

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a public shareholder(s) of Lloyds Steel Industries Limited. If you require any clarification about action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer, Centrum Capital Limited or Registrar to the Offer, Bigshare Services Private Limited. In case you have recently sold your Equity Shares in Lloyds Steel Industries Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed (s) to the member of the stock exchange through whom the said sale was effected.

Pursuant to Regulations 10 and 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof ("SEBI (SAST) Regulations")

Shree Global Tradefin Limited ("Acquirer" or "SGLT")

Registered Office: 35 Ashok Chambers, Broach Street, Devji Ratansay Marg, Masjid Bunder, Mumbai 400 009. Tel No. 022-23480526

along with and on behalf of

Trump Investments Limited ("Person Acting in Concert" or the "PAC" or "TIL")

Registered Office: Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013
Tel No: 022-30418111, Fax No: 022-30418260

Make a **CASH OFFER AT ₹ 13.95 (RUPEES THIRTEEN AND PAISE NINETY FIVE ONLY) PER FULLY PAID UP EQUITY SHARE ("Offer Price")**
To acquire **7,82,67,650** Equity Shares of ₹ 10/- (Rupees Ten Only) each fully paid up ("Offer Shares"),
representing 20% of the total Emerging Voting Capital ("Offer").

of

Lloyds Steel Industries Limited ("Target Company" or "LSIL")



Registered office: Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West),
Mumbai - 400013 Tel No: 022-30418111, Fax No: 022-30418260

Notes:

- This Offer is being made by the Acquirer and the PAC to the Public Equity Shareholders (i.e. shareholders other than the Promoter group) of the Target Company ("Public Shareholders"), pursuant to, and in accordance with the provisions of Regulations 10 and 11(1) of the SEBI (SAST) Regulations for substantial acquisition of 7,82,67,650 fully paid up Equity Shares of ₹ 10/- each at ₹ 13.95 per share ("Offer Price") by the Acquirer, constituting 20% of the Emerging Voting Capital (as defined below in para 11(4)) of the Target Company from the Public Shareholders (the "Offer Shares"), with no change in the control or management of the Target Company consequent to the acquisition ("Offer").
- For the purpose of computing the voting percentage, the voting rights as at the expiration of 15 days after the closure of the Offer has been reckoned.
- The Offer is not conditional on any minimum level of acceptance.
- The Offer is subject to the approval from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999 ("FEMA") to acquire the shares from non-resident shareholders. RBI vide letter bearing no. FE.CO.FID.NO.16273/10.21.224/2010-11 dated January 05, 2011 provided approval for acquisition of Equity Shares from non residents under this Offer. For details please refer paragraph no. 2 under the section titled "Statutory/other approvals required for the Offer" on page 43 of this LOF.
- As on the date of this Letter of Offer ("LOF"), the Offer is not subject to any other statutory and regulatory approvals, however it will be subject to such approvals as may become applicable at a later date.
- No approval from any Bank/ Financial Institution or Statutory/ Regulatory Authority, is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.
- Public Shareholders who accept the Offer by tendering the requisite documents in terms of the Public Announcement published on October 25, 2010 ("PA")/ Corrigendum to the PA / LOF can withdraw the same in part/whole up to three (3) working days prior to the date of closure of the Offer (i.e. not later than March 17, 2011) in terms of Regulation 22(5A) of the SEBI (SAST) Regulations.
- Regulation 26 of the SEBI (SAST) Regulations provides for an upward revision of the Offer Price / Offer Size at anytime, up to seven (7) working days prior to the date of closure of the Offer (i.e. not later than March 11, 2011). In case of revision in the Offer Price / Offer Size, the public announcement for revision will be made in the same newspapers in which the PA appeared. The revised price shall be paid by the Acquirer for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer.
- This is not a competitive bid and no competitive bid has been announced as on the date of this LOF.
- A copy of the PA, Corrigendum to the PA and this LOF (including the Form of Acceptance cum Acknowledgment ("FOA") and Form of Withdrawal ("FOW") will be available on Securities and Exchange Board of India ("SEBI") website (www.sebi.gov.in). A copy of these documents may also be obtained from the Registrar to the Offer, commencing on the date of the dispatch of the LOF.
- Non-resident shareholders who wish to tender their shares in this Offer will be required to submit all the previous approvals from RBI (final/specific) and Foreign Investment Promotion Board where applicable that they would have obtained for acquiring the Equity Shares of the Target Company. In case previous RBI approvals are not submitted, the Acquirer reserves the right to reject such of the Equity Shares tendered in the Offer.
- In case of delay in receipt of other requisite approvals in relation to the Offer, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the Public Shareholders, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations.

FOR PROCEDURE FOR ACCEPTANCE OF THIS OFFER PLEASE REFER TO SECTION "OTHER TERMS OF THE OFFER" ON PAGE NO. 44 OF THIS LETTER OF OFFER

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
	
<p>Centrum Capital Limited Centrum House, CST Road, Vidyannagari Marg, Kalina, Santacruz (E), Mumbai - 400 098 Tel: +91-22-4215 9000 Fax: +91-22-4215 9707 Email: lsil.openoffer@centrum.co.in Contact Person: Ms. Hema Lalwani Wagle/ Ms. Ritika Nichani SEBI Registration No.: INM 000010445</p>	<p>Bigshare Services Private Limited E-2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 India Tel: +91 22 2847 0652 / +91 22 4043 0200 Fax: +91 22 2847 5207 E-mail: openoffer@bigshareonline Contact Person: Mr. Babu Raphael SEBI Registration No.: INR000001385</p>
OFFER OPENS ON: Thursday, March 03, 2011	OFFER CLOSSES ON: Tuesday, March 22, 2011

(For schedule of Major Activities of the Offer, please refer to the next page)

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

ACTIVITY	ORIGINAL DAY & DATE	REVISED DAY & DATE
Public Announcement Date	Monday, October 25, 2010	Monday, October 25, 2010
Specified Date*	Friday, November 19, 2010	Friday, November 19, 2010
Last date for Competitive Bid	Monday, November 15, 2010	Monday, November 15, 2010
Date of Corrigendum to the PA	-	Thursday, February 24, 2011
Date by which individual Letter of Offer to be dispatched to the Public Shareholders.	Friday, December 03, 2010	Monday, February 28, 2011
Offer Opening date	Friday, December 10, 2010	Thursday, March 03, 2011
Last date for revising the Open Offer price / Number of Equity Shares	Monday, December 20, 2010	Friday, March 11, 2011
Last date of withdrawal of acceptances by the Public Shareholders	Friday, December 24, 2010	Thursday, March 17, 2011
Offer Closing Date	Wednesday, December 29, 2010	Tuesday, March 22, 2011
Date by which acceptance/ rejection would be communicated and the corresponding payment for the acquired Equity shares and/ or the unaccepted shares/ share certificates will be dispatched and/or credited to the Beneficiary account (in case of dematerialized Equity Shares).	Thursday, January 13, 2011	Wednesday, April 06, 2011

**Specified date is only for the purpose of determining the names of Shareholders to whom the Letter of Offer will be sent. However the owners (registered or unregistered) of the Equity Shares of the Target Company are eligible to participate in the Offer any time before the closure of the Offer.*

Note: Duly Signed Application and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to reach not later than 4.30 p.m. on March 22, 2011.

RISK FACTORS

The risk factors set forth below are not intended as a complete analysis of all risks as perceived in relation to the Offer or the Acquirer and the PAC, but are only indicative. They are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer. Given below are the risks related to the participation in the Offer and getting associated with the Acquirer.

A. Risk factors relating to the Offer

- The Offer is subject to the receipt of statutory and regulatory approvals, as provided under section IX of this Letter of Offer for the acquisition of Equity Shares by the Acquirer under the Offer. The Acquirer may not be able to proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations in the event that any of the statutory and regulatory approval(s) as may be required under the Offer are refused.
- In the event any regulatory/ statutory approvals are not received in a timely manner or of litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this LOF or the offer may have to be withdrawn. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer as well as the return of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay due to non-receipt of statutory approvals, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default, negligence or failure to diligently pursue such approvals on the part of the Acquirer/PAC, as per Regulation 22(12) of the SEBI (SAST) Regulations, grant an extension for completion of the Offer, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 15 days, as may be specified by SEBI from time to time.
- Public Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. March 17, 2011, they will not have the option to withdraw from the Offer even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed.
- The Equity Shares tendered in the Offer in demat form will lie to the credit of a designated Escrow Account and the Equity Shares tendered in physical form will be held in trust by the Registrar to the Offer, till the completion of the Offer formalities, and the Public Shareholders will not be able to either withdraw or trade in such Equity Shares. During such period there may be fluctuations in the market price of the Equity Shares. Accordingly, the Acquirer/PAC make no assurance with respect to the market price of the Equity Shares both during the Offer Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Public Shareholder on whether to participate or not in the Offer.
- The Acquirer, the PAC and the Manager to the Offer, accept no responsibility for statements made otherwise than in the PA or the LOF, the advertisement and any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.
- In the event of oversubscription in the Offer, the acceptance of the Equity Shares tendered will be on a proportionate basis in consultation with the Manager to the Offer in terms of Regulation 21(6) of SEBI (SAST) Regulations in such manner that the acquisition from any Shareholder shall not be less than the minimum marketable lot i.e. one Equity Share. Hence, there is no certainty that all equity shares tendered by the shareholders in the Offer will be accepted, in the event there is oversubscription of the Offer.
- There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

B. Risk factors relating to the transaction

- This transaction is subject to completion risks as would be applicable to other transactions of similar nature.
- There may be instances of financial contracts to which the Target Company is a party, which may contain clauses that may allow the counterparty to injunct/terminate this transaction

C. Risk factors relating to the Acquirer/PAC

- Association of Acquirer/PAC with the Target Company does not warrant any assurance with respect to the future financial performance of the Target Company.
- Post this Offer, the Acquirer along with the PAC will have significant equity ownership of the Target Company, and will have the ability to influence the outcome of Board and shareholder resolutions of the Target Company.
- The Acquirer and the PAC also make no assurances with respect to their investment decisions for the Target Company

Please refer to the section on 'Key Definitions' for the definition of the capitalized terms used in this LOF.

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1. KEY DEFINITIONS

Acquirer	Shree Global Tradefin Limited (SGTL)
Bank Guarantee	An unconditional, irrevocable and on demand bank guarantee of ₹ 26,25,00,000/- (Rupees Twenty Six Crore Twenty Five Lakh only) dated October 23, 2010 valid upto and including April 22, 2011 issued by Kotak Mahindra Bank Limited, 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400021 under Regulation 28 of SEBI (SAST) Regulations.
Board / Board of Directors	The board of directors of the Target Company.
BSE	The Bombay Stock Exchange.
CDSL	Central Depository Services (India) Limited.
Cash Deposit	An amount of ₹ 1,10,00,000/- (Rupees One Crore Ten Lakh only) deposited in the Escrow Account by the Acquirer under Regulation 28 (10) of the SEBI (SAST) Regulations.
Committee of Directors	The Committee established by the Board of Directors to oversee and complete the conversion of warrants into Equity Shares of the Target Company.
Corrigendum to the PA	Corrigendum to the Public Announcement of the Offer published in the newspapers on February 24, 2011 by the Acquirer and the PAC.
Special Depository Account	Depository account opened by the Registrar of the offer with National Securities Depository Limited (NSDL) as described in paragraph XI(3) of this Letter of Offer.
DP	Depository Participant.
Depositories	Collectively NSDL and CDSL.
DRS	Draft Rehabilitation Scheme filed with the Board of Industrial and Financial Reconstruction.
Equity Shares	Equity shares of the face value of ₹ 10/- of the Target Company.
Escrow Account	An escrow account under the name and title "Escrow Account-LSIL Open Offer" opened by the Acquirer with the Escrow Agent in terms of Regulation 28 of the SEBI (SAST) Regulations.
Escrow Agent	Kotak Mahindra Bank Limited, 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai – 400021.
Escrow Agreement	The Escrow Agreement dated October 23, 2010 executed between the Escrow Agent to the Acquirer and the Manager to the Offer.
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time.
FII(s)	Foreign Institutional Investors registered with SEBI.
Form of Withdrawal (FOW)	Form of Withdrawal accompanying this Letter of Offer.
Form of Acceptance (FOA)	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer.
Letter of Offer (LOF)	This Letter of Offer dated February 24, 2011 to be sent to the Public Shareholders of the Target Company.
Manager to the Offer	Centrum Capital Limited.
NRI(s)	Non-Resident Indians.
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding equity shares of the Target Company.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
Offer/ Open Offer	This open offer to acquire 7,82,67,650 fully paid up Equity Shares of the Target Company at a share price of ₹ 13.95 each from the Public Shareholders of the Target Company.
Offer Closing Date	Tuesday, March 22, 2011.

Offer Period	From Thursday, March 03, 2011 till Tuesday, March 22, 2011.
Offer Price	₹ 13.95 per fully paid up Equity Share.
Offer Shares	7,82,67,650 fully paid up Equity Shares of the Target Company constituting 20% of the Emerging Voting Capital of the Target Company.
Person Acting in Concert/ PAC	Trump Investments Limited (TIL) .
Pre- Conversion share capital/ Pre- Conversion Voting Capital	₹ 2,22,83,82,410/-
Post- Conversion share capital/ Post- Conversion Voting Capital	₹ 3,91,33,82,410/-
Preferential Issue	Issue of 16,85,00,000 Warrants of the Target Company issued and allotted on a preferential basis to the Acquirer and the PAC on February 06, 2010 in compliance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI (ICDR) Regulations”) and subsequent amendments thereto, convertible into equivalent number of Equity Share of ₹ 10/- each at the option of the Warrant holder, within 18 months of allotment.
Public Announcement/ PA	Announcement of the Open Offer by the Acquirer and PAC, which appeared in the newspapers on October 25, 2010.
Public Shareholder(s)	Shareholders other than Promoter Group of the Target Company.
RBI	Reserve Bank of India.
Registrar or Registrar to the Offer	Bigshare Services Private Ltd.
SEBI	Securities and Exchange Board of India.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
Stock Exchanges	BSE and NSE collectively.
Target Company	Lloyds Steel Industries Limited.
Warrants	16,85,00,000 Warrants of the Target Company issued and allotted on a preferential basis to the Acquirer and the PAC, convertible into equivalent number of equity share of ₹ 10/- each at the option of the Warrant holder, within 18 months of allotment.

Note: All terms beginning with a capital letter used in this LOF, but not otherwise defined herein, shall have the meanings ascribed thereto in this LOF and the SEBI (SAST) Regulations.

CURRENCY OF PRESENTATION

- In this LOF, all references to “Rupees” / “Rupee”/ “₹” is to the Indian Rupees.
- “USD”/ “\$” is to the United States Dollar
- Numerical Conversion: One crore (100,00,000) = Hundred lakhs (100,00,000)
- In this LOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF LLOYDS STEEL INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR OF LLOYDS STEEL INDUSTRIES LIMITED WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, CENTRUM CAPITAL LIMITED, THE MANAGER TO THE OFFER, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 08, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS AND SUBSEQUENT AMENDMENTS THERETO. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

I. BACKGROUND OF THE OFFER

1. This Offer is being made by Shree Global Tradefin Limited (the “Acquirer”) and Trump Investments Limited (the “PAC”) to the Public Shareholders of Lloyds Steel Industries Limited, a company incorporated and duly registered under the Companies Act, 1956, and having its registered office at Trade World, “C” Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013 pursuant to and in compliance with the mandatory obligations cast by Regulations 10 and 11(1) of the SEBI (SAST) Regulations on the Acquirer and the PAC for substantial acquisition of Equity Shares due to enhancement of their equity shareholding in the Target Company on the conversion of Warrants issued to them on a preferential basis.
2. On January 25, 2010, the Target Company approved the issue and allotment of 16,85,00,000 Warrants (“Warrants”) on a preferential basis to the Acquirer and the PAC, convertible into equivalent number of Equity Shares of ₹ 10/- each at the option of the Warrant holder, within 18 months of allotment.
3. Pursuant to the receipt of in-principle listing approvals from BSE and NSE and receipt of subscription monies in respect of Warrants, the Committee of Directors of the Target Company allotted 13,80,00,000 warrants to the Acquirer and 3,05,00,000 warrants to the PAC on February 06, 2010 at a price of ₹ 10/- per Warrant and convertible into equivalent number of fully paid Equity Shares of ₹ 10/- each, which was higher than the price of ₹ 9.36 calculated in accordance with Chapter VII of the SEBI (ICDR) Regulations. The total consideration payable in cash for the acquisition and conversion of Warrants is ₹ 1,68,50,00,000/- (Rupees One Hundred and Sixty Eight Crore and Fifty Lakhs Only).
4. On October 22, 2010, the Acquirer and the PAC informed the Target Company of their intention to exercise their right to convert the Warrants into equivalent Equity Shares of the Target Company. The Committee of Directors of the Target Company in its meeting held on October 29, 2010 considered and allotted 16,85,00,000 Equity Shares on conversion of Warrants to the Acquirer and the PAC and pursuant thereto the respective shareholding of the Acquirer and the PAC post conversion has increased to the below mentioned percentage:

Sr. No.	Category	Before Conversion		After Conversion	
		No. of Shares	% of Total Capital	No. of Shares	% of Total Capital
1.	The Acquirer	1,33,45,753	5.99	15,13,45,753	38.67
2.	The PAC	69,04,966	3.10	3,74,04,966	9.56
	Total	2,02,50,719	9.09	18,87,50,719	48.23

5. According to the filings with the Stock Exchanges, the Acquirer and the PAC belong to the Promoter and Promoter Group category of the Target Company. Since the Equity Shares allotted to the Acquirer on conversion of Warrants constitute more than 15% of the total voting capital in the Target Company, being the threshold stipulated under Regulation 10 and the Equity Shares allotted to the PAC on conversion of Warrants constitute more than 5% of the total Voting Capital in the Target Company which is the threshold stipulated under Regulation 11(1) of the SEBI (SAST) Regulations, this Offer is being made pursuant to and in compliance with Regulation 10 and 11(1) of the SEBI (SAST) Regulations without effecting any change in control or management of the Target Company.
6. The aggregate holdings of the Promoter Group has increased from 3,92,51,713 Equity Shares representing 17.61% (Pre Conversion Capital) to 20,77,51,713 Equity Shares representing 53.09% (Post Conversion Capital).
7. The Acquirer/the PAC/their Promoters and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations under the SEBI Act, 1992.
8. The Acquirer and the PAC declare and undertake that they shall not exercise voting rights on Equity Shares acquired through conversion of Warrants issued on preferential basis till the completion of the Offer formalities.
9. The Equity Shares of the Target Company are listed at the BSE and the NSE.
10. The Manager to the Offer, does not hold any Equity Shares in the Target Company as on the date of the PA, this LOF. It declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the Offer Closing Date.

II. DETAILS OF THE OFFER

1. The PA announcing the Offer was published on October 25, 2010 and the Corrigendum to the PA was published on February 24, 2011, in accordance with Regulation 15(1) of the SEBI (SAST) Regulations in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Nav Shakthi	Marathi	Mumbai

2. A copy of the PA and a copy of the Corrigendum to the PA are available on SEBI's website (<http://www.sebi.gov.in>).
3. In compliance with the obligations under Regulations 10 and 11(1) of the SEBI (SAST) Regulations, the Acquirer and the PAC are making this Offer to acquire 7,82,67,650 Equity Shares at ₹ 13.95 per Equity Share, aggregating to ₹ 109,18,33,718/- payable in cash.

4. Save as excepted above i.e. conversion of the Warrants held by the Acquirer and the PAC, the Target Company has no outstanding warrants/convertibles/options as of the date of the PA which, when converted would result in an increase in the Equity Shares of the Target Company up to 15 days post the Offer Closing Date. Further as of date of the PA, there are no partly paid up shares in the Target Company. The Voting Capital in the Target Company, as of the date of the PA, is 22,28,38,241 Equity Shares ("Voting Capital") and the voting capital post full conversion of Warrants has increased to 39,13,38,241 Equity Shares ("Emerging Voting Capital"). For detailed calculation refer to paragraph VI (11) of this LOF.
5. As of the date of the PA and this LOF, the Target Company has 27,14,451 forfeited Equity Shares pending for reissue which have been excluded in calculating 20 % of the Emerging Voting Capital to constitute the Offer within the meaning of Regulation 21(5) of the SEBI (SAST) Regulations. The Target Company has confirmed that there are no plans to reissue the forfeited Equity Shares which have been kept in abeyance till the expiry of 3 months after the closure of the Open Offer.
6. The Target Company has an outstanding fully convertible loan of ₹ 50,00,00,000/- (Rupees Fifty Crore) of Asset Reconstruction Company of India Limited which is convertible into Equity Shares on September 15, 2011 at a mutually agreed price which would not be more than the price determined in accordance with SEBI (ICDR) Regulations and in compliance with all the statutory provisions in this regard.
7. Any decision for an upward revision in the Offer Price by the Acquirer and PAC before the last date of revision (i.e. March 11, 2011), or any decision for withdrawal of the Offer would be communicated by way of a revised public announcement in the same newspapers in which the PA appeared.
8. In case of an upward revision in the Offer Price, the Acquirer will pay such revised price for all the Equity Shares validly tendered any time during the Offer and accepted under the Offer. The acquisition of validly tendered Equity Shares by the Acquirer, under this Offer will take place on or before April 06, 2011, in accordance with the schedule of major activities as set out on page 01 of this LOF.
9. The Equity Shares of the Target Company tendered under the Offer shall not be the subject matter of litigation and shall be free from all liens, charges and encumbrances. Locked-in shares shall be accepted subject to the continuation of the residual lock-in period in the hands of the Acquirer. Applications in respect of Equity Shares that are the subject matter of litigation wherein the Shareholders are enjoined from transferring the Equity Shares during the pendency of such litigation are liable to be rejected if the directions / orders permitting transfer of these Equity Shares are not received together with the Equity Shares tendered under the Offer. The Acquirer will acquire the Equity Shares together with all rights attached thereto, including the rights to all dividends, bonuses and rights subsequently declared. The tender by any Public Shareholder of any Equity Share in the Offer must be absolute, unconditional and unqualified.
10. The Acquirer will acquire 7,82,67,650 (Seven Crore Eighty Two Lakh Sixty Seven Thousand Six Hundred and Fifty) Equity Shares of the Target Company that are validly tendered as per the terms of the Offer. Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirer along with the PAC will hold at least 26,70,18,369 Equity Shares of the Target Company representing 68.23% of the fully paid up Emerging Voting Capital of the Target Company. The aggregate holdings of the Promoter group will increase to 28,60,19,363 Equity Shares representing 73.09% (post offer) of the Emerging Voting Capital of the Target Company. During the Offer Period, the Acquirer and the PAC may, subject to Regulation 21 (2) of the SEBI (SAST) Regulations, purchase additional Equity Shares of the Target Company in accordance with the SEBI (SAST) Regulations and in such event, such purchase shall be disclosed to the Stock Exchanges and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations.
11. In case the number of Equity Shares received in the Offer exceeds the Offer Size, the acceptance will be made on a proportionate basis in accordance with Regulation 21 (6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of

acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of Equity Shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

12. Other than the acquisition of 16,85,00,000 Equity Shares pursuant to Warrant conversion, the Acquirer and the PAC have not acquired any Equity Shares of the Target Company during the twelve (12) month period prior to the date of the PA . No acquisition of Equity Shares has been made by the Acquirer and the PAC between the date of the PA and the date of this LOF.
13. There has been no change in the constitution of the Board of Directors of the Target Company in the period between the PA and this LOF.
14. There is no agreement between the Acquirer, the PAC and any other person/entity, in connection with this Offer. The entire Equity Shares proposed to be acquired under this Offer will be acquired by the Acquirer and no other person/entity proposes to take part in the acquisition.
15. TIL is a PAC in terms of Regulation 2 (1) (e) of the SEBI (SAST) Regulations. However TIL is neither financing the Offer nor acquiring any Equity Shares or voting rights through the Offer. .

III. OBJECTS OF THE OFFER AND FUTURE PLANS

1. This Offer is being made pursuant to and in compliance with Regulation 10 & 11(1) of the SEBI (SAST) Regulations and other provision of Chapter III of the SEBI (SAST) Regulations.
2. As per the terms and conditions of the restructuring agreed with Asset Reconstruction Company (India) Limited (“ARCIL”), one of the existing lenders, the Promoters are required to infuse upto ₹15,000 Lakhs as equity in the Target Company for meeting capital expenditure and working capital requirements of the Target Company. In addition to this, as part of the proposals under the DRS, the Promoters are required to bring in ₹16,850 Lakhs as equity to meet capital expenditure and working capital requirements of the Target Company. The Acquirer and the PAC are amongst the promoters of the Target Company and believe that the Target Company has growth potential and requires long term capital infusion for turnaround of business.
3. The Acquirer and the PAC have invested in the Target Company by subscribing to the Warrants issued under the Preferential Issue to fund the working capital requirements and for modernization/debottlenecking of the steel plant of the Target Company at Wardha. As a result of the conversion of Warrants into Equity Shares, the shareholding of the Acquirer and the PAC and the aggregate holding of the Promoter group has crossed the threshold limit under Regulation 10 & 11(1) of the SEBI (SAST) Regulations. This will result in substantial acquisition of shares or voting rights resulting in consolidation of holdings of the Promoter and Promoter Group without effecting any change in control or management of the Target Company.
4. As of the date of this LOF, the Acquirer and the PAC have no specific future plan for the Target Company and have no plans to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalizing the operations, assets, investments, liabilities or otherwise of the Target Company. The Target Company’s future policy for disposal of its existing assets, if any, will be determined by its Board of Directors and where required under Statute, with the prior approval of its shareholders.
5. The Acquirer and the PAC may be entitled to appoint additional and/or Directors on the Board of Target Company, upon the completion of the Offer, in terms of the Companies Act, 1956 read with the applicable provisions of the SEBI (SAST), Regulations, 1997 (if any). However, the Acquirer does not propose to effect any immediate reconstitution of the Board.

IV. BACKGROUND OF THE ACQUIRER AND THE PAC

The Offer is being made by the Acquirer - Shree Global Tradefin Limited along with and on behalf of and Trump Investments Limited.

A. The Acquirer

(Shree Global Tradefin Limited is the Acquirer in terms of Regulation 2(1) (b) of SEBI (SAST) Regulations in this Offer).

1. The Acquirer (CIN L27100MH1986PLC041252) was originally incorporated on October 15, 1986, at Mumbai, Maharashtra State, under the Companies Act, 1956 in the name and style of “Bensons Steels Limited.” It received its Certificate for Commencement of Business on November 10, 1986. Its name was changed to “**Shree Global Tradefin Limited**” and a fresh certificate to this effect was issued by the Registrar of Companies, Maharashtra on October 24, 1996. The registered office of the Acquirer is situated at 35 Ashok Chambers, Broach Street, Devji Ratansey Marg, Masjid Bunder, Mumbai 400 009, Tel No. 022 2348 0526.
2. The Acquirer is a promoter of the Target Company.
3. Pursuant to the amalgamation scheme approved by the High Court of Mumbai on August 11, 2006 (“Scheme”), the Acquirer amalgamated with four wholly owned subsidiaries being Sanford Steel Private Limited, Salvador Steel Private Limited, Harold International Limited and Tradition Exim Limited. As Harold International Limited held 199,494 shares in the PAC, pursuant to the Amalgamation, the Acquirer became a shareholder in the PAC holding 39.94% equity shares therein.
4. The Acquirer is presently engaged in the business of trading in steel products and dealing in shares, stock, debentures and other securities.
5. As on date, the authorized share capital of the Acquirer is ₹ 7,50,00,00,000/- (Rupees Seven Hundred and Fifty Crore) consisting of 30,00,00,000 equity shares of ₹ 5/- (Rupees Five) each and 6,00,00,000 redeemable preference shares of ₹ 100/- (Rupees Hundred) each. The issued, subscribed and paid up capital of the Acquirer as on December 31, 2010 is ₹ 6,42,85,30,000/- (Rupees Six Hundred and Forty Two Crore Eighty Five Lakhs and Thirty Thousand) comprising of 20,58,10,000 fully paid up equity shares of face value ₹ 5/- (Rupees Five) each and 5,39,94,800 non-cumulative redeemable preference shares of face value ₹ 100/- (Rupees Hundred) each.
6. The promoters of the Acquirer are Teamwork Stockfin Ltd. and Blossom Stockfin Ltd.
7. The shareholding pattern of the Acquirer as on December 31, 2010 was as follows:

Name of Shareholder	No. of Shares	% of Holding
A. Promoter & Promoter Group		
Teamwork Stockfin Ltd.	7,73,11,000	37.56
Blossom Stockfin Ltd.	7,67,80,800	37.31
B. Others		
i. Individuals	3,91,39,849	19.02
ii. Bodies Corporate	1,25,53,923	6.10
iii. Any Other (NRI and clearing members)	24,428	0.01
Total	20,58,10,000	100.00

8. As of the date of the PA, the Acquirer has no holding company and only one wholly owned subsidiary company, Pragma Realty Developers Pvt. Ltd. having its registered office at 208, Aashirwad CHS, 2nd Floor, Ahmedabad Street, Carnac Bunder, Mumbai-400009.
9. The Acquirer is already a promoter of the Target Company and the Offer will lead to further consolidation in its holdings in the Target Company.
10. As on the date of the PA, the board of the Acquirer comprised of the following directors:

Name	Designation	Residential Address	DIN	Date of Appointment	Experience	Other Directorships
Sanath Joshi	Executive Managing Director	G 1 Plot No 81 Safalya, Garodia Nagar Ghatkopar (E), Mumbai, 400 077	01023057	30.06.2000 Appointed as a MD w.e.f. 01.04.2007	B. Com., Experience of over 35 years in the field of civil, construction, project and management	Nil
Y. Vasudevan	Director (Independent Non-Executive)	A-19/20, Parjanya Co-Op Hsg Ltd, Ram Chandra Nagar, Dombivli- East, Thane, 421 201	02278644	31.07.2008	B. Com., 34 years experience with the corporate sector in managing and overlooking commercial functions.	Nil
N. K. Mohan	Director (Independent Non-Executive)	32/1146, Tilak Nagar, Chembur, Mumbai, 400 089.	02542406	31.01.2009	B. Com., over 20 years of experience in the corporate sector, managing accounts and taxation issues.	Nil
R.A. Deshpande	Director (Independent Non-Executive)	E/7/3-2, Shree Gajan Darshal Co-operative society, Sector 7, Sanpada, Navi Mumbai 400705	01003990	31.07.2010	B.E. (Civil), expertise in the field of engineering with around 30 years of work experience in engineering and manufacturing activities.	Revive Buildzone Dealers Private Limited

11. There is no change in the constitution of the board of directors of the Acquirer from the date of PA up to the filling of LOF.
12. There are no common directors between the Acquirer and the Target Company.
13. None of the directors of the Acquirer, have acquired any Equity Shares in the Target Company during the 12 months preceding the date of the PA except the following.

Details of Shares purchased and sold by Mr. N.K. Mohan, Director of the Acquirer

Date	Type of Transaction	No. of Shares	Price (₹)
27.11.09	Purchase	1000	8.15
01.12.09	Sale	500	9.51
16.02.10	Sale	300	11.05
05.03.10	Sale	200	13.35
23.08.10	Purchase	1000	13.20
15.09.10	Sale	1000	12.77

14. The equity shares of the Acquirer are listed on BSE. The Acquirer is complying with the listing requirements of BSE and there are no arrears of listing fee.
15. The closing price of equity shares of the Acquirer on the BSE on October 22, 2010, the immediately preceding trading date from date of PA was ₹ 223.00 (Rupees Two Hundred and Twenty Three).
16. The financial year of the Acquirer is April to March of the following year.
17. The key audited financials of the Acquirer for the financial years 2009-10, 2008-09, and 2007-08 and unaudited financials for the nine months ended December 31, 2010 are given below. The financial results for the said period have been certified by M.V. Krishna Moorthy, Chartered Accountant (Membership Number: 5859 of the Institute of Chartered Accounts of India):

(Amount in Lakhs except per share data and ratio)

<i>Profit & Loss Statement</i>	<i>As on December 31, 2010 (Unaudited)</i>	<i>As on March 31, 2010</i>	<i>As on March 31, 2009</i>	<i>As on March 31, 2008</i>
Income from operations	54,921.32	35,245.20	30,743.18	25,892.86
Other Income	44.44	120.35	375.80	85.41
Total Income	54,965.76	35,365.56	31,118.98	25,978.27
Total Expenditure	54,754.12	35,241.03	31,108.64	25,972.51
Profit Before Depreciation, Interest and Tax	211.64	124.53	10.34	5.76
Depreciation	0.69	0.91	0.91	0.87
Interest	0	0.06	-	-
Profit Before Tax	210.95	123.56	9.44	4.88
Provision for Tax	20.72	0.28	1.27	0.56
Profit After Tax	190.23	123.28	8.16	4.32
<i>Balance Sheet Statement</i>	<i>As on December 31, 2010(Unaudited)</i>	<i>As on March 31, 2010</i>	<i>As on March 31, 2009</i>	<i>As on March 31, 2008</i>
Sources of funds				
Paid up share capital	64,285.30	10,290.50	10,290.50	10,290.50
Reserves and surplus (excluding revaluation reserves)	-	12,823.65	12,823.65	12,823.65
Preference Share Application Money	-	54,195.69	-	-
Net worth	-	21,916.36	21,793.08	21,784.92
Secured loans	-	-	-	-
Unsecured loans	-	-	19,948.54	22,387.54
Total	-	77,309.84	43,062.69	45,501.69
Uses of funds				
Net fixed assets	-	2.98	3.89	4.54

Investments	-	34,097.06	31,740.06	36,209.73
Net current assets	-	42,012.01	9,997.67	7,958.19
Total miscellaneous expenditure not written off	-	-	-	-
P&L(Dr. Balance)	-	1,197.79	1,321.07	1,329.23
Total	-	77,309.84	43,062.69	45,501.69
Other Financial Data		As on December 31, 2010(Unaudited)	As on March 31, 2010	As on March 31, 2009
Dividend (%)	-	-	-	-
Earning Per Share	0.09	0.060	0.004	0.002
Return on Net worth	-	0.56%	0.04%	0.02%
Book Value Per Equity Share	-	10.65	10.59	10.58

(Source: Annual Reports ended 2010, 2009 and 2008 & limited review of unaudited results for nine months ended December 31, 2010 as certified by the statutory auditor)

*Earning per share calculated as Profit After Tax / Number of outstanding shares as at the end of the year

**Return on Networth calculated as Profit After Tax / Networth as at the end of the year

***Book Value per share computed as the Networth / Number of outstanding shares as at the end of the year

18. There are no contingent liabilities provided for as on March 31, 2010 date of last audit.

19. Significant Accounting Policies

The significant accounting policies of the Acquirer, as per the audited financial statements for the year ended March 31, 2010, are as follows:

- System of Accounting: The Financial Statements are prepared and presented under the historical cost convention and comply with the Accounting Standards prescribed in the Companies Accounting (Standards) Rules, 2006 and the relevant provisions of the Companies Act 1956 to the extent applicable and in conformity with the Generally Accepted Accounting Principles in India.
- Fixed Assets: All fixed assets are stated at historical cost of acquisition or construction which includes all expenses upto commissioning utilization of the asset, unless re-valued and for which, disclosure is made in the accounts.
- Depreciation: Depreciation is provided on straight line method at the rates prescribed under Schedule VI of the Companies Act, 1956.
- Income Tax: Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognized subject to the consideration of prudence on timing difference, being the difference between the taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent period.
- The Company has no information as to whether any of its suppliers constitute micro, small and medium enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 and therefore the amount due to such supplier has not been identified.
- During the financial year 01-04-2007 to 31-03-2010, the Acquirer is entitled to create Deferred Tax Asset in its books of accounts. However, in view of the unabsorbed depreciation and carry forward losses there are no reasonable certainty that these assets can be realized. Hence the Deferred Tax Assets are not created.

(Source: Annual Reports for the financial years ended 2010, 2009 and 2008)

20. Reasons for any fall/increase in total income and profit after tax in the past 3 years

For the financial year 2009-10, the total income was at ₹ 35,365.56 lakhs as against ₹ 31,118.98 lakhs for the year 2008-09. The increase in revenue was mainly on account of higher steel trading turnover due to improved market conditions. The profit after tax for the financial year 2009-10 was at ₹ 123.28 lakhs as against ₹ 8.16 lakhs for the financial year 2008-09. The increase in profit was due to better margins in steel trading. For the financial year 2008-09, the total income was at ₹ 31,118.98 lakhs as against ₹ 25,978.27 lakhs for the year 2007-08. The increase in revenue was mainly on account of improved sales coupled with other income. The profit after tax for the financial year 2008-09 was at ₹ 8.16lakhs as against ₹ 4.32 lakhs for the financial year 2007-08.

21. The Acquirer is in compliance with the corporate governance requirements under Clause 49 of the Listing Agreement.

- i) The Acquirer's board is comprised of 4 members, 3 of them being independent non-executive directors.
- ii) The Acquirer has constituted the audit committee and the shareholder/investor grievance committee and meetings are being held in compliance with the statutory requirements.
- iii) The Acquirer has complied with statutory filing of the corporate governance report.
- iv) M.V. Krishna Moorthy, Chartered Accountant (Membership Number: 5859), statutory auditor to the Acquirer, has issued a certificate dated May 29, 2010 regarding compliance with the corporate governance requirements under clause 49 of the Listing Agreement which has been included in the Annual Report for 2009-2010.

22. The Acquirer has confirmed that as on date of the PA, there is no litigation against it nor is it named as a party to any litigation which will have an adverse impact on the transaction.

23. The Equity build up of the Acquirer in the Target Company from 1997 is as follows:

YEAR	MODE OF ALLOTMENT	SHARE PURCHASED/SOLD		CUMULATIVE SHAREHOLDING		STATUS OF COMPLIANCE WITH SEBI (SAST) REGULATIONS, 1997
		No. of Shares	% of share and voting capital	No. of Shares	% of share and voting capital	
1997-98	-	-	-	96,76,084	5.04	Disclosure under 6 (3), 8 (2) &(3)- complied
2003-04	Market Sale	1,71,131	0.09	95,04,953	4.94	Disclosure under 8 (2) &(3)- complied
2006-07	Merger of four companies with the Acquirer	38,40,800	0.25	1,33,45,753	6.95	Disclosure under 8 (2) &(3)- complied
2009-10	-	-	-	1,33,45,753	5.93	Disclosure under 8 (2) &(3)- complied
2010-11	Conversion of Warrants	13,80,00,000	35.26	15,13,45,753	38.67	Disclosure under 7(2) &(3)- complied

24. The Acquirer has complied with the applicable reporting requirements under Regulations 6(3) and 8(2) of the SEBI (SAST) Regulations within the stipulated time specified therein.
25. The Compliance Officer of the Acquirer is Mrs. R. Rajalakshmi. The compliance officer can be contacted at:

35 Ashok Chambers, Broach Street,
Devji Ratansey Marg, Masjid Bunder,
Mumbai 400 009, Tel No. 022 2348 0526.
Email id: sgtl2008@gmail.com.

B. Trump Investments Limited (the PAC)

(TIL is a PAC in terms of Regulation 2 (1) (e) of the SEBI (SAST) Regulations. However, the PAC is neither financing the Offer nor acquiring any Equity Shares or voting rights through the Offer)

1. The PAC (CIN: U67120MH1993PLC073593) is a public company incorporated on August 23, 1993 under the Companies Act, 1956 with the main object of carrying on the business of acquisition and holding and otherwise dealing in shares, stock, debentures and other securities, as an investment company. The Registered Office of the PAC is situated at Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013, Tel No:022-30418111, Fax No:022-30418260.
2. The authorized share capital of the PAC is ₹ 50,00,000/- consisting of 5,00,000 equity shares of ₹ 10/- each. The issued, subscribed and paid up equity share capital of the PAC as on December 31, 2010 is ₹ 49,95,000/- comprising of 4,99,500 fully paid up equity shares of ₹ 10/- each .
3. The equity shares of the PAC are not listed on any Stock Exchange.
4. The shareholding pattern of the PAC as on January 31, 2011 was as follows:

Name of Shareholder	No. of Shares	% of Holding
Shree Global Tradefin Limited	1,99,494	39.94
Prawas Leasing and Finance Pvt. Ltd.	1,50,000	30.03
ASP Technologies Ltd	1,50,000	30.03
Mukesh R Gupta	1	0.00
Rajesh R Gupta	1	0.00
Babulal Agarwal	1	0.00
Chitralakha R Gupta	1	0.00
Ravi Agarwal	1	0.00
JK Sarda	1	0.00
Total	4,99,500	100.00

5. The Acquirer is a promoter of the PAC and currently holds 39.94 % of the total equity shares in the PAC. It first acquired shares in the PAC pursuant to the Scheme (as defined in para 3 under section IV herein above)
6. The PAC has neither a holding nor a subsidiary company.
7. As on the date of the PA, the board of the PAC comprised of the following Directors:

Name	Designation	Residential Address	DIN	Date of Appointment	Qualification & Experience	Other Directorships
Dinesh Viswanath Chathurvedi	Director	B-203, Jhaveri Complex, Cholina Road, Vasai (W), Thane 401 202	0001570	01.02.2007	B. Com., Experience of more than 25 years in Business Administration.	a. Matrichaya Investments & Tradings Pvt. Ltd. b. Encon Technologies Ltd. c. Akasha Syncotex Ltd
P.R. Ravi Ganeshan	Director	5, Narmada, Plot 24-A, Sector 14, Vashi, Navi Mumbai – 400 705	00016021	21.11.2001	M.Com, Chartered Accountant and Company Secretary with over 27 years of experience in the corporate sector involved in overseeing and advising on material commercial transactions. .	a. Cunn Properties Ltd. b. Gadchiroli Metals & Minerals Ltd
Riyaz Nisar Shaikh	Director	603, Mitha Tower Sector 17, Plot No. 17, Vashi. Navi Mumbai – 400 703.	00016646	15.07.2005	Post Graduate Diploma in Business Administration(Finance) with experience of approximately 14 years in the corporate sector and overseeing and advising on material financial transactions. .	a. Aaren Educare Pvt. Ltd. b. Prawas Leasing & Finance Pvt. Ltd c. Insko Steels Ltd. d. Indrajit Power Technology Pvt. Ltd. e. Duli Trade and Commodities Private Limited f. Indrajit Infrastructure Pvt. Ltd.

8. There is no change in board constitution of the PAC from the date of PA up to the filling of LOF.
9. There are no common directors between the PAC and the Target Company.
10. None of the directors of the PAC have acquired any Equity Shares in the Target Company during the preceding 12 months.
11. The financial year of the PAC is April to March of the following year.
12. The key audited financial results of the PAC for the financial years 2009-10, 2008-09, and 2007-08 and unaudited financials for the half year ended September 30, 2010, as certified by Mr. S.L. Tadarwal (Membership No.32512) Partner of M/s.Todarwal & Tadarwal, Chartered Accountants, are given below:

(Amount in Lakhs except per share data and ratio)

Profit & Loss Statement	As on September 30, 2010 (Unaudited)	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008
Income from operations	0.00	0.00	0.00	0.00
Other Income	0.00	0.00	0.00	0.00
Total Income	0.00	0.00	0.00	0.00
Total Expenditure	0.08	0.08	3.98	0.11
Profit Before Depreciation, Interest and Tax	(0.08)	(0.08)	(3.98)	(0.11)
Depreciation	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00
Profit Before Tax	(0.08)	(0.08)	(3.98)	(0.11)
Provision for Tax	0.00	0.00	0.00	0.00
Profit After Tax	(0.08)	(0.08)	(3.98)	(0.11)
Balance Sheet Statement	As on September 30, 2010 (Unaudited)	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008
Sources of funds				
Paid up share capital	49.95	49.95	49.95	49.95
Reserves and surplus (excluding revaluation reserves)	0.03	0.03	0.03	0.03
Preference share Application Money	0.00	0.00	0.00	0.00
Net worth	11.37	11.38	11.47	15.45
Secured loans	0.00	0.00	0.00	0.00
Unsecured loans	0.00	0.00	4,331.91	4,327.70
Total	49.98	49.98	4,381.89	4,377.68
Uses of funds				
Net fixed assets	0.00	0.00	0.00	0.00
Investments	5,105.63	5,105.63	4,343.13	4,343.13
Net current assets	(5,094.26)	(5,094.25)	0.25	0.02
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00
P/L (Debit Bal)	38.61	38.60	38.52	34.54
Total	49.98	49.98	4381.89	4377.68
Other Financial Data	As on September 30, 2010 (Unaudited)	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008
Dividend (%)	0.00	0.00	0.00	0.00
Earning Per Share	(0.02)	(0.02)	(0.80)	(0.02)
Return on Net worth	(0.70)%	(0.70)%	(34.73)%	(0.68)%
Book Value Per Equity Share	2.28	2.28	2.30	3.09

(Source: Annual Reports for the financial years ended 2010, 2009, 2008 and unaudited results for half year ended September 30, 2010 as certified by the statutory auditor)

*Earning per share calculated as Profit After Tax / Number of outstanding shares as at the end of the year

**Return on Networth calculated as Profit After Tax / Networth as at the end of the year

***Book Value per share computed as the Networth / Number of outstanding shares as at the end of the year

13. Basis of Preparation of the Financial Statements

- a. The financial statements are prepared in accordance with accrual basis of accounting. These are presented in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956, Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 and the guidelines issued by the Reserve Bank of India, wherever applicable.
 - i. Investments are stated at cost, brokerage and stamp charges
 - ii. During the Financial Year 01-04-2007 to 31-03-2010 the PAC is entitled to create Deferred Tax asset in the books of account.
 - iii. However, in view of the unabsorbed depreciation and carried forward losses there is no reasonable certainty that these assets can be realized. Hence the Deferred Tax Assets are not created. The PAC has not made any transaction with Small Scale Industries Undertaking during the year. Previous figures have been re-grouped and/ or rearranged wherever necessary to confirm the current year's presentation.
 - iv. During the year 2009-10, the Company has entered into an agreement with the lender for sale of Investments. Hence, unsecured loan due to the lender is treated as current liabilities.
 - v. There are no contingent liabilities provided for as on March 31, 2010 date of last audit.

(Source: Annual Reports for the financial years ended 2010, 2009 and 2008)

14. Prior to the conversion of Warrants, the PAC was not obliged to make any disclosure under the SEBI (SAST) Regulations to either the Target Company or the Stock Exchanges. Post conversion of Warrants, the PAC will hold 9.56% Equity Shares in the Target Company which would entitle the PAC to more than 5% voting rights in the Target Company. Hence the PAC will be obliged to make disclosures under the SEBI (SAST) Regulations to the Target Company and the Stock Exchanges.

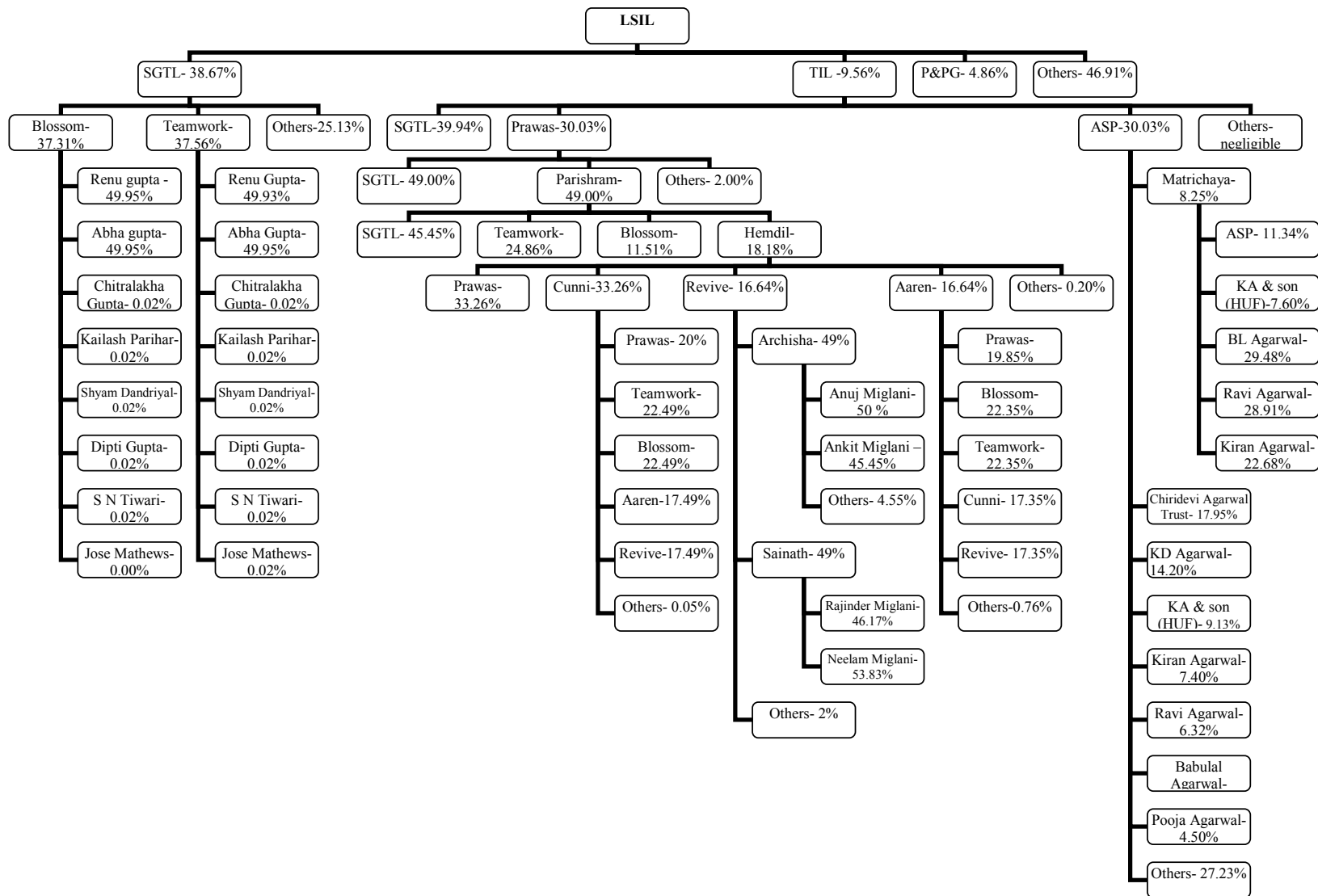
15. Reasons for any fall/increase in total income and profit after tax in the past 3 years:

For the financial year 2009-10, 2008-09 and 2007-08, there was not no trading activity in the PAC. However the loss for the year 2009-10, 2008-09 and 2007-08 was at ₹ 0.08 lakhs, ₹ 3.98 lakhs and ₹ 0.11 lakhs respectively towards legal and professional charges, auditors fees, registration and filing fees and demat charges (incurred during 2008-09).

16. The PAC has confirmed that as on date of the PA, there is no litigation against it nor is it named as a party to any litigation which will have an adverse impact on this transaction.
17. As on March 30, 1997, the PAC held 69,04,966 Equity Shares in the Target Company constituting 3.59 % of the fully paid-up Equity Shares. No acquisitions have been made by the PAC in the Target Company since 1997 other than the acquisition of 3,05,00,000 Equity Shares pursuant to conversion of warrants on October 29, 2010 constituting 7.79% of the Emerging Voting Capital. The PAC and the Target Company have complied with applicable reporting requirement under 7(2) and 7(3) of the SEBI (SAST) Regulations.
18. The PAC has complied with the applicable reporting requirement under Regulations 6(3) and 8(2) of SEBI (SAST) Regulations within the stipulated time specified therein.

C. Identity of the Ultimate Beneficiaries of corporate shareholders of the Acquirer and PAC

The below chart depicts the holding structure of the Acquirer and the PAC:



Above Shareholdings are as on January 31, 2011 except for LSIL (Dec 31, 2010), SGTL (Dec 31, 2010), ASP (Dec 31, 2010), Revive (Sep 30, 2010), Arshicha (Sep 30, 2010), Sainath (Sep 30, 2010)

Abbreviations:

1. LSIL- Lloyds Steel Industries Limited (Target Company)
2. SGTL- Shree Global Tradefin Limited (Acquirer)
3. TIL- Trump Investments Limited (PAC)
4. P&PG- Promoter & Promoter Group
5. Blossom- Blossom Stockfin Limited
6. Teamwork- Teamwork Stockfin Limited
7. Prawas- Prawas Leasing and Finance Pvt. Ltd.
8. ASP- ASP Technologies Ltd
9. Parishram- Parishram Properties Pvt Ltd
10. Matrichaya- Matrichaya Investments & Traders Private Limited.
11. KA & son (HUF) -B L Agarwal as Karta of Keshardeo Agarwal & Son (HUF)
12. Hemdil- Hemdil Estate Pvt Ltd
13. Cunni- Cunni Properties Pvt Ltd
14. Revive- Revive Buildzone & Dealers Pvt Ltd
15. Aaren- Aaren Educare Pvt Ltd
16. Archisha- M/s. Archisha Investment Private Limited
17. Sainath- M/s. Sainath Trading Company Private Limited
18. KD Agarwal- K D Agarwal & Sons- HUF
19. Babulal Agarwal HUF- Babulal Agarwal & Son HUF

V. DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE SEBI (SAST) REGULATIONS

As per Clause 40 A of the Listing Agreement with the Stock Exchanges (the “Listing Agreement”) and the notifications of Central Government dated June 04, 2010 and August 09, 2010, the Target Company is required to maintain at least 25% public shareholding on a continuous basis.

As the Public Shareholding will not reduce to a level below the limit specified in the Listing Agreement as a consequence of the Offer, assuming full acceptance, the provisions of Regulation 21(2) of SEBI (SAST) Regulations do not apply.

VI. BACKGROUND OF THE TARGET COMPANY

1. Lloyds Steel Industries Limited (CIN L27100MH1970PLC014621) was promoted by Late Shri R. N. Gupta. It was incorporated as a private company in Maharashtra under the name and style of Gupta Tubes and Pipes Private Limited on April 27, 1970. On September 10, 1985, it changed its name to Lloyds Steel Industries Private Limited. The Target Company was converted to a public company by resolution dated April 28, 1986, and its name was changed to **Lloyds Steel Industries Limited** with effect from June 3, 1986. The registered office of the Target Company is situated at Trade World, “C” Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013; Tel No: 022 3041 8111, Fax No: 022 3041 8260.
2. The main business objects of the Company are:

“1. To carry on the business as manufacturers, importers, exporters, dealers, distributors, commission agents and wholesale and retail dealers in E.R.W. Steel Tubes (Electric Resistance Welded Steel Tubes), I.W. Steel Tubes (Induction Welded Steel Tubes), Iron and Steel Metal (ferrous and non-ferrous), Alloys, Scrap, Pipes, wire drawing of any metal.

1A. To carry on the business of all kind of iron and steel founders, steel melters, steel makers, steel shapers and manufacturers, mechanical, structural, electrical, metallurgical engineers and fabricators, turnkey contractors, casting and to buy, take on lease or hire, sell, import, export,

manufacture, process, repair, convert, let on hire, otherwise deal in such products, stores, packing materials, by-products and allied commodities, machineries and implements". (Refer Memorandum of Association of the Company)"

3. The Target Company is in the business of manufacturing of steel and capital equipment and in execution of turnkey projects. It has an engineering plant at Murbad, Thane and a steel manufacturing plant at Wardha, Maharashtra.
4. As on the date of the PA, the authorised share capital of the Target Company is ₹ 7,50,00,00,000/- divided into 50,00,00,000 Equity Shares of ₹ 10/- each and 25,00,00,000 non-cumulative redeemable preference shares of ₹ 10/- each. The issued and subscribed Equity Share Capital is ₹ 2,25,55,26,920/- comprising of 22,55,52,692 Equity Shares of ₹ 10/- each. The paid-up Equity Share capital of the Target Company is ₹ 2,24,16,16,368/- comprising of 22,28,38,241 fully paid-up Equity Shares of ₹ 10/- each. As on the date of this PA, the Target Company has 27,14,451 forfeited Equity Shares pending for reissue. The paid up preference share capital of the Target company is ₹ 2,36,27,54,200 /- comprising of 23,62,75,420 redeemable Preference shares of ₹ 10/- each fully paid up. Post conversion of Warrants issued to the Acquirer and the PAC the paid up Equity Share capital of the Target Company has increased to ₹ 3,92,66,16,368/- comprising of 39,13,38,241 fully paid-up Equity Shares of ₹ 10/- each.
5. The Equity Shares of the Target Company, are listed on BSE and NSE.
6. The Target Company has been declared a sick company in terms of section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 and Regulation 19 of the Board of Industrial and Financial Reconstruction Regulations 1987. The Target Company is in the process of rehabilitation and has submitted a Draft Rehabilitation Scheme to the Board of Industrial and Financial Reconstruction in which reliefs have been sought from financial institutions, banks, government and the Promoters ("DRS").
7. As per the shareholding pattern filed with the Stock Exchanges for the quarter ended September 30, 2010, the Promoter shareholding is 17.61% comprising of 3,92,51,713 fully paid up Equity Shares. As per the shareholding pattern filed with the Stock Exchanges for the quarter ended December 31, 2010 post conversion of Warrants issued to the Acquirer and the PAC, the Promoter shareholding has increased to 53.09% comprising of 20,77,51,713 fully paid up Equity Shares.
8. During the financial year 2009-10, the Target Company has also issued and allotted 1,30,00,000 Equity Shares constituting 5.77% of the fully paid up Equity Shares on a preferential basis on February 06, 2010 to Industrial Development Bank of India Limited ("**IDBI**") pursuant to the terms of its one time settlement with IDBI. The said Equity Shares have been listed on BSE with effect from March 08, 2010 and on NSE with effect from March 22, 2010 and are locked-in for a period of one year.
9. During the financial year 2008-2009 the Target Company issued 2,00,00,000 Equity Shares constituting 9.43% of the fully paid up Equity Shares on a preferential basis to Asset Reconstruction Company of India Limited.
10. The Target Company has an outstanding fully convertible loan of ₹ 50,00,00,000/- (Rupees Fifty Crore) of Asset Reconstruction Company of India Limited which is convertible into Equity Shares on September 15, 2011 at a mutually agreed price which would not be more than the price determined in accordance with SEBI (ICDR) Regulations and in compliance with all the statutory provisions in this regard.
11. The total subscribed and paid up equity capital of the Target Company is as follows:

Particulars	Issued & Subscribed shares	Paid –up Shares	Voting Rights	% of Outstanding paid-up shares	% of Voting Rights
Fully paid up equity capital	22,55,52,692	22,28,38,241	22,28,38,241	100%	100%
Partly paid up equity capital	Nil	Nil	Nil	Nil	Nil
Total	22,55,52,692	22,28,38,241	22,28,38,241	100%	100%
Emerging Voting Capital					No. of Equity Shares
Fully paid –up equity share capital as on date of the PA (Voting Capital)					22,28,38,241
Add: Equity Shares allotted to the Acquirer and PAC pursuant to exercise of option for full conversion of Warrants					16,85,00,000
Emerging Voting Capital					39,13,38,241

As on date of the PA, except for the (i) 16,85,00,000 convertible Warrants allotted to the Acquirer and the PAC and (ii) conversion of loan of ₹ 50,00,00,000/- of Asset Reconstruction Company of India Limited into equity shares on September 15, 2011 at a mutually agreed price which would not be more than the price determined in accordance with SEBI (ICDR) Regulations in compliance with all the statutory provisions in this regard, there are no outstanding instruments of whatsoever nature convertible into Equity Shares on any later date. As of date, there are no partly paid up shares in the Target Company.

12. Issued and Subscribed Share Capital History of the Target Company

Date of Allotment	No. of Shares of face value of ₹ 10/- each	% of shares Issued	Issue price	Consideration (cash, bonus, other than cash)	Reason for Allotment	Cumulative paid-up Capital (₹)	Identity of allottees (promoters/ expromoter s/ others)	Status of Compliance#
Prior to 1986-87	15,00,000	-	10	Cash	-	1,50,00,000	-	-
17/10/1986	18,75,000	55.56	18	Cash	Right cum Public	3,37,50,000	Existing shareholders & Public	Complied
11/10/1989	16,87,500	33.33	10	Bonus Issue	Bonus Issue	5,06,25,000	All shareholders	Complied
16/10/1991	1,77,86,940	77.84	35	Other than cash	Conversion of 14% Convertible debentures Part A	22,84,94,400	Promoters & others	Complied
24/04/1993	1,72,22,521	42.98	35	Other than Cash	Conversion of 14%	40,07,19,610	Promoters & others	Complied
16/06/1993	25,05,409	5.88	35	Other than Cash	Convertible debentures Part B and issue of shares in lieu of interest	42,57,73,700	Promoters & others	Complied
30/11/1993	3,73,263	0.88	10	-	Forfeiture of shares from 1991 issue	42,20,41,070	Others	Complied
14/11/1994	3,65,930	0.86	10	Cash	Re-issue of forfeited	42,57,00,370	Public	Complied

Date of Allotment	No. of Shares of face value of ₹ 10/- each	% of shares Issued	Issue price	Consideration (cash, bonus, other than cash)	Reason for Allotment	Cumulative paid-up Capital (₹)	Identity of allottees (promoters/ expromoters/ others)	Status of Compliance#
					shares			
13/01/1995	3,83,33,333	47.38	25	Other than cash	Conversion of Optionally Fully Convertible Debentures ("OFCD") Part A	80,90,33,700	Promoters & others	Complied
27/10/1995	3,64,97,419	31.09	35	Other than cash	Conversion of OFCD Part B	1,17,40,07,890	Promoters & others	Complied
27/10/1995	4,77,864	0.41	10	-	Forfeiture of shares from 1994 issue	1,16,92,29,250	Others	Complied
	38,876	0.03	10	-	Annulment of forfeited shares	1,16,96,18,010	Others	Complied
12/6/1996	7,51,41,199	39.12	28	Cash	Right Issue	1,92,10,30,000	Promoters & others	Complied
24/09/1999	3,371	0.00	10	Cash	Conversion of warrants	1,92,10,63,710	others	Complied
17/12/2008	2,00,00,000	9.43	10	Other than cash	Part conversion of loan of ARCIL	2,12,10,63,710	ARCIL	Complied
06/02/2010	1,30,00,000	5.77	10	Other than cash	Part Conversion of loan from IDBI	2,25,10,63,710	IDBI	Complied
24/04/2010	22,68,130	1.02	10	Other than cash	Forfeiture of shares from 1996 issue	2,22,83,82,410	Others	Complied
29/10/2010	16,85,00,000	43.06	10	Cash	Conversion of warrants	3,91,33,82,410	Promoters	Complied

Compliance is with respect to Companies Act, 1956, Stock Exchange under Listing Requirements, SEBI (DIP) Guidelines, SEBI (ICDR) Regulations 2009 and the SEBI (SAST) Regulations

13. Issued Preference Shares

Date of Allotment	No. of Shares	Face value	Issue Price	Premium	Consideration (cash, bonus, other than cash)	Reason for allotment	Cumulative paid-up Capital (₹)
16.09.2005	23,49,80,000	10	10	-	Other than cash	Part conversion of loan of IDBI	234,98,00,000
09.08.2006	12,95,420	10	10	-	Other than cash	Part conversion of loan of IDBI	236,27,54,200

The Redeemable Preference Shares allotted to IDBI will be redeemed with a premium of 11.50% in 6 (six) annual installments commencing from financial year 2016.

14. As on the date of this LOF, there are no calls in arrears and no partly paid up shares in the Target Company. The Target Company has 27,14,451 forfeited Equity Shares pending for reissue. The Target Company has confirmed that there are no plans to reissue the forfeited Equity Shares which have been kept in abeyance till the expiry of 3 months after the closure of the Open Offer.

15. Pre and post Offer shareholding pattern of the Target Company as on the date of the PA was as follows:

Shareholders' category	Shareholding & voting rights prior to conversion of Warrants and the Offer		Shares/voting rights after conversion of Warrants which triggered off the Regulations		Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding/voting rights after the acquisition and Offer (Assuming full acceptances)	
	(A) No.	%	(B) No.	%	(C) No.	%	(B)+(C)=(D) No.	%
<i>(1) Promoter group</i>								
a. Parties to agreement, if any	-	-	-	-	-	-	-	-
b. Promoters other than (a) above	3,92,51,713	17.61	20,77,51,713	53.09	7,82,67,650	20	28,60,19,363	73.09%
Total 1(a+b)	3,92,51,713	17.61	20,77,51,713	53.09	7,82,67,650	20	28,60,19,363	73.09%
<i>(2) Acquirer & PAC</i>								
a. Acquirer	1,33,45,753	5.99	15,13,45,753	38.67	7,82,67,650	20	22,96,13,403	58.67
b. PAC	69,04,966	3.10	3,74,04,966	9.56	-	-	3,74,04,966	9.56
Total 2(a+b)	2,02,50,719	9.09	18,87,50,719	48.23	7,82,67,650	20	26,70,18,369	68.23
<i>(3) Parties to agreement other than (1)(a) & (2)</i>	-	-	-	-	-	-	-	-
<i>(4) Public (other than promoter and promoter group)</i>								
a. FIs/MFs/FIIs/Banks, SFIs								
Mutual Funds / UTI	5,76,721	0.26	5,76,721	0.15	-	-	-	-
Financial Institutions / Banks	4,04,49,230	18.15	4,05,61,230	10.36	-	-	-	-
Central Government / State Government(s)	1,500	0.00	1,500	0.00	-	-	-	-
Insurance Companies	43,89,894	1.97	43,89,894	1.12	-	-	-	-
Foreign Institutional Investors	77,420	0.03	77,420	0.02	-	-	-	-
b. Others	13,80,91,763	61.97	13,79,79,763	35.26	-	-	-	-

Shareholders' category	Shareholding & rights prior to conversion of Warrants and the Offer		Shares/voting rights after conversion of Warrants which triggered off the Regulations		Shares/voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding/voting rights after the acquisition and Offer (Assuming full acceptances)	
Total number of shareholders in Public Category Total 4(a+b)	18,35,86,528	82.39	18,35,86,528	46.91	-	-	1,05,318,878	26.91
Grand Total (1+3+4)	22,28,38,241	100	39,13,38,241	100	-	-	39,13,38,241	100.00

16. As on the date of the LOF , the Board of the Target Company comprised of:

Name of the Directors	Designation	Residential Address	Date of Appointment	Remuneration other than sitting fee	DIN No.	Qualification & Experience	Other Directorships
Mr. Mukesh Gupta	Chairman	Jeevan Villa, 11 th floor, Nepeansea Road, Mumbai 400 006	First Director	NIL	00028347	B.Com., Experience of more than 32 years in Steel Industry and implementation of steel projects	1. Lloyds Metals & Engineers Ltd. 2. Vidarbha Power Ltd
Mr. Rajesh Gupta	Managing Director with effect from January 1, 2010	81, Laxmi Vilas, 86, Nepeansea Road, Mumbai 400 006	First Director	25.44 Lakhs	00028379	B.Com., Experience of more than 25 years in production, management and other areas in steel industry.	1. Lloyds Metals & Engineers Ltd. 2. Vidarbha Power Ltd
Mr. B. L. Agarwal*	Non Executive Director	70, Darya Mahal No.2, 80 Nepeansea Road, Mumbai 400 006	First Director	NIL	00029389	L.L.B., Experience of more than 43 years in Steel industry and implementation of steel projects	1. Lloyds Metals & Engineers Ltd. 2. Vidarbha Power Ltd
Mr. K. A. Krishna Rao	Independent Non Executive Director	"Anubhanda" Plot No.63, IInd Cross,- IInd Main Kumbakonam Plots, Deshpande Nagar Extn., Hubli 580 029	16.08.2006	NIL	00694791	M.A. in Economics from Madras University, Experience of about 49 years in Steel Industry.	None
Mr. B. Ravindranath	Independent (Nominee director of IDBI Ltd.)	115, Anna Salai, Saidapet, Post Bag No. 1306,	29.04.2005	NIL	02156076	B.E. (Mechanical), Experience of more than 33 years, working with IDBI for last 28 years.	1. Asset Reconstruction (I) Ltd. (Nominee director)

		Chennai-600 015					2. Stock Holding Corporation of India Ltd. (Nominee director)
Mr. R. Parthasarthy	Independent (Nominee director of IFCI Ltd.)	Phase CF3, Millenium Enclave, Plot 1,2,3, SSR Pankajam Road, Saligramam, Chennai 600 093	27.05.2008	NIL	02170273	BSC, CAIIB. PGDFM. Over 25 years of work experience with financial institution	1. Modern Denim Ltd. (Nominee director)
Mr. S.K.Gupta	Independent Nominee of ARCIL	A-93, Twin Tower Building, Veer Savarkar Marg, Prabhadevi, Mumbai 400 025	24.05.2010	NIL	02914009	B.E. (Mechanical), PGDM, around 24 years of work experience with financial institution	1.Panchmahal Steels Limited

* Mr. Babulal Agarwal is a shareholder in the Acquirer and, *in his capacity as the Karta of Keshradeo Agarwal & Son (HUF)*, holds 2.41% of paid up equity capital of the Acquirer. In terms of Regulation 22(9) of SEBI (SAST) Regulations and Sections 299 & 300 of the Companies Act, 1956, he has made adequate disclosures regarding his interest in the meeting of the Committee of Directors of the Target Company held on October 29, 2010 and has refrained from participating and shall continue to refrain from participating in any matter relating to the Offer.

17. There has been no merger, demerger, or spin off during the last three years involving the Target Company.
18. The key audited financial results of the Target Company for the financial years 2009-10, 2008-09, and 2007-08 and unaudited financials for the nine months ended December 31, 2010, as certified by Mr. S.L. Todarwal (Membership No.32512) Partner of M/s.Todarwal & Todarwal, Chartered Accountants, are given below:

(Amount in Lakhs except per share data and ratio)

<i>Profit & Loss Statement</i>	<i>As on December 31, 2010 (Unaudited)</i>	<i>As on March 31, 2010</i>	<i>As on March 31, 2009</i>	<i>As on March 31, 2008</i>
Income from operations	2,04,334.68	3,05,278.06	2,84,156.44	2,47,436.29
Less- Excise Duty	-	15,406.00	23,605.06	26,971.55
Other Income	1125.97	447.09	642.25	4,110.27
Total Income	2,05,460.65	2,90,319.15	2,61,193.63	2,24,575.01
Total Expenditure	2,03,140.97	2,79,697.74	2,69,950.89	2,18,613.76
Profit Before Depreciation, Interest and Tax	2,319.68	10,621.41	(8,757.26)	5,961.25

Depreciation	8,751.44	11,668.20	11,579.27	11,362.26
Interest	2,308.5	4,897.03	5,099.65	2,501.75
Profit Before Tax & Exceptional Item	(8,740.26)	(5,943.82)	(25,436.18)	(7,902.76)
Exceptional Items	98.07	(1,807.86)	8,966.14	3,084.87
Profit Before Tax	(8,642.19)	(7,751.68)	(1,6470.04)	(4,817.89)
Provision for Tax	-	0.00	42.09	35.38
Profit After Tax	(8,642.19)	(7,751.68)	(16,512.13)	(4,853.27)
Balance Sheet Statement	As on December 31, 2010 (Unaudited)	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008
Sources of funds				
Paid up share capital	62,893.70	46,043.70	44,742.22	42,742.16
Reserves and surplus (excluding revaluation reserves)	-	71,610.33	55,874.85	42,591.38
Preference Share Application Money	-	-	-	-
Subscription for Share Warrants	-	4,212.50	-	-
Net worth	-	(32,949.63)	(42,178.50)	(40,976.58)
Secured loans	-	78,934.38	116,195.10	125,598.64
Unsecured loans	-	352.31	402.06	1,668.53
Total	-	201,153.22	217,214.23	212,600.71
Uses of funds				
Net fixed assets	-	104,115.18	97,822.64	104,201.24
Investments	-	250.26	250.26	250.26
Net current assets	-	(53,815.88)	(23,654.24)	(18,160.91)
Total miscellaneous expenditure not written off	-	0.00	0.00	0.00
P/L (Debit Bal)	-	150,603.66	142,795.57	126,310.12
Total	-	201,153.22	217,214.23	212,600.71
Other Financial Data	As on December 31, 2010(Unaudited)	As on March 31, 2010	As on March 31, 2009	As on March 31, 2008
Dividend (%)	-	0	0	0.00
Earning Per Share	(2.21)	(3.65)	(8.33)	(4.10)
Return on Net worth	-	(0.24)%	(0.39)%	(0.12)%
Book Value Per Equity Share	-	(14.64)	(19.89)	(21.33)

(Source: Annual Reports for the financial years ended 2010, 2009, 2008 and Limited Review of unaudited results for nine months ended December 31, 2010 as certified by the Statutory Auditors)

*Earning per share calculated as Profit After Tax / Number of outstanding shares as at the end of the year.

**Return on Networth calculated as Profit After Tax / Networth as at the end of the year.

***Book Value per share computed as the Networth / Number of outstanding shares as at the end of the year.

19. Significant Notes to Limited Review of unaudited results for nine months ended December 31, 2010:

The company has not provided for interest amounting to ₹ 1,341.59 lakhs on loans for the quarter ended December 31, 2010. (Cumulative ₹ 21,981.46 lakhs) in view of likely restructuring.

20. The reasons for fall / rise in total standalone income and profit after tax of the Target Company in the relevant years are as follows:

For the financial year 2009-10, the income from operations was at ₹ 305,278.06 lakhs as against ₹ 284,156.44 lakhs for the year 2008-09. The increase in revenue was mainly on account of increased turnover due to increased demand for steel and consequent increase in steel prices. The demand for steel was partly helped by various measures initiated by the Government to offset the economic meltdown in major developed markets. The export market however remained almost dried up. The loss for the financial year 2009-10 was at ₹ 7,751.68 lakhs as against ₹ 16,512.13 lakhs for the financial year 2008-09 mainly due to improved turnover. For the financial year 2008-09, the income from operations was at ₹ 284,156.44 lakhs as against ₹ 247,436.29 lakhs for the year 2007-08. The loss for the financial year 2008-09 was at ₹ 16,512.13 lakhs as against ₹ 4,853.27 lakhs for the financial year 2007-08. The performance of the company was impacted due to increased cost of production, world wide recession, sudden crash in steel prices by and low demand from the customers.

21. **Significant Accounting Policies :**

System of Accounting:-

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, accounting standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The Company accrues individual items of Income/ Expenses above ₹ 5000/- per item.

Fixed Assets:-

1. Fixed Assets are valued at cost, net of CENVAT, unless revalued, for which proper disclosure is made.
2. All expenditure, including advances given and interest cost during the project construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure/Income arising out of trial run is part of pre-operative expenses included in Capital Work-in-Progress

Depreciation :-

Depreciation on all the assets has been provided on Straight Line Method as per Schedule XIV of the Companies Act, 1956.

Revenue Recognition :-

Sales/Income in case of contracts/orders spreading over more than one financial year are booked to the extent of work billed. Sales include export benefits & net of sales return & trade discounts. Export benefits accrue on the date of export, which are utilized for custom duty free import of material / transferred for consideration.

Inventories :

The general practice adopted by the company for valuation of inventory is as under:-

Raw Materials	: *At lower of cost and net realizable value.
Stores and spares	: At cost
Work-in-process/semi-finished goods	: At cost.
Engineering Plant Finished Goods	: At contract price.
Steel Plant Finished Goods	: At lower of cost and market value.
Finished Goods at the end of trial run	: At net realizable value.

Scrap material	: At net realizable value.
Tools and equipments	: At lower of cost and disposable value.

*Material and other supplies held for use in the production of the inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

Excise Duty :

The Excise duty payable on finished goods dispatches is accounted on the clearance thereof from the factory premises. Excise duty is provided on the finished goods lying at the factory premises and not yet dispatched as per the Accounting Standard 2 “Valuation of Inventories”

Customs Duty :

Customs Duty payable on imported raw materials, components and stores and spares is recognised to the extent assessed by the customs department.

Customs Duty Benefit :

Customs duty entitlement eligible under pass book scheme / DEPB is accounted on accrual basis. Accordingly, import duty benefits against exports effected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty free imports of raw material yet to be made.

Lease Rentals :

Lease rentals are expensed with reference to lease terms.

Research and Development :

Research and Development costs (other than cost of fixed assets acquired) are expensed in the year in which they are incurred.

Provision of Gratuity :

Provision for Gratuity is made on the basis of actuarial valuation based on the provisions of the Payment of Gratuity Act, 1972.

Leave Salary :

Provision is made for value of unutilized leave due to employees at the end of the year.

Investments :

Long term investments are carried at cost less provision for permanent diminution in value. Current investments are carried at lower of cost or fair value.

Amortization of Expenses :

- i) **Equity Issue Expenses:**
Expenditure incurred in equity issue is being treated as Deferred Revenue Expenditure to be amortized over a period of ten years.
- ii) **Debenture Issue Expenses:**
Debenture Issue expenditure is amortized over the period of 10 years Debentures.
- iii) **Deferred Revenue Expenses:**
Deferred Revenue expenses are amortized over a period of 5 years.

Foreign Currency Transactions:

Foreign currency transactions during the accounting year are translated at the rates prevalent on the transaction date. Exchange differences arising from foreign currency fluctuations are dealt with on the date of payment/receipt. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year end rate. The exchange

difference is credited / charged to Profit & Loss Account in case of revenue items and capital items.

Impairment of Assets :

The company determines whether a provision should be made for impairment loss on fixed assets (including Intangible Assets), by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard – 28 “Impairment of Assets”. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

Provision for doubtful debts:

The management reviews on a periodical basis the outstanding debtors with a view to determine as to whether the debtors are good, bad or doubtful after taking into consideration all the relevant aspects. On the basis of such review and in pursuance of other prudent financial considerations the management determines the extent of provision to be made in the accounts.

Contingent Liability not provided for :

22. Unprovided Contingent Liabilities are disclosed in the accounts by way of notes giving the nature and quantum of such Liabilities.

(Amount in Lakhs)

	As at 31.03.2010	As At 31.03.2009	As At 31.03.2008
Contingent Liabilities not provided for :			
(a) In respect of guarantees issued by Banks : This includes an expired bank guarantee of Rs 8.15 lakhs which has been invoked, the encashment of which has been stayed by a Court of Law.	1,201.43	1,088.33	967.24
(b) Corporate Guarantees issued by the Company	66.95	75.75	88.17
(c) i) Claims against the Company not acknowledged as debt.	870.18	70.18	298.33
ii) Show cause notice under hearing in respect of excise duty which is disputed by the Company.	447.84	408.90	223.64
iii) Sales Tax	28.65	28.65	31.21
TOTAL	2,615.05	1,671.81	1,608.59

23. The reasons for fall / rise in total standalone income and profit after tax of the Target Company in the relevant years are as follows:

For the financial year 2009-10, the income from operations was at ₹ 3,05,278.06 lakhs as against ₹ 2,84,156.44 lakhs for the year 2008-09. The increase in revenue was mainly on account of increased turnover due to increased demand for steel and consequent increase in steel prices. The demand for steel was partly helped by various measures initiated by the Government to offset the

economic meltdown in major developed markets. The export market however remained almost dried up. The loss for the financial year 2009-10 was at ₹ 7,751.68 lakhs as against ₹16,512.13 lakhs for the financial year 2008-09 mainly due to improved turnover. For the financial year 2008-09, the income from operations was at ₹ 2,84,156.44 lakhs as against ₹ 2,47,436.29 lakhs for the year 2007-08. The loss for the financial year 2008-09 was at ₹ 16,512.13 lakhs as against ₹4,853.27 lakhs for the financial year 2007-08. The performance of the company was impacted due increased cost of production, world wide recession, sudden crash in steel prices by and low demand from the customers.

24. The Target Company has regularly complied with the provisions of the listing agreements with the Stock Exchanges and no punitive and/ or penal action has been taken by the Stock Exchanges against the Target Company. The Target Company has confirmed that, as per the available information none of the Stock Exchanges have suspended trading in its Equity Shares. The Target Company has not received any directions from SEBI under Section 11B of the SEBI Act or under any of the regulations made there under, prohibiting it from dealing in securities.
25. The Promoters and the Target Company have complied with the Chapter II requirements of the SEBI (SAST) Regulations. The details of the changes in the cumulative Shareholding of the Promoter Group as and when it took place is as detailed herein below:

YEAR	MODE OF ALLOTMENT	SHARES PURCHASED/SOLD		CUMULATIVE SHAREHOLDING		STATUS OF COMPLIANCE WITH SEBI (SAST) REGULATIONS, 1997
		No. of Shares	% of share and voting capital	No. of Shares	% of share and voting capital	
1997-1998	-	Nil	No change	3,90,07,876	20.26	Disclosure under 8(3) & disclosure under 6 (4) – complied
1998-1999	-	Nil	No change	3,90,07,876	20.26	Disclosure under 8(3)- complied
1999-2000	-	Nil	No change	3,90,07,876	20.26	Disclosure under 8(3)- complied
2000-2001	-	Nil	No change	3,90,07,876	20.26	Disclosure under 8(3)- complied
2001-2002	-	Nil	No change	3,90,07,876	20.26	Disclosure under 8(3)- complied
2002-2003	-	Nil	No change	3,90,07,876	20.26	Disclosure under 8(3)- complied
2003-2004	Market Sale	1,71,131	0.09	3,88,36,745	20.17	Disclosure under 8(3)- complied
2004-2005	Market Purchase	10,868	0.01	3,88,47,613	20.18	Disclosure under 8(3)- complied
2005-2006	-	Nil	No change	3,88,47,613	20.18	Disclosure under 8(3)- complied
2006-2007	Merger of four companies with the Acquirer	4,04,100**	0.25	3,92,51,713	20.43	Disclosure under 8(3)- complied
2007-2008	-	Nil	No change	3,92,51,713	20.43	Disclosure under 8(3)- complied
2008-2009	-	Nil	1.92 (Due to issue of shares on preferential basis to financial institution)	3,92,51,713	18.51	Disclosure under 8(3)- complied
2009-2010	-	Nil	1.07 (Due to issue of shares on preferential	3,92,51,713	17.44*	Disclosure under 8(3)- complied

			basis to financial institution)			
2010-11	Conversion of warrants	16,85,00 ,000	43.05	20,77,51,713	53.09	Disclosure under 7(3)- complied

* Due to forfeiture of 22,68,130 Equity Shares on April 24, 2010, there is change in percentage in the Promoter group from 17.44 to 17.61 .

** SGTL acquired 38,40,800 Equity Shares of the Target Company pursuant to the merger, out of which 34,36,700 Equity Shares were acquired from Harold International Limited which was already a part of Promoter group. Hence the additional shares acquired were 4,04,100 Equity Shares.

Note:

The above table shows the changes in the shareholding of persons constituting the present Promoter Group. Transactions of persons who earlier formed part of the Promoter Group but have since completely disposed off their shareholdings are not covered above. The above table also does not include inter se transfers, if any, within the Promoter Group. The figures above are as per the records of the Company. Further, the sale and purchase transactions shown above are the net figure of all the purchases and sales during the period disclosed.

26. Compliance with Corporate Governance: The Target Company has been complying with the corporate governance requirements as are prescribed in Clause 49 of the listing agreements as amended from time to time.

27. Mr. S.L. Todarwal (Membership No.32512) Partner of M/s.Todarwal & Todarwal, Chartered Accountants, statutory auditor to the Target Company, has issued a certificate dated May 24, 2010 regarding compliance with the corporate governance requirements under clause 49 of the Listing Agreement which has been included in the Annual Report for 2009-2010.

Particulars	Clauses of Listing Agreements	Compliance Status (Yes/No)
I. Board of Directors	49 I	
(A) Composition of Board	49 (IA)	Yes
(B) Non-executive Directors' compensation & Disclosure	49 (IB)	Yes
(C) Other Provisions as to Board and Committee	49 (IC)	Yes
(D) Code of Conduct	49 (ID)	Yes
II. Audit Committee	49 II	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes
(A) Meeting of Audit Committee	49 (IIB)	Yes
(B) Powers of Audit Committee	49 (IIC)	Yes
(C) Role of Audit Committee	49 (IID)	Yes
(D) Review of information by Audit Committee	49 (IIE)	Yes
III. Subsidiary Companies	49 (III)	Not Applicable
IV. Disclosures	49 (IV)	
(A) Basis of related party Transactions	49 (IVA)	Yes
(B) Board Disclosures	49 (IVB)	Yes
(C) Proceeds from public issues, rights issues, preferential issues etc.	49 (IVC)	Yes
(D) Remuneration of Directors	49 (IVD)	Yes Only the Managing Director is remunerated
(E) Management	49 (IVE)	Yes
(F) Shareholders	49 (IVF)	Yes
V. CEO/CFO Certification	49 (V)	Yes
VI. Report on Corporate Governance	49 (VI)	Yes
VII. Compliance	49 (VII)	Yes

I. COMMITTEES CONSTITUTED BY THE BOARD

For effective and efficient functioning of the Company, the Board has constituted the below-mentioned committees:

- A. Audit Committee
- B. Shareholders/Investor Grievance Committee
- C. Remuneration Committee

A. Audit Committee

The Board of Directors of the Company passed a resolution on March 26, 1991 to constitute the Audit Committee in order to comply with Clause 49 of the Listing Agreement.

Terms of reference of the Audit Committee conform to clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Company may at its discretion also refer to the below-mentioned issues for the consideration of the Audit Committee:

- Review of Company's financial reporting process/Disclosure of the Company's financial information to ensure that the financial statement is correct, sufficient and credible.
- Review of the adequacy of internal control systems and advising on reforms
- Review of the quarterly and annual financial statements prior to submission to the Board
- Review of financial and risk management policies and practices
- Any other related issues

The Audit Committee presently comprises of the below-mentioned Independent Directors with effect from May 27, 2008.

Sr. No	Name	Designation	Type of Director
1	Mr.K.A.Krishna Rao	Chairman of the Audit Committee	Independent
2	Mr.B.L.Agarwal	Member	Promoter
3	Mr.B.Ravindranath	Member	Independent Nominee
4.	Mr.R.Parthasarthy	Member	Independent Nominee

B. Shareholders/Investors Grievance Committee

On July 27, 2001, the Share Transfer & Investor Grievance Committee was reconstituted to comply with Clause 49 of the Listing Agreement.

The scope of reference includes:

- To oversee and monitor the performance of the Registrar and Share Transfer Agents
- The transfer of shares, process of demat of shares, split, consolidation and replacement of shares
- Identify steps to improve investor services
- Attend to shareholders' complaints and grievances

The Shareholders Grievance Committee presently comprises of the below-mentioned Directors:

Sr. No	Name	Designation	Type of Director
1	Mr. B.L.Agarwal	Chairman of the committee	Promoter
2	Mr. Mukesh Gupta	Member	Promoter
3	Mr.Rajesh R Gupta	Member	Promoter

C. Remuneration Committee

The Remuneration Committee was constituted on January 29, 2004 to comply with Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956. The Committee was entrusted with the task of reviewing and finalising the compensation structure for the Managing / Executive Directors, on a consideration of Director's qualifications, past experience, past performance, trend in the industry and for review of the same from time to time.

The Remuneration Committee presently comprises of the below-mentioned Independent Directors with effect from May 27, 2008:

Sr. No	Name	Designation	Type of Director
1	Mr. K. A. Krishna Rao	Chairman of the committee	Independent
2	Mr. B. Ravindranath	Member	Independent Nominee Director
3	Mr. R. Parthasarathy	Member	Independent Nominee Director

The role, powers, scope of functions and duties of the Audit Committee, Shareholders/Investors' Grievance Committee and Remuneration Committee of the Board are as per the applicable provisions of the Companies Act, 1956, Clause 49 of the Listing Agreement.

28. The compliance officer of the Target Company is Mr S.N. Tiwari, Company Secretary. The compliance officer can be contacted at:
Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013
Tel No.: 022 30418172, Fax No.: 022 3041 8260,
Email id: sntiwari@lloyds.in

VII. DETAILS OF PENDING LITIGATIONS

The Details of Pending Litigations as on the date of the letter of offer are as follows:

- There are no litigations filed against the Target Company as would have a material impact on its business, other than recoveries by banks/financial institutions. Such recoveries have been stayed by the Board of Industrial and Financial Reconstruction ("BIFR") vide its order dated March 1, 2006 as the Target Company has been declared a sick company under section 3(1) (o) of SICA by the Board on 01.03.2006. The BIFR has directed the Target Company to enter into debt restructuring packages ("CDR") and One Time Settlement ("OTS") with its lenders. In the course of the reference and with a view to rationalize the financial structure, the Company has independently negotiated restructuring schemes/OTS with Kotak Mahindra (assigned by IndusInd Bank Ltd), Industrial Development Bank of India ("IDBI"), Punjab and Sind Bank, Specified Undertaking of the Unit Trust of India ("SUUTI"), Industrial Finance Corporation of India ("IFCI"), Federal Bank Ltd. ("Federal Bank"), State Bank of India ("SBI"), Phoenix ARC (assigned by Central Bank of India) and Central Bank of India ("Central Bank") which fact is recorded by the Board.

2. The Target Company has filed the following suits where claim is valued at more than ₹ 10 lakhs (Rupees ten lakhs) for recovery:

Sr. No.	Name of Statute	Amount involved	Year	Nature of Dues/Subject matter in Brief	Forum where case in pending along with current status
1.	Indian Contracts Act, 1872	₹ 78.00 lakhs and claimed interest @ 21% p.a. on the said amount till payment. Also a sum of ₹ 72.00 lakhs for losses incurred	1997	Civil Law/Claim imposed for recovery of money paid for 60,000 debentures subscribed to by the Target Company	Summary Suit No. 4578 of 1997 filed before High Court of Judicature, Bombay. Status: Pending
2.	Gujarat Sales Tax Act, 1956	₹ 28.65 lakhs	2003	Taxation Law/ sale of goods involved in the execution of works contract.	Gujarat Value Added Tax Tribunal The Company filed its second appeal before the Gujarat Value Added Tax Tribunal and vide its judgment dated 14.10.2008 the Tribunal set aside the impugned common order dated 22.04.2003 on grounds of limitation. Therefore the assessment order dated 30.09.1999 stands restored. The Company has neither paid the claim nor provided for it in its books of accounts.
3.	Income Tax Act, 1961	₹ 55.28 lakhs	2006	Taxation Law/Claim for disallowing deductions.	Appeal filed before Commissioner of Income Tax (Appeals), Mumbai The appeal has been partly allowed wherein deductions of ₹ 30.21 lakhs was allowed vide an Order dated July 14, 2010 The matter is currently pending before the Commissioner of Income Tax (Appeals), Mumbai.
4.	Customs and Excise Act, 1944	₹ 32.94 lakhs	2001	Economic Law/ Claim for benefit of Modvat credit on duty paid inputs and capital goods.	Before the Assistant Commissioner of Customs and Excise, Nagpur-II division (Case No. PKA/631 TO 637/M-III & NCP/2001 Based on the directions of

Sr. No.	Name of Statute	Amount involved	Year	Nature of Dues/Subject matter in Brief	Forum where case is pending along with current status
					the appellate authority the case is being re-heard by the Assistant Commissioner. Case pending.
5.	Customs and Excise Act, 1944	₹ 47.38 lakhs	2002	Economic Law/ avail of specified duty on fuel oil and light diesel oil	Appeal filed before High Court by the Department, Nagpur Bench. As on date, the Writ Petition is pending before the Nagpur Bench of the Bombay High Court for hearing and final disposal. Since similar issues are pending before the Hon'ble Supreme Court, the matter will be decided subject to the Supreme Court ruling.
6.	Customs and Excise Act, 1944	₹ 77.95 lakhs	2003	Economic Laws / Recovery of CENVAT credit	Appeal filed before High Court by the Department, Nagpur Bench. As on date the appeal is pending before the Nagpur Bench of the Bombay High Court for hearing and final disposal. Since similar issues are pending before the Hon'ble Supreme Court, the matter will be decided subject to the Supreme Court ruling.
7.	Customs and Excise Act, 1944	₹ 36.38 lakhs <i>(As represented by the Target Company as there are no documents provided by the Target Company to calculate the claims.)</i>	1997-98	Economic Law / Benefit of Modvat credit to the Target Company	Before the Commissioner of Customs and Excise, Nagpur and the Commissioner of Customs and Excise, Surat (<i>Appeal No(s) E/891/97 –Mum and E/877-885/98-Mum</i>) Since a similar matter is pending before the Hon'ble Supreme Court as a reference application filed by the Central Excise Department, therefore the above case has been transferred to the call book.
8.	Negotiable Instrument Act, 1881	₹ 90 lakhs	1996	Negotiable Instrument/Claim for insufficiency of funds.	Pending at Metropolitan Magistrate Court at Egmore, Chennai (<i>C.C. No. 4806 of</i>

Sr. No.	Name of Statute	Amount involved	Year	Nature of Dues/Subject matter in Brief	Forum where case in pending along with current status
					1996)
9.	Negotiable Instrument Act, 1881	₹ 60 lakhs	1997	Negotiable Instrument/Claim for insufficiency of funds.	Criminal Complaint No. 639 of 1997 is pending before the Metropolitan Magistrate at Hyderabad

** It is not possible to quantify the exact amount involved.*

The quantified amounts mentioned above does not include interest/penalty which may be applicable.

The following suits where claim is valued at ₹ 10 lakhs (Rupees ten lakhs) and above are filed against the Target Company:

Sr.No	Name of Statute	Amount involved	Year	Nature of Dues/Subject matter in Brief	Forum where case in pending
1.	Recovery of Debts due to Banks and Financial Institutions Act, 1993	Original Amount- ₹ 115.76 lakhs @ interest of 23.5% p.a.	2000	Civil Laws / Recovery of debts	Proceeding pending before the DRT at New Delhi
2.	Recovery of Debts due to Banks and Financial Institutions Act, 1993	Original Amount – ₹ 17,994.03 lakhs	2001	Civil Laws / Recovery of debts	DRT, Mumbai (No. 599/2001) One Time Settlement Amount- ₹ 7,520 lakhs The Target Company has applied to the Bank to revise the payment schedule as per the OTS, in terms of which the Target Company has paid an installment of ₹ 50 lakhs in March, 2010. The cumulative payment made till March, 2010 is ₹ 2,948 lakhs .
3.	Recovery of Debts due to Banks and Financial Institutions Act, 1993	₹16830.87 lakhs	2001	Civil laws / Recovery of Debt	DRT, Mumbai (No. 614/2001) One Time Settlement Amount- ₹ 2,738.39 lakhs. ₹1,288.27 lakhs has been repaid upto January, 2011. The installments have been paid upto January, 2011.
4.	Recovery of Debts due to Banks and Financial Institutions Act, 1993	₹ 4,025.31 lakhs	2003	Civil laws / Recovery of Debts	DRT –I Mumbai One Time Settlement Amount- ₹1,468 lakhs. The installments have been paid upto January, 2011. The cumulative payment made till January, 2011 is ₹ 1286.12 lakhs.

Sr.No	Name of Statute	Amount involved	Year	Nature of Dues/Subject matter in Brief	Forum where case in pending
5.	Recovery of Debts due to Banks and Financial Institutions Act, 1993	₹ 734 lakhs	2004	Civil laws / Recovery of Debts	DRT – II Mumbai (No. 19/2004) The entire amount has been settled. The bank has issued a NO Due Certificate dated September 21, 2010 confirming settlement of the entire claim. However the bank is yet to withdraw the proceedings.
6.	Indian Contracts Act, 1872	₹ 5,822 lakhs	2003	Civil laws / Recovery of Debts	Pending before the Calcutta High Court Civil suit (No. 170/2003) (The Target Company has represented that it has entered into One Time Settlement with State Bank of India and has made part payments till March 2010 in terms of the settlement.)
7.	Income Tax Act, 1961	₹ 28.61 lakhs	2007	Tax Laws / Claim for Deductions	Income Tax Appellate Tribunal, Mumbai The appeal has been partly allowed wherein deductions of ₹ 0.15 lakhs was disallowed. The said appeal was disposed vide an Order dated October 14, 2009. Neither the Target Company nor the Department has challenged the said Order.
8.	Customs and Excise Act, 1944	₹ 113.07 lakhs	2008	Economic Laws / Recovery of CENVAT credit	Pending before the Commissioner of Customs and Central Excise, Nagpur
9.	Customs and Excise Act, 1944	₹ 22.48 lakhs	2008	Economic Laws / Recovery of CENVAT credit	Pending before the Commissioner of Customs and Central Excise, Nagpur
10.	Arbitration And Conciliation Act, 1996	US \$ 28,559	2008	Arbitration Proceedings	Order passed against the Target Company. Target Company will be liable to pay the awarded compensation. No provision has been made for the claim amount as contingent liability in the accounts of the Target Company for the year ending 2008-2009

** It is not possible to quantify the exact amount involved.*

The quantified amounts mentioned above does not include interest/penalty which may be applicable.

There are 18 cases filed against the Directors of the Target Company which have been settled out of Court and payments were made accordingly, however the cases have not been withdrawn.

VIII. OFFER PRICE AND FINANCIAL ARRANGEMENT

1. The Target Company is listed on the BSE and the NSE.
2. The annualized trading turnover in the Equity Shares of Target Company during the six calendar months preceding the month in which the PA is made (April, 2010- September, 2010) on the Stock Exchanges, is detailed below:

Name of Stock Exchange	Total no. of Equity Shares traded during the 6 calendar months prior to the month in which the PA was made	Total no. of listed Equity Shares	Annualized trading turnover (in terms of % of total listed Equity Shares)
BSE	5,33,38,183	22,31,35,701	47.81%
NSE	5,79,34,371	22,31,35,701	51.93%

(Source: www.bseindia.com and www.nseindia.com)

- Based on the above information, the Equity Shares of the Target Company are frequently traded on the Stock Exchanges within the meaning of Regulation 20(1) of SEBI (SAST) Regulations as the annualized trading turnover is more than 5% (by number of shares) of the total number of listed shares.
- The Offer Price of ₹13.95/- (Rupees Thirteen and paise Ninety Five only) per fully paid up Equity Share of the Target Company is justified and computed in terms of Regulation 20(4) of the SEBI (SAST) Regulations and is not lower than the highest of the following:

a)	Negotiated Price	Not Applicable
b)	Highest price paid by the Acquirer / PAC for acquisition of Equity Shares of the Target Company, including by way of allotment in a public or rights or preferential issue, during the 26 weeks period preceding the date of the PA	₹ 10.00
c)	The average of the weekly high and low of the closing prices of the Equity Shares of the Target Company 26 weeks preceding the date of the PA, on NSE where the shares of the Target Company are most frequently traded.	₹ 13.92
d)	The average of the daily high and low prices of the Equity Shares of the Target Company, on NSE where the shares of the Target Company are most frequently traded, during the 2 weeks preceding the date of the PA.	₹ 12.78

The Offer Price of ₹ 13.95 per Equity Share calculated considering the date of PA as the reference date is more than ₹ 13.84 per Equity Share calculated considering the date of allotment of Equity Shares on conversion of Warrants as the reference date.

For calculating the Offer Price in terms of regulation 20(4)(c) of SEBI (SAST) Regulations, the price volume data of the stock exchange where the shares of the Target Company are most frequently traded during the period has been considered.

26 weeks average of weekly High and Low of NSE closing prices per share prior to the date of the PA:

Week No	Week		High (₹)	Low (₹)	Average (₹)	Volume (No.)
	From	To				
1.	26 th Apr 2010	30 th Apr 2010	17.75	16.65	17.20	2778284
2.	3 rd May 2010	7 th May 2010	17.90	15.80	16.85	3294095
3.	10 th May 2010	14 th May 2010	16.90	15.20	16.05	1791221
4.	17 th May 2010	21 st May 2010	16.15	14.75	15.45	1766576
5.	24 th May 2010	28 th May 2010	14.95	13.90	14.42	2513951
6.	31 st May 2010	4 th Jun 2010	14.10	13.85	13.97	900601
7.	7 th Jun 2010	11 th Jun 2010	14.15	13.10	13.62	1108532

8.	14 th Jun 2010	18 th Jun 2010	15.35	13.75	14.55	2364685
9.	21 st Jun 2010	25 th Jun 2010	15.45	14.80	15.12	1372325
10.	28 th Jun 2010	2 nd Jul 2010	14.70	14.10	14.40	655375
11.	5 th Jul 2010	9 th Jul 2010	15.05	13.95	14.50	1258119
12.	12 th Jul 2010	16 th Jul 2010	14.95	14.55	14.75	1022291
13.	19 th Jul 2010	23 rd Jul 2010	14.55	14.05	14.30	1601423
14.	26 th Jul 2010	30 th Jul 2010	13.85	13.15	13.50	1116218
15.	2 nd Aug 2010	6 th Aug 2010	13.35	13.00	13.17	820894
16.	9 th Aug 2010	13 th Aug 2010	13.30	12.35	12.82	977886
17.	16 th Aug 2010	20 th Aug 2010	13.10	12.25	12.67	1494537
18.	23 rd Aug 2010	27 th Aug 2010	12.80	12.20	12.50	1260872
19.	30 th Aug 2010	3 rd Sep 2010	13.40	12.20	12.80	2754889
20.	6 th Sep 2010	9 th Sep 2010	13.75	13.35	13.55	2065571
21.	13 th Sep 2010	17 th Sep 2010	13.00	12.50	12.75	1890563
22.	20 th Sep 2010	24 th Sep 2010	12.60	12.15	12.37	1716634
23.	27 th Sep 2010	1 st Oct 2010	12.55	12.20	12.37	1080794
24.	4 th Oct 2010	8 th Oct 2010	13.25	12.40	12.82	2408509
25.	11 th Oct 2010	15 th Oct 2010	13.05	12.70	12.87	1113567
26.	18 th Oct 2010	22 nd Oct 2010	12.70	12.30	12.50	1043427
				Average Price (₹)	13.92	

Source: (www.nseindia.com)

2 weeks average of daily High and Low price per share on NSE prior to the date of the PA

Day No	Date	High (₹)	Low (₹)	Average (₹)	Volume(No.)
1.	11 th Oct 2010	13.60	12.80	13.20	151271
2.	12 th Oct 2010	13.25	12.55	12.90	97257
3.	13 th Oct 2010	13.25	12.50	12.88	515693
4.	14 th Oct 2010	13.15	12.75	12.95	167577
5.	15 th Oct 2010	13.15	12.75	12.95	181769
6.	18 th Oct 2010	12.90	12.50	12.70	105670
7.	19 th Oct 2010	12.80	12.55	12.68	484753
8.	20 th Oct 2010	12.80	12.20	12.50	206166
9.	21 st Oct 2010	12.65	12.30	12.48	100188
10.	22 nd Oct 2010	12.70	12.45	12.58	146650
			Average Price (₹)	12.78	

Source: (www.nseindia.com)

The above working is certified by M/s M. V. Krishnamoorthy (Membership No. 5859, having his office at 15, Srivali, Rifle Range, Ghatkopar (W)) vide their certificates dated October 23, 2010 and December 06, 2010.

- In the opinion of the Manager to the Offer, the Offer Price of ₹ 13.95 per Equity Share offered by the Acquirer to the Public Shareholders of the Target Company under the proposed Offer is justified in terms of Regulation 20 (4) of SEBI (SAST) Regulations. If the Acquirer acquires Equity Shares of the Target Company after the date of the PA and up to seven working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.
- The total financial resources required under the Offer, assuming full acceptance, by the Public Shareholders of the Target Company, will be ₹ 1,09,18,33,718/- (Rupees One Hundred Nine Crore

Eighteen Lakh Thirty Three Thousand Seven Hundred and Eighteen only) (the “**Maximum Consideration**”).

7. As security for performance of the Acquirer’s obligations under the SEBI (SAST) Regulations, an unconditional, irrevocable and on demand bank guarantee dated October 23, 2010 (“**Bank Guarantee**”) has been issued by Kotak Mahindra Bank Limited, 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400021, on behalf of the Acquirer in favour of the Manager to the Offer which is valid up to and including April 22, 2011 for an amount up to ₹ 26,25,00,000/- (Rupees Twenty Six Crore Twenty Five Lakh only) being in excess of the amount required under SEBI (SAST) Regulation 28(2) of the Regulations, i.e. 25% of the first ₹ 100 Crore and 10% thereafter of the Maximum Consideration. The Acquirer has agreed to maintain the minimum amount as stipulated in the SEBI (SAST) Regulations at all times.
8. Further, by way of security for performance of its obligations under the SEBI (SAST) Regulations, the Acquirer has deposited in an escrow account with Kotak Mahindra Bank, 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai – 400021 (the “**Escrow Account**”), an amount of ₹ 1,10,00,000/- (Rupees One Crore Ten Lakh only) in cash (the “**Cash Deposit**”). The Cash Deposit is in excess of amount (1% of the Maximum Consideration) required in accordance with Regulation 28(10) of the SEBI (SAST) Regulations. Centrum Capital Limited, as Manager to the Offer, has been duly authorized by the Acquirer to realize the value of the Escrow Account in terms of the Regulation 28(7) of the SEBI (SAST) Regulations.
9. M/s M.V. Krishnamoorthy (Chartered Accountants, Membership No: 5859 having office at 15, Srivali, Rifle Range, Ghatkopar (W), Tel No: 022 2515 2886), who are the statutory auditors for SGTL, have *vide* their letter dated October 23, 2010 certified that the Acquirer has made adequate arrangements to fulfill its financial obligations arising under this Offer.
10. The Acquirer has *vide* a certificate dated October 23, 2010 given an undertaking to the Manager to the Offer to meet its financial obligations under the Offer.
11. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill its obligations thereunder.

IX. STATUTORY/OTHER APPROVALS REQUIRED FOR THE OFFER

1. Non-resident shareholders who wish to tender their shares in this Offer will be required to submit all the previous RBI approvals (final/specific) and FIPB, if applicable, that they would have obtained for acquiring the Equity Shares of the Target Company. In case previous RBI approvals are not submitted, the Acquirer reserves the right to reject such of the Equity Shares tendered in the Offer.
2. The Offer is subject to approval from RBI under Foreign Exchange Management Act, 1999 (“FEMA”) for acquisition of shares from non-resident shareholders under the Offer. RBI *vide* letter bearing no.FE.CO.FID.NO.16273/10.21.224/2010-11 dated January 05, 2011 provided approval for acquisition of Equity Shares from non residents under this Offer subject to the following conditions: .
 - a. If NRIs holding shares on repatriation basis are tendering shares, the shares purchase consideration may be credited to the NRO account of the NRI/s concerned.
 - b. If erstwhile OCBs are tendering shares, the acquirers may approach us for specific approval.
 - c. The acquirers may ensure that all class of Non-residents/ Non-resident entities tendering shares under the offer are eligible under the extant RBI policy to hold those shares before accepting them.

- d. The Investee Company, i.e. M/s Lloyds Steel Industries Limited, shall approach an Authorised Dealer to carry out transaction in accordance with A.P.(DIR Series) Circular No. 16 dated October 4, 2004 and A.P.(DIR Series) Circular No. 63 dated April 22,2009, except pricing. All reporting requirements may be complied with.
 - e. The pricing of the shares shall be in accordance with Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeover) Regulations 1997, as amended from time to time, and documentation in support thereof may be submitted to the Authorised Dealer.
 - f. The Investee Company, i.e. M/s Lloyds Steel Industries Limited, shall carry on the business/ undertake any activities which are not in compliance with ‘Annex A’ and ‘Annex B’ to Notification No. FEMA.20/2000-RB dated May 3, 2000 read with Notification No. FEMA 179/2000-RB dated August 22, 2008
3. To the knowledge of the Acquirer and the PAC, no other statutory/ regulatory approval is required for the purpose of this Offer. Any approvals required from any Bank/ Financial Institution shall be obtained before the Offer Opening Date.
 4. If any statutory approvals become applicable at a later date, the Offer would be subject to such approvals. The Acquirer and the PAC, in terms of Regulation 27 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused.
 5. Subject to receipt of such statutory approval, the Acquirer shall complete the procedure relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those Public Shareholders whose share certificates and / or other documents are found valid and in order and are approved for acquisition by the Acquirer. In case of delay due to non-receipt of requisite statutory approval, if any, SEBI may, if satisfied that non-receipt of any such approvals was not due to any willful default or neglect of the Acquirer/ PAC or the failure of the Acquirer/ PAC to diligently pursue the application for such approval, grant extension of time for the payment of consideration, subject to the Acquirer agreeing to pay interest to the Public Shareholders for delay beyond 30 days as directed by SEBI under Regulation 22(12). If the delay occurs due to willful default of the Acquirer/ PAC in obtaining the requisite approval, Regulation 22(13) will become applicable.

X. OTHER TERMS OF THE OFFER

1. All Public Shareholders, whether holding shares in physical form or dematerialized form (beneficial owners), registered and unregistered Public Shareholders (whose names do not appear in the Register of Members of the Target Company) as on the Specified Date are eligible to participate in the Offer (“**Eligible Persons**”).
2. The Letter of Offer together with the Form of Acceptance cum Acknowledgement (“**FOA**”), the Form of Withdrawal (“**FOW**”) and Transfer Deed (“**TD**”) (wherever applicable) will be mailed to the Public Shareholders whose names appear on the Register of Members of the Target Company and to the beneficial owners of the shares of the Target Company whose names appear on the beneficial records of the respective depository at the close of the business on November 19, 2010 (“**Specified Date**”).
3. The Offer is subject to the terms and condition set out in this Letter of Offer, the FOA, the FOW, the PA, Corrigendum to the PA and any other public announcements that may be issued about the Offer.
4. The Equity Shares of the Target Company tendered under the Offer shall not be the subject matter of litigation and shall be free from all liens, charges and encumbrances. Locked-in shares shall be accepted subject to the continuation of the residual lock -in period in the hands of the

- Acquirer. Applications in respect of Equity Shares that are the subject matter of litigation wherein the Shareholders are enjoined from transferring the Equity Shares during the pendency of such litigation are liable to be rejected if the directions / orders permitting transfer of these Equity Shares are not received together with the Equity Shares tendered under the Offer. The Acquirer will acquire the Equity Shares together with all rights attached thereto, including the rights to all dividends, bonuses and rights subsequently declared. The tender by any Public Shareholder of any Equity Share in the Offer must be absolute, unconditional and unqualified.
5. In the event of oversubscription to the Offer, the acceptance of the Shares tendered will be on a proportionate basis and will be contingent upon the level of subscription.
 6. Each equity shareholder of the Target to whom this Offer is being made is free to offer his shareholding in the Target in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.

XI. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

1. Accidental omission to dispatch the Letter of Offer to any member entitled to receive this Offer or non-receipt of the Letter of Offer by any member entitled to this Offer shall not invalidate the Offer in any manner whatsoever. The Offer is subject to terms and conditions set out herein and in the Letter of Offer.
2. The Acquirer has appointed Bigshare Services Private Limited as the Registrar to the Offer (“**Registrar**”).
3. The Registrar, on behalf of Acquirer, has opened a Special Depository Account with following details:

Account Name	BSPL ESCROW A/C –LSIL OPEN OFFER
Depository	National Securities Depository Limited (NSDL)
DP Name	HDFC Bank Ltd
DP ID	IN301549
Mode	Off Market
Client ID	30250331

4. The beneficial owners are requested to fill in the requisite details in the delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account. Public Shareholders having their Beneficiary Account in Central Depository Services (India) Limited (“**CDSL**”) have to use the inter depository delivery instruction slip for the purpose of crediting their Equity shares in favour of the Special Depository Account.

In case of dematerialised Shares, the Shareholders should ensure that the credit to the Special Depository Account mentioned above should be received on or before March 22, 2011 . In order to ensure this, beneficial owners should tender the delivery instructions at least two working days prior. Form of Acceptance of such dematerialised equity shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

5. The following collection centre would be accepting the documents by Hand Delivery /Regd Post/Courier as specified above, both in case of shares in physical and dematerialised form:

Address of the Collection Centre	Contact Person	Phone/Fax / Email
Bigshare Services Private Limited E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072, India	Mr. Babu Raphael	Tel: +91 22 2847 0652 / +91 22 4043 0200 Fax: +91 22 2847 5207 E-mail: openoffer@bigshareonline

This shall be the sole collection centre for the purpose of this Offer (“**Collection Centre**”).

6. Beneficial Owners will be required to send their FOA to the Collection Centre either by hand delivery during Monday to Friday 10.00 a.m. to 4.30 p.m. and 10:00 a.m. to 1.00 p.m. on Saturday (excluding Bank Holidays) (“**Normal Business Hours**”) or by registered post or by courier to the Registrar to the offer, Bigshare Services Pvt Ltd, Mumbai on or before the close of the Offer i.e. March 22, 2011, along with counterfoil or photocopy of the delivery instruction slip in “Off Market” mode, duly acknowledged by the Depository Participant (“**DP**”) in favour of “BSPL ESCROW A/C –LSIL OPEN OFFER”.
7. Public Shareholders holding their Equity Shares in physical form and who wish to accept the offer will be required to send the FOA, Original Share Certificate(s) and Transfer Deed(s) duly signed, to the Collection Centre, either by hand delivery during Normal Business Hours or by registered post on or before the close of the Offer i.e. March 22, 2011 in accordance with the instructions specified in the Letter of Offer and the FOA in an envelope subscribing the same with “LSIL– Offer For Acquisition Of Shares”.
8. The unregistered holders who have not received the Letter of Offer can send their application in writing, on plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio No. together with Original Share Certificate(s) and Transfer Deed(s) duly signed alongwith Broker Contract Note (Columns meant for transferee / buyer should be kept blank) in favour of the Registrar at the Collection Centre on or before March 22, 2011. In case of unregistered owners, the plain paper application should be accompanied by a copy of the contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.
9. In case any person has lodged for transfer of Equity Shares of the Target Company and the transfer has not yet been effected, the transferee may apply on plain paper giving details as stated above in para XI(8) along with a transfer deed duly signed (Columns meant for transferee / buyer should be kept blank) and the acknowledgement of the lodgment of shares for transfer. Such person should also instruct the Target Company and its Registrar and Transfer Agent to send the transferred share certificate(s) directly to the Collection Center before the closure of the Offer.
10. In case any person has lodged for dematerialization of Equity Shares of the Target Company and the dematerialization has not yet been effected, such person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by the shareholder’s depository participant. The shareholder should ensure the credit of Equity Shares in favor of the Special Depository Account, before the closure of the Offer. A copy of the delivery instruction slip acknowledged by the shareholder’s depository participant should also be forwarded along with the FOA and other documents.
11. In case of non-receipt of Letter of Offer, eligible person(s) may obtain the copy of the same from the Registrar. Such person(s) may also down load the FOA from the website of SEBI i.e. <http://www.sebi.gov.in/> which will be made available from the opening of the Offer. Alternatively they may also send their acceptance to the Registrar on plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio No. together with

Original Share Certificate(s) and Transfer Deed(s) duly signed in favour of the Registrar at the Collection Centre on or before March 22, 2011.

12. Compliance with tax and other regulatory requirements:
 - a. While tendering their Equity Shares under the Offer, NRIs, and other non-resident shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Public Shareholder belongs, under the Income-tax Act, 1961, on the entire consideration amount payable to such shareholder.
 - b. As per the provisions of section 196D(2) of the Income-tax Act, 1961 no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor as defined in section 115AD of the Income-tax Act, 1961.
 - c. All resident Public Shareholders will be required to submit their Permanent Account Number for Income Tax purposes.
13. Payment to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Manager to the Offer and the Acquirer, will be by way of a crossed account payee cheque/ demand draft/ pay order/ National Electronic Clearing Services ("NECS"). The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) share certificates and transfer deeds for any rejected Equity Shares or Equity Shares withdrawn, will be dispatched to the Public Shareholders by registered post, at the Public Shareholder's/unregistered owner's sole risk. Equity Shares held in dematerialized form to the extent not acquired or Equity Shares withdrawn will be credited back to the respective beneficiary account with their respective depository participants as per the details furnished by the beneficial owners in the FOA.
14. All cheques/demand drafts/ pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners who comply with paragraph XI(8) herein, payment will be made in the name of the person stated in the contract note. It will be desirable if the Public Shareholders provide bank account details in the FOA for incorporation in the cheque/demand draft/pay order.
15. The Registrar will hold in trust the Equity Shares, FOA, if any, and the transfer form(s) on behalf of the Public Shareholders, who have accepted the Offer, until the cheques / demand drafts/ pay orders for the consideration and / or the unaccepted shares/ share certificates are dispatched/ returned.
16. In case the number of Equity Shares tendered in the Offer are more than the Offer Shares, the Acquirer shall accept all offers received from the Public Shareholders on a proportionate basis as per Regulation 21 (6) of SEBI (SAST) Regulations, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.
17. At present, the marketable lot of the Target Company is 1 (One) equity share.

18. The Acquirer is confident of completing all the formalities pertaining to the acquisition of the Offer Shares within 15 days from the date of closure of this Offer including payment of consideration to the shareholders who have accepted the Offer and for this purpose will open a Special Account as provided under Regulation 29 of the SEBI (SAST) Regulations.
19. In accordance with Regulation 22(5)(A) of the SEBI (SAST) Regulations, Public Shareholders who have tendered requisite documents in terms of the PA and the Letter of Offer shall have the option to withdraw their acceptance in whole/part upto 3 working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the FOW (separately enclosed with the Letter of Offer) and the copy of acknowledgment received from the Registrar while tendering the acceptance. In case of non-receipt of the FOW, the withdrawal option can also be exercised by making a plain paper application along with the following details:
 - a. In case of physical shares: Name, Address, distinctive no(s). folio no(s)., no. of shares tendered, no. of shares withdrawn
 - b. In case of dematerialized shares: Name, Address, no. of shares tendered, no. of shares withdrawn, depository participant name, depository participant ID, Beneficiary Account No., counterfoil or photo copy for delivery instruction in "Off Market" mode, duly acknowledged by the DP in favour of the Special Depository Account.

XII GENERAL CONDITIONS

1. The Acquirer can revise the price upwards upto 7 working days prior to the date of closure of the Offer i.e upto March 11, 2011. Revision if any, in the Offer Price and the mode of payment would appear in Financial Express (English) – all editions, Jansatta (Hindi)-all editions and Nav Shakti (Regional)-Mumbai edition and same price would be paid to all Public Shareholders who tender their Equity Shares in the Offer.
2. Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer and the PAC have appointed Centrum Capital Limited as Manager to the Offer and the Manager to the Offer issues this Public Announcement on behalf of the Acquirer.
3. The Acquirer, the PAC and the Target Company are not prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B of SEBI Act.
4. The Acquirer accepts full responsibility for the information contained in this Announcement and also for the obligations of the Acquirer as laid down in SEBI (SAST) Regulations.
5. For further details please refer to the Letter of Offer and the FOA. This Public Announcement and the Letter of Offer together with Form of Acceptance cum Acknowledgement would also be available on SEBI's website at <http://www.sebi.gov.in> Eligible persons to the Offer may also download a copy of the Letter of Offer and FOA from the said website from the Offer opening Date i.e. March 03, 2011 and apply in the same.

XIII. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection by the Shareholders at the registered office of the Target Company, whose address is given on the cover page of this document, between 10 am and 5 pm on all Working Days (except Saturdays and Sundays) until the Offer Closing Date:

- a. Certificate of Incorporation, Memorandum and Articles of Association of the Shree Global Tradefin Limited (Acquirer) and Trump Investments Limited (PAC).
- b. Certificate of Incorporation, Memorandum and Articles of Association of the Lloyds Steel Industries Limited (Target Company).
- c. Copy of Board Resolution passed by the Board of Directors of Shree Global Tradefin Limited dated October 21, 2010, for exercise of warrant conversion and for the Open Offer and authorizing

- to execute, and perform all acts in relation to the Offer, including signing of all papers on its behalf.
- d. Copy of Board Resolution passed by the Board of Directors of Trump Investments Limited dated October 21, 2010, for exercise of warrant conversion.
 - e. Copy of the Escrow Agreement dated October 22, 2010 between the Acquirer, Kotak Mahindra Bank Limited and Centrum Capital Limited and a letter from Kotak Mahindra Bank confirming the amount placed in the Escrow Account, towards the proposed Offer.
 - f. Certificate dated October 23, 2010 by Mr. M. V. Krishnamoorthy, Partner, (Membership No. 5859), M/s M.V. Krishnamoorthy an independent Chartered Accountant having its address 15, Srivali, Rifle Range, Ghatkopar (West), Mumbai – 400 086, regarding the adequacy of financial resources with Shree Global Tradefin Limited (Acquirer) to fulfill the Offer obligation.
 - g. Audited Annual Reports of the Lloyds Steel Industries Limited for the financial year ended March 31, 2008, March 31, 2009 and March 31, 2010 and (un)audited financial statements as at and for the period ended December 31, 2010.
 - h. Audited Annual Report of the Shree Global Tradefin Limited and Trump Investments Limited for the financial year ended March 31, 2008, March 31, 2009 and March 31, 2010 and (un)audited financial statements as at and for the period ended December 31, 2010 for Shree Global Tradefin Limited and period ended September 30, 2010 for Trump Investments Limited.
 - i. Copy of Bank Guarantee dated October 23, 2010 issued by Kotak Mahindra Bank Limited issued on behalf of the Acquirer in favour of the Centrum Capital Limited which is valid up to and including April 22, 2011
 - j. Copy of the Memorandum of Understanding with the Bigshare Services Private Limited (Registrar to the Offer) and Shree Global Tradefin Limited for opening a special depository account.
 - k. Published copy of Public Announcement made on October 25, 2010 and the Corrigendum published on February 24, 2011
 - l. Due Diligence Certificate dated November 08, 2010
 - m. SEBI Observation letter dated February 18, 2011.
 - n. Copy of the RBI approval dated January 5, 2011

XIV. DECLARATION BY THE ACQUIRER AND PAC

1. Shree Global Tradefin Limited (the Acquirer) and Trump Investments Limited (the PAC) jointly and severally accept full responsibility for the information contained in this Letter of Offer
2. The Acquirer and the PAC shall be jointly and severally responsible for ensuring fulfillment of their obligations under with the SEBI (SAST) Regulations and subsequent amendments thereof.
3. All information contained in this document is as on the date of the Public Announcement and reconfirmed as of the date of this LOF, unless stated otherwise.
4. As on the date of the Public Announcement and this LOF, in terms of Regulation 16(via) of the SEBI (SAST) Regulations, the Manager to the Offer does not hold any Shares. As required under Regulation 24(5A) of the SEBI (SAST) Regulations, the Manager to the Offer shall not deal in the Shares during the period commencing from the date of its appointment in terms of Regulation 13 of the SEBI (SAST) Regulations until the expiry of fifteen days from the date of closure of the Offer.

For and on behalf of Shree Global Tradefin Limited

Authorised Signatory
Mr. Y S Vasudevan

For and on behalf of Trump Investments Limited

Authorised Signatory
Mr. Dinesh Chaturvedi

Place: Mumbai
Date: February 24, 2011

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LLOYDS STEEL INDUSTRIES LIMITED - OPEN OFFER

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Bigshare Services Private Limited at the collection centre mentioned in the Letter of Offer)

From: _____

Name: _____

Address: _____

OFFER	
Offer Opens On	Thursday, March 03, 2011
Offer Closes On	Tuesday, March 22, 2011
Last Date Of Withdrawal	Thursday, March 17, 2011

Tel No: (____) _____ Fax No : (____) _____ E-mail: _____

To,
Bigshare Services Private Limited
Unit: LLOYDS STEEL INDUSTRIES LTD. (OPEN OFFER)
E/2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai - 400 072.

Dear Sir/Madam,

SUB: Open Offer to acquire 7,82,67,650 fully paid up Equity Shares of Rs.10/- each representing 20% of the Share Capital of Lloyds Steel Industries Limited ("Target Company") by Shree Global Tradefin Limited ("Acquirer") along with and on behalf of Trump Investments Limited ("Person Acting in Concert/PAC") in terms of Regulation 10 and 11(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto ("SEBI (SAST) Regulations")

I/We refer to the Letter of Offer dated February 24, 2011 ("Letter of Offer") for acquiring the equity shares held by me/us in the Target Company. I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.

----- TEAR ALONG THIS LINE -----

ACKNOWLEDGMENT SLIP

Lloyds Steel Industries Limited - Open Offer

(To be filled in by the shareholders) (Subject to verification)

Sr. No. _____

Received from Mr./Ms./M/s _____

Address _____

Physical Shares: Folio No. _____ / Demat shares: DP ID _____; Client ID _____

Form of Acceptance along with :

Physical shares: No. of shares _____; No. of certificates enclosed _____

Demat Shares: Copy of delivery instruction for _____ number of shares enclosed

(Tick whichever is applicable)

Stamp of Collection Centre

Signature of Official: _____ Date of Receipt _____

FOR SHARES IN DEMATERIALIZED FORM

I/We, holding Equity Shares in the dematerialised form, accept the Offer and enclose the photocopy/ counterfoil of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my shares as detailed below :

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

FOR SHARES IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
Total No. of Certificate			Total No. of Equity Shares		

In case the space provided above is inadequate, please attach a separate sheet with details

I/We confirm having done an off market transaction for crediting the Shares to the Special Depository Account opened with NSDL named "BSPL Escrow Account - LSIL Open Offer" (the "Special Depository Account") with the following particulars

DP Name: HDFC Bank Ltd.	DP ID: IN301549	Client ID: 30250331
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Note: Shareholders, having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their shares in favour of the Special Depository Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

- Duly attested Power of Attorney, if any person apart from the shareholder, has signed the acceptance form or transfer deed(s).**
- Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories**
- No Objection Certificate & Tax Clearance Certificate under Income-tax Act, 1961, for NRIs/OCBs/Foreign Shareholders as applicable**
- Duly attested Death Certificate/ Succession Certificate (in case of single shareholder) in case the original shareholder has expired.**
- Others (please specify):**

----- TEAR ALONG THIS LINE -----

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference Folio No. / DP ID /Client ID

Bigshare Services Private Limited
(Unit: LLOYDS STEEL INDUSTRIES LTD. (OPEN OFFER))
 E/2, Ansa Industrial Estate,
 Saki Vihar Road, Sakinaka,
 Andheri (East), Mumbai - 400 072.

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRARS AFTER THE CLOSE OF THE OFFER i.e. BY 4.30 P.M. ON TUESDAY, MARCH 22, 2011 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

I/We confirm that the equity shares of Lloyds Steel Industries Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We are not debarred from dealing in Shares.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by Bigshare Services Private Limited., (the "Registrar to the Offer") until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures, net of applicable withholding taxes, if any.

I/We authorise the Acquirer or Manager to the Offer to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/we further authorise the Acquirer to split/consolidate the Share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purpose, the Acquirer is hereby authorised to do all such things and execute such documents as may be found necessary and expedient for the purpose. I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, share certificate(s) in respect of which the Offer is not found valid/not accepted and in case of dematerialized shares, to the extent not accepted will be released to my Depository Account at my sole risk.

The Permanent Account No. (PAN) allotted under the Income Tax Act, 1961 is as under:

	1 st / Sole Shareholder	2 nd Joint Shareholder	3 rd Joint Shareholder	4 th Joint Shareholder
PAN No.				

Bank Details

So as to avoid fraudulent encashment in transit, Shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For the shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars. Please indicate the preferred mode of receiving the payment consideration. (Please tick)

1) Electronic Form _____ 2) Physical Form: _____

In case of Physical form:

Sr. No.	Particulars Required	Details
I.	Name of the Bank	
II.	Complete Address of the Bank	
III.	Account Type (CA/SB/NRE/NRO/Others - Please Mention)	
IV.	Account No.	
V.	9 Digit MICR Code	
VI.	IFSC Code (for RTGS/NEFT/NECS transfers)	

For NRIs / OCBs / Foreign Shareholders

I / We, confirm that the tax deduction on account of equity shares of Lloyds Steel Industries Limited held by me / us is to be deducted on (select whichever is applicable):

Long-term capital Gains Short-term capital Gains Trade Account

I / We, have enclosed the following documents

- No objection certificate / Tax clearance certificate from the Income Tax Authorities
- RBI approvals for acquiring shares of LLOYDS STEEL INDUSTRIES LIMITED hereby tendered in the Offer
- Copy of Permanent Account Number / PAN Card

For FII Shareholders:

I / We, confirm that the equity shares of Lloyds Steel Industries Limited are held by me / us on (select whichever is applicable):

Investment / Capital Account Trade Account

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence. In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence

Where the tax is to be deducted on account of long-term capital gains, the Shareholders should submit a certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the shares have been held for more than one year. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the assessing officer certifying the net income chargeable to capital gains tax. Alternatively, the Shareholders can submit a certificate from a Chartered Accountant certifying the cost of acquisition / net income that will be chargeable to capital gains. In the absence of the above tax would be deducted on the entire consideration paid to the shareholders.

Yours faithfully,

Signed and Delivered,

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed along with necessary Board Resolution
Place: _____; Date: _____;

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance cum Acknowledgement.
 2. The acceptance of the Offer is entirely at the discretion of the Shareholders. Each Shareholder to whom this Offer is being made is free to offer his Shares in whole or in part while accepting the Offer.
 3. **In the case of dematerialised shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the closure of the Offer i.e. Tuesday, March 22, 2011. The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.**
 1. Shareholders should enclose the following:
 - a. **For Equity shares held in demat form:**

Beneficial owners should enclose-

 - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP').
 - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
 - In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Account, the Acquirer may deem the Offer to have been accepted by the shareholder.
 - For each delivery instruction, the beneficial owner should submit separate Form of Acceptance-cum-Acknowledgement.
 - b. **For Equity shares held in physical form:**

Registered shareholders should enclose-

 - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
 - Original Share Certificate(s)
 - Valid Transfer Deed (s) (Share Transfer form(s)) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Lloyds Steel Industries Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer.
 - **Please do not fill in any other details in the transfer deed except name, signature and witness.** Verification and Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a Public Office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER DEED.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid transfer deed from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders

Unregistered owners should enclose-

 - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
 - Original Share Certificate(s)
 - Original broker contract note
 - Valid Share Transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.
4. The share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to Bigshare Services Private Limited, the Registrar to the Offer **and not to Centrum Capital Limited, the Manager to the Offer, the Acquirer, PAC or Target Company.**
5. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with NSDL.
6. While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of the Target Company and a No Objection Certificate/ Tax Clearance Certificate from the Income-Tax authorities under the Income-tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case the previous RBI approvals are not submitted, the Acquirer reserve the right to reject such Shares tendered. In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate as advised by their tax advisors on the entire consideration amount payable to such NRI / OCB /Non-domestic companies / Other persons who are not resident in India. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the assessing officer certifying the net income chargeable to capital gains tax. Alternatively, the Shareholders can submit a certificate from a Chartered Accountant certifying the cost of acquisition / net income that will be chargeable to capital gains. In the absence of the above tax would be deducted on the entire consideration paid to the shareholders.
7. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the Collection Center of Bigshare Services Private Limited as mentioned elsewhere in the Letter of Offer.
8. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at the collection centre on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00 a.m. to 4.30 p.m. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
9. FII's are requested to enclose the SEBI Registration letter and RBI general permission letter.

10. Where the number of Shares offered for sale by the Shareholders are more than the Shares agreed to be acquired by the Acquirer under this Offer, the Acquirer shall accept the offers received from the Shareholders on a proportional basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of Shares from a Shareholder shall not be less than the minimum marketable lot or the entire holding, if it is under the marketable lot.
11. Relevant Share certificates must be annexed.
12. The Shareholders who have sent their Share certificates for dematerialization should submit their Form of Acceptance cum Acknowledgement and other documents, as applicable, along with a copy of the dematerialization request form duly acknowledged by their DP. Shareholders who have sent their Shares for transfer should enclose, Form of Acceptance cum Acknowledgement duly completed and signed, copy of the letter sent to the Target Company (for transfer of shares) and valid Share transfer form(s).
13. Shareholders must note that on the basis of name of the Shareholders, DP's name, DP ID, beneficiary account number provided by them in the Form of Acceptance cum Acknowledgement, the Registrar to the Offer will obtain, from the depositories, the Shareholders' demographic details including address, bank account details, the nine digit MICR code as appearing on a cheque leaf and occupation. These bank account details will be used to make payment to Shareholders holding Shares in dematerialized form. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the DP. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders' sole risk and neither the Acquirer, the Manager to the Offer, Registrar to the Offer nor Kotak Mahindra Bank Limited (the "Escrow Agent") shall be liable to compensate the Shareholders for any losses caused to the Shareholder due to any such delay or liable to pay any interest for such delay. Shareholders holding shares in physical form are requested to fill in the required bank details in the Form of Acceptance cum Acknowledgement.
14. Rejection of Shares:
If the Shares are rejected for any of the following reasons, the Shares will be returned to the sole / first named holder along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.
- The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of Target Company;
 - The transfer deed is not complete or valid;
 - The number of Shares mentioned in the Form of Acceptance cum Acknowledgement does not tally with the actual physical share certificate(s) submitted or in case of dematerialized Shares, the Shares in the Form of Acceptance cum Acknowledgement do not tally with the instruction to the depository participant and the credit received in the special depository account;
 - The relevant documents, as applicable, as mentioned above are not submitted with the Form of Acceptance cum Acknowledgement. The Acquirer also reserves the right to reject such tenders from Shareholders, where the relevant documents are not submitted.
15. Neither the Acquirer, the Manager to the Offer, the Registrar to the Offer or Target Company will be liable for any delay/loss in transit resulting in delayed receipt/ non-receipt by the Registrar to the Offer of your Form of Acceptance cum Acknowledgement or for the failure to deposit your Shares to the special depository account or submission of original physical Share certificates due to inaccurate/incomplete particulars/instructions on your part, or for any other reason.
16. As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However, the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident Shareholders will be required to submit a TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such Shareholder.
17. The rate of deduction of tax in the case of non-resident is dependent on few factors. Since the Acquirer as a payer does not have in house information in respect of various shareholders, all the shareholders are required to specify, in the Form of Acceptance cum Acknowledgement, the following particulars:
- Whether he/she is resident or non-resident
 - As a non-resident to which category the Shareholder belongs i.e. non-resident Indians (Individual), overseas corporate body / non domestic company, FII registered as a company, FII other than a company, any other Non-Resident.
 - Whether the Shares are held on Investment account or on trade account.
 - In case of non-resident Indians whether the Shares were acquired by the individual himself with convertible foreign exchange.
 - Date of acquisition of Shares
18. No tax will be deducted on the Offer Price payable to the resident Shareholders. In case of resident Shareholders of the Target Company, the Acquirer will deduct the tax on the interest component exceeding Rs. 5,000/- (Rupees five thousand only) at the applicable current prevailing rates, if applicable. If the resident Shareholder of the Target Company requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholder will be required to submit No Objection Certificate from the income tax authorities indicating the rate at which tax is to be deducted by the Acquirer or a self declaration in Form 15G or Form 15H as may be applicable. Shareholders of the Target Company eligible to receive interest component exceeding Rs. 5,000/- (Rupees five thousand only) would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirer become liable to pay interest for delay in release of purchase consideration.
19. As per the provisions of the section 2(37A) (iii) of the Income-tax Act, 1961, for the purposes of deduction of tax under section 195, the rate or rates of income tax specified in this behalf in the Finance act of the relevant year i.e. 2009 - 10 or the rates or rates of income-tax specified in an agreement entered into by the Central Government under section 90 or an agreement notified by the Central Government under section 90A, whichever is applicable by virtue of the provisions of section 90, or section 90A, as the case may be, i.e. whichever beneficial, would be the applicable rate of TDS. Any shareholder claiming benefit under any Double Taxation Avoidance Agreement (DTAA) will have to furnish tax residency certificate to be eligible for claiming the benefit. Legal position summarized above is applicable only to those Non-Resident Shareholders who have obtained Permanent Account Number (PAN) under the Income Tax Act, 1961 and furnish this number in the bid form. Copy of PAN card is also required to be attached as evidence. In case PAN is not obtained or PAN is not mentioned in bid form or copy of PAN card is not attached tax at least @ 20% plus surcharge and education cess will be deducted at source.
20. Shareholders are advised to consult their tax advisors for their taxability or any other procedural aspects including the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

No document should be sent to the Acquirer, PAC Target Company or the Manager to the Offer.

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LLOYDS STEEL INDUSTRIES LIMITED - OPEN OFFER FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Withdrawal with enclosures to Bigshare Services Private Limited at the collection centre mentioned in the Letter of Offer)

From: _____

Name: _____

Address: _____

OFFER	
Offer Opens On	Thursday, March 03, 2011
Offer Closes On	Tuesday, March 22, 2011
Last Date Of Withdrawal	Thursday, March 17, 2011

Tel No: (_____) _____ Fax No: (_____) _____ E-mail: _____

To,
Bigshare Services Private Limited
Unit: LLOYDS STEEL INDUSTRIES LTD. (OPEN OFFER)
E/2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai - 400 072.

Dear Sir/Madam,

SUB: Open Offer to acquire 7,82,67,650 fully paid up Equity Shares of Rs.10/- each representing 20% of the Share Capital of Lloyds Steel Industries Limited ("Target Company") by Shree Global Tradefin Limited ("Acquirer") along with and on behalf of Trump Investments Limited ("Person Acting in Concert/PAC") in terms of Regulation 10 and 11(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto ("SEBI (SAST) Regulations") hundred and Ninety Seven only) (the "Offer Price") for each fully paid-up equity share of MRL, payable in cash ("Offer")

I/We refer to the Letter of Offer dated February 24, 2011 for acquiring the Equity Shares held by me/us in Target Company.

I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein. I/We have also read the procedure for withdrawal of Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and condition mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or mentioned overleaf as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. Thursday, March 17, 2011 before 4.30 pm Indian Standard Time.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depositories from time to time.

----- TEAR ALONG THIS LINE -----

Acknowledgment Slip - Withdrawal Form
LLOYDS STEEL INDUSTRIES LIMITED - OPEN OFFER
(To be filled in by the shareholder) (Subject to verification)

Sr. No. _____

Received from Mr./Ms./M/s _____

Address _____

Physical Shares: Folio No. _____ / Demat shares: Client ID _____; DP ID _____

Physical shares: Folio No. _____ / Demat Shares: Client ID: _____; DP ID _____;

Physical Shares: No. of Shares tendered _____; No. of Shares Withdrawn _____

Demat Shares: No. of Shares tendered _____; No. of Shares Withdrawn _____

(Please tick whichever is applicable)

Stamp of collection centre	Signature of Official	Date of Receipt

Note: All future correspondence, if any, in connection with this Offer, should be addressed to Registrar to the Offer.

FOR SHARES IN PHYSICAL FORM

The particulars of withdrawal of original Shares certificates and duly signed transfer deed(s) are detailed below

Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
		From	To	
	Tendered			
Total No. of Certificate		Total No. of Shares Tendered		
	Withdrawn			
Total No. of Certificate		Total No. of Shares Tendered		

(In case of insufficient space, please use additional sheet and authenticate the same)

FOR SHARES IN DEMATERIALIZED FORM

I/We hold the following Shares in dematerialised form and have tendered the Equity Shares in the offer and had done an off-market transaction for crediting the shares to the 'BSPL ESCROW A/C -LSIL OPEN OFFER' as per the following particulars:-

DP Name: HDFC Bank Ltd	DP ID: IN301549	Client ID: 30250331
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Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our Shares have been tendered are as detailed below:-

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares Tendered	No. of Shares Withdrawn

----- TEAR ALONG THIS LINE -----

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference Folio No. / DP ID /Client ID

Bigshare Services Private Limited
(Unit: LLOYDS STEEL INDUSTRIES LTD. (OPEN OFFER))
 E/2, Ansa Industrial Estate,
 Saki Vihar Road, Sakinaka,
 Andheri (East), Mumbai - 400 072.

I/We note that the shares will be credited back only to that depository account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialised shares, I/we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested by them under their seal.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed and Delivered:

Full name(s) of the Holder(s)		PAN Number(s)	Signature(s)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares)/ Bank (in case of physical Shares)
First/Sole Holder				
Joint Holder 1				
Joint Holder 2				
Joint Holder 3				

Note: In case of joint holdings, all shareholders must sign. In case of body corporate, stamp of the company should be affixed and necessary board resolution should be attached

Place: _____ Date: _____

INSTRUCTIONS

1. Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days i.e. by Thursday, March 17, 2011 prior to the close of the Offer, i.e. Tuesday, March 22, 2011
2. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgement.
3. In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office. In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
4. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):
 - i. Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired.
 - ii. Duly attested power of attorney if any person apart from the Shareholder has signed withdrawal form or transfer deed(s).
5. Shareholders should enclose the following:
 - i. **For Shares held in dematerialized form:**
 1. Beneficial owners should enclose:
 2. Duly signed and completed Form of Withdrawal. The signature(s) should be attested by the DP.
 3. Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by registered post.
 4. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
 - ii. **For Shares held in physical form:**

Registered Shareholders should enclose:

 1. Duly signed and completed Form of Withdrawal.

2. Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by registered post.
6. In case of partial withdrawal, valid Share transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place. In case of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
7. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their
8. Unregistered owners of Shares should enclose:
 1. Duly signed and completed Form of Withdrawal.
 2. Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by registered post.
 3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ special depository account.
9. The intimation of Shares which are returned to the Shareholders pursuant to the withdrawal will be at the address as per the records of the Target Company/ depository as the case may be.
10. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at the collection centre on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00 a.m. to 4.30 p.m. All queries pertaining to this Offer may be directed to the Registrar to the Offer on or before Thursday, March 17, 2010.

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