivery
Ahmedabad	201-203 Shail, Opp. Madhusudhan House Behind Girish Cold Drinks Off C G Road, Ahmedabad 380 006	Mr. Aditya Gupta / Mr. Robert Jeoboy	Tel: 079 6661 4772 Fax: 079 2640 0527	ahmedabad@karvy.com robert.joeboy@karvy.com	Hand delivery
Chennai	Akshya Plaza, First floor, F11, New No.108 Adhithanar Salai, Egmore, Chennai 600002	Mr. K. Gunasekhar	Tel: 044 2858 7781 Fax: 044 4202 8514	chennaiirc@karvy.com	Hand delivery
Kolkata	49 Jatin Das Road, Near Deshpriya Park, Kolkata 700 029	Mr. Sujit Kundu / Mr. Debnath	Tel: 033 2464 4891 Tel: 033 2464 7231 Fax: 033 2464 4866	sujit.kundu@karvy.com	Hand delivery
Bengaluru	No. 54, Yadalamma, Heritage, Vani Vilas Road, Next to Butter Sponge Bakery, Basavana Gudi, Bengaluru 560 004	Mr. S.K.Sharma / Mr. Mahadev	Tel: 080 2662 1192 Fax: 080 2662 1169	ircbangalore@karvy.com	Hand delivery
Pune	Shrinath Plaza, B-Wing, Ground Floor, Office # 16, Dnyaneshwar Puduka Chowk, Opp. IDBI Bank, FC Road, Pune – 411 005.	Ms. Sandhya	Tel: 020 2553 3795 Tel: 020 2553 3592 Fax: 020 2553 3742	rispune@karvy.com	Hand delivery
Hyderabad	Karvy Selenium Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally mandal, Hyderabad-500032.	Mr. Bhakta Singh	Tel: 040-33215124	ircmadhapur@karvy.com	Hand delivery / Post

D. DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Appointed Date	means opening business hours of 1 April 2015
Business Day	Means a day other than (i) a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Aurangabad; or (ii) a Saturday or Sunday; or (iii) any other day when the clearing facility offered by the Reserve Bank of India is unavailable
CDSL	Central Depository Services (India) Limited
Demerged Company or the Company	Sterlite Technologies Limited having its registered office at E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra- 431136
Demerged Undertaking	all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Demerged Company, in relation to and pertaining to the Power Products and Transmission Grid Business on a going concern basis, together with all its assets and liabilities
Depositories	CDSL and NSDL
Eligible Members	Non Resident Shareholders of the Demerged Company (other than FIIs) as on the Record Date
FII	means an entity established or incorporated outside India, which is registered as a Foreign Institutional Investor in accordance with the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations 1995
Income Tax Act	The Income Tax Act, 1961, as amended
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
Non- Resident Shareholder	Shareholder of the Company, who is not a Resident Shareholder and not a FII
Power Products and Transmission Grid Business	means (i) the power products and solutions business located at Rakholi (Silvassa), Piparia (Silvassa, Dadra & Nagar Havelli), Jharsuguda (Odisha), Haridwar (Uttarakhand), offices in Pune, etc. carried out by the Demerged Undertaking of the Demerged Company; and (ii) the investment in transmission grid subsidiaries by the Demerged Company
Record Date	16 June 2016
Registrar	Karvy Computershare Private Limited
Resident Shareholder	Shareholder of the Demerger Company, who is a resident of India i.e. if he/she is in India in that year for a period or periods amounting in all to 182 days or more; or having within the 4 years preceding that year been in India for a period or period amounting in all to 365 days or more
Resulting Company	Sterlite Power Transmission Limited having its registered office at 4 th Floor, Godrej Millennium, 9 Koregaon Road, Pune, Maharashtra- 411001
Resulting Company Equity Shares	Equity Share of Rs 2 (Rupees two) each fully paid of the Resulting Company

Particulars	Details / Definition
RTGS	Real Time Gross Settlement
Scheme of Arrangement	Scheme of Arrangement between Sterlite Technologies Limited and Sterlite Power Transmission Limited and their respective shareholders and creditors
SEBI	Securities and Exchange Board of India
Shareholder	Shareholder of Sterlite Technologies Limited as of the Record Date
Trust	The Trust that shall be established to administer the fractional entitlements under the Scheme of Arrangement
Share Entitlement Ratio	1 (one) fully paid equity share of Rs 2 (Rupees two) each of the Resulting Company for every 5 (five) fully paid up equity shares of Rs 2 (Rupees two) each of the Demerged Company
Promoters	Promoters of Sterlite Technologies Limited as per Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended

SIGNED FOR AND ON BEHALF OF
STERLITE TECHNOLOGIES LIMITED

SIGNED FOR AND ON BEHALF OF
STERLITE POWER TRANSMISSION LIMITED

Amit Deshpande
Company Secretary

Swapnil Patil
Company Secretary

Place : Pune

Date : 20 June 2016