

# DETAILED PUBLIC STATEMENT FOR ATTENTION OF EQUITY SHAREHOLDERS OF LLOYDS STEEL INDUSTRIES LIMITED

Registered Office: Trade World, C Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

## IN TERMS OF REGULATION 13(4) READ WITH REGULATION 14 AND REGULATION 15(2) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Open Offer for acquisition of up to 27,15,74,809 Equity Shares of Lloyds Steel Industries Limited ("Target Company"/ "LSIL") by Ultimate Logistics Solutions Private Limited ("ULSP" or "Acquirer 1") and Metallurgical Engineering and Equipments Limited ("MEEL" or "Acquirer 2") ("Acquirers") along with Ushdev International Limited as person acting in concert ("PAC") with the Acquirers to the Eligible Shareholders (as defined in paragraph E.1 below) of the Target Company pursuant to and in accordance with regulation 3(1) and regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, ("SEBI (SAST) Regulations, 2011").

This Detailed Public Statement ("DPS") is being issued by Centrum Capital Limited ("Manager to the Offer") on behalf of Acquirers and PAC, in compliance with regulation 13(4) read with regulation 14 and regulation 15(2) of the SEBI (SAST) Regulations, 2011 pursuant to the Public Announcement filed on July 14, 2012 ("PA") with the Bombay Stock Exchange Limited ("BSE"), the National Stock Exchange of India Limited ("NSE"), and filed on July 16, 2012 with the Securities and Exchange Board of India ("SEBI") and the Target Company at its registered office, in terms of regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011.

For the purposes of this DPS, the following terms would have the meanings assigned to them below:

- (i) "Open Offer"/"Offer" shall mean the offer made by the Acquirers and PAC for the acquisition of 26% of the Emerging Voling Capital (as defined below) of the Target Company, as of the tenth working day from the closure of the tendering period of the Open Offer, under the SEBI (SAST) Regulations, 2011.
- (ii) "Emerging Voling Capital" means fully paid-up capital of 104,45,18,493 equity shares of ₹ 10/- each of the Target Company being the capital post allotment of 38,00,00,000 equity shares to the Acquirers on preferential allotment basis.
- (iii) "Equity Shares"/"Shares" means fully paid up equity shares of ₹ 10/- each of the Target Company carrying voting rights, and includes any security which entitles the holder thereof to exercise voting rights.
- (iv) "Existing Promoters" means promoter and promoter group of the Target Company, excluding the Acquirers and includes individuals/bodies corporate, forming part of the Promoters and Promoter Group as per clause 35 of the listing agreement i.e. Shree Global Tradefin Limited, Trump Investments Limited, Renu R Gupta, Rajesh R Gupta, Chitralakha R Gupta, Abha M Gupta and Mukesh R Gupta.
- (v) "Investment Agreement"/"IA" means an agreement dated July 14, 2012 entered between the Acquirers, Target Company and Existing Promoters.
- (vi) "Preferential Allotment" means issue and allotment of up to 38,00,00,000 Equity Shares on preferential allotment basis to the Acquirers in accordance with the provisions of section 81(1A) of the Companies Act, 1956 read with Chapter VII (Preferential Issue) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 approved by the shareholders of the Target Company vide their special resolution in the extra ordinary general meeting of the Target Company held on July 14, 2012.

### A. ACQUIRERS, PAC, TARGET COMPANY AND OFFER

#### i. Ultimate Logistics Solutions Private Limited ("ULSP" or "Acquirer 1")

- i. Ultimate Logistics Solutions Private Limited was incorporated on July 10, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, as a private limited company.
- ii. The registered office of ULSP is situated at 530, Nav Vyapar Bhavan, 49, P. D'Mello Road, Mumbai - 400 009, Tel: +91-22-66361316, Fax: +91-22-66361317.
- iii. ULSP is a private limited company and its shares are not listed or traded on any stock exchange.
- iv. ULSP has currently started the business of air, road and water transport for the purpose of carrying goods, passengers inland and overseas and to enter into contract, agreements, MOU, JV arrangements or such other contract in India and abroad on the basis of built own lease transfer, built own operate transfer, built own operate and such other method and commission agent.
- v. Mr. Anuj R Miglani and Mr. Ankit Miglani are the main promoters of the ULSP.
- vi. The promoters of Acquirer 1 and Acquirer 2 are co-promoters of Uttam Galva Steels Limited and promoters of Uttam Galva Metalics Limited. PAC will co-operate with the Acquirers by providing financial support to the Acquirers to acquire the Equity Shares.
- vii. ULSP currently holds 8,15,00,000 Equity Shares and will acquire 31,00,00,000 Equity Shares through Preferential Allotment. Further, in terms of the IA, ULSP & MEEL will have the control over the Target Company on completion of the Open Offer. Additionally, Uttam Galva Steels Limited and Uttam Galva Metalics Limited have business relationship with the Target Company.

#### ii. The shareholding pattern of ULSP as on the date of this DPS are given below:

Sr. No.	Name of the Shareholders	No. of shares	% to total shareholding
1	Promoters	10,000	100.00
a.	Mr. Anuj R Miglani	5,000	50.00
b.	Mr. Ankit Miglani	5,000	50.00
2	Promoter Group	-	-
3	Public - FI/ Mutual-Funds/ FIs/ Banks	-	-
4	Public - Others	-	-
	<b>Total Paid up Capital</b>	<b>10,000</b>	<b>100.00</b>

- ix. The present directors of ULSP are Mr. Anuj R Miglani and Mr. Ankit Miglani.
- x. ULSP has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 ("SEBI Act").
- xi. The key financial information of ULSP based on the audited financial statements for the financial year ended March 31, 2010, 2011 and 2012 are as follows:

Particulars	(Amount in Lakhs except share price data)		
	2010	2011	2012
Total Revenue	0.00	0.00	0.00
Net Income	(0.10)	(0.13)	(0.20)
EPS (in ₹)	(0.99)	(1.32)	(2.01)
Net worth/Shareholders' Funds	0.70	0.57	0.37

(Source: Annual Reports of ULSP for FY 2010, 2011 and 2012)

- xii. As on the date of this DPS, ULSP holds 8,15,00,000 Equity Shares. Pursuant to the Preferential Allotment approved by the shareholders on July 14, 2012, the shareholding of ULSP will increase up to 39,15,00,000 Equity Shares constituting 37.48% of the Emerging Voling Capital of the Target Company.

### B. Metallurgical Engineering and Equipments Limited ("MEEL" or "Acquirer 2")

- i. Metallurgical Engineering and Equipments Limited was incorporated as Siddharth Holdings Private Limited on December 24, 1981 under the Companies Act, 1956 with the Registrar of Companies, Mumbai, as a private limited company. The name of MEEL was changed to Metallurgical Engineering and Equipments Private Limited vide fresh incorporation certificate dated March 22, 2012. The name was subsequently changed to Metallurgical Engineering and Equipments Limited upon conversion into public limited company vide fresh incorporation certificate dated March 22, 2012.
- ii. The registered office of MEEL is situated at 530, Nav Vyapar Bhavan, 49, P. D'Mello Road, Mumbai - 400 009, Tel: +91-22-66361316, Fax: +91-22-66361317.
- iii. MEEL is a public limited company and its shares are not listed or traded on any stock exchange.
- iv. MEEL has currently started the business of trading in all kinds of machinery and other equipment such as vessel, tank, filter, air drawing plants, intercoolers, heat recovery system, power equipments, erwi steel tubes, iron and steel, metal (ferrous and non ferrous), steel alloys, scrap, pipe, wire drawing of any metal and commission agent.
- v. Mr. Anuj R Miglani and Mr. Ankit Miglani are the main promoters of MEEL.
- vi. The promoters of Acquirer 1 and Acquirer 2 are co-promoters of Uttam Galva Steels Limited and promoters of Uttam Galva Metalics Limited. PAC will co-operate with the Acquirers by providing financial support to the Acquirers to acquire the Equity Shares.
- vii. MEEL currently holds 8,15,00,000 Equity Shares and will acquire 7,00,00,000 Equity Shares through Preferential Allotment. Further, in terms of the IA, ULSP & MEEL will have the control over the Target Company on completion of the Open Offer. Additionally, Uttam Galva Steels Limited and Uttam Galva Metalics Limited have business relationship with the Target Company.

#### ii. The shareholding pattern of MEEL as on the date of this DPS are given below:

Sr. No.	Name of the Shareholders	No. of shares	% to total shareholding
1	Promoters	49,994	99.988
a.	Mr. Ankit Miglani	49,994	99.988
2	Promoter Group	-	-
3	Public - FI/ Mutual-Funds/FIs/Banks	-	-
4	Public - Others	6	0.012
a.	Mr. Rolph Sequira	1	0.002
b.	Mr. Sunil Dodani	1	0.002
c.	Mr. Ram Gaud	1	0.002
d.	Mr. B Handa	1	0.002
e.	Mr. Raghvendra Agrawal	1	0.002
f.	Mr. Gurusharan Singh Sawhney	1	0.002
	<b>Total Paid up Capital</b>	<b>50,000</b>	<b>100.000</b>

- ix. The present directors of MEEL are Mr. Anuj R Miglani, Mr. Ankit Miglani and Mr. Rolph Sequira.
- x. MEEL has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under section 11B or any other regulations made under the SEBI Act.
- xii. The key financial information of the MEEL based on the audited financial statements for the financial year ended March 31, 2010, 2011 and 2012 are as follows:

Particulars	(Amount in Lakhs except share price data)		
	2010	2011	2012
Total Revenue	0.00	0.00	0.00
Net Income	(0.50)	(0.47)	(0.16)
EPS (in ₹)	(1.00)	(0.95)	(0.33)
Net worth/Shareholders' Funds	2.64	(3.11)	(3.28)
Share Application Money	24.50	25.00	25.00

(Source: Annual Reports of MEEL for FY 2010, 2011 and 2012)

- xii. As on the date of this DPS, MEEL holds 8,15,00,000 Equity Shares. Pursuant to the Preferential Allotment approved by the shareholders of the Target Company on July 14, 2012, the shareholding of MEEL will increase to 15,15,00,000 Equity Shares constituting 14.51% of the Emerging Voling Capital of the Target Company.

### C. Ushdev International Limited ("Ushdev" or "PAC")

- i. Ushdev International was incorporated on May 18, 1994 under the Companies Act, 1956 as Ushdev Trade & Finvest Limited with the Registrar of Companies, Mumbai. The name was changed to Ushdev International Limited vide fresh incorporation certificate dated July 23, 1996.
- ii. The registered office of Ushdev is situated at 6th Floor, New Harileela House, Mint Road, Mumbai - 400 001, Tel: +91-22-22672450, Fax: +91-22-22672416.
- iii. Ushdev is a public limited company and its shares are listed and traded on BSE.
- iv. The core activities of Ushdev are trading of metals & power generation through windmills. Trading segment consists of metals, such as steel, zinc, copper and its raw materials and by-products traded by Ushdev.
- v. PAC is part of the Ushdev group. Ms. Suman Gupta, Ms. Natasha Gupta and Mr. Prateek Gupta are the main promoters of Ushdev.
- vi. The shareholding pattern of Ushdev as on the March 31, 2012 is given below:

Sr. No.	Name of the Shareholders	No. of shares	% to total shareholding
1	Promoters	72,15,081	24.52
a.	Ms. Suman Gupta	30,40,226	10.33
b.	Ms. Natasha Gupta	36,19,600	12.30
c.	Mr. Prateek Gupta	5,55,255	1.89
2	Promoter Group	88,77,370	30.17
a.	Moment Candles Pvt. Ltd.	14,06,570	4.78
b.	Ushdev Commercial Services Pvt. Ltd.	38,75,000	13.17
c.	Ushdev Power Ltd.	15,10,600	5.13
d.	Vijay Gupta HUF	20,85,200	7.09
3	Public - FI/ Mutual-Funds/FIs/Banks	17,72,628	6.02
4	Public - Others	1,15,60,721	39.29
a.	Ms. Chhaya Gadhia	18,15,716	6.17
b.	Mr. Sanjeev Gupta	16,01,950	5.44
c.	Others	81,43,055	27.67
	<b>Total Paid up Capital</b>	<b>2,94,25,800</b>	<b>100.00</b>

ix. The present directors of Ushdev are Ms. Suman Gupta, Mr. Prateek Gupta, Mr. Vinay Kamat, Mr. Narayan Hegde, Mr. Suresh Lakhiani and Mr. Vijay Kumar Gupta.

xii. Ushdev has business relationship with the Target Company Uttam Galva Steels Limited and Uttam Galva Metalics Limited.

xiii. Ushdev has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under section 11B or any other regulations made under the SEBI Act.

xiv. The key financial information of the Ushdev based on the audited consolidated financial statements for the financial year ended March 31, 2010, 2011 and 2012 are as follows:

Particulars	(Amount in Lakhs except share price data)		
	2010	2011	2012
Total Revenue	1,74,944.55	3,29,035.55	5,86,078.96
Net Income	2,692.90	4,374.36	7,234.04
EPS - Basic (in ₹)	9.71	14.87	24.58
EPS - Diluted (in ₹)	9.71	14.87	21.53
Net worth/Shareholders' Funds	26,810.23	30,244.66	38,542.74
Share Application Money	0.00	0.00	13,271.00

(Source: Annual Reports of Ushdev for FY 2010, 2011 and 2012)

- x. Ushdev will co-operate with the Acquirers by providing financial support to the Acquirers to acquire the Equity Shares and will not have the control over the Target Company on completion of the Open Offer.
- xii. As on date, Ushdev does not hold Equity Shares and will not acquire Equity Shares through the Open Offer.
- D. Lloyds Steel Industries Limited ("LSIL" or "Target Company")
- i. Lloyds Steel Industries Limited was incorporated as a private company under the Companies Act, 1956 with the Registrar of Companies, Mumbai under the name and style of Gupta Tubes and Pipes Private Limited on April 27, 1970. The name was subsequently changed to Lloyds Steel Industries Private Limited vide a fresh certificate of incorporation dated September 10, 1985.
- ii. LSIL 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 Corporate Identification Number of the Target Company is L27100MH1970PLC014621.
- iii. The registered office of LSIL is situated at Trade World, C Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013, Tel: +91-22-30418111, Fax: +91-22-30418260.
- iv. 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.
- v. The authorised share capital of LSIL is ₹ 2,000.00 crores comprising of 150,00,00,000 Equity Shares and 50,00,00,000 Preference Shares of ₹ 10/- each. The issued, subscribed & fully paid-up capital of LSIL is ₹ 902.12 crores comprising of 66,45,18,493 Equity Shares of ₹ 10/- each fully paid up, 27,14,51,151 equity shares forfeited (amount originally paid up) and 23,62,75,420 redeemable preference shares of ₹ 10/- each fully paid up. The Emerging Voling Capital of the Target Company post preferential allotment shall be ₹ 1,044.52 crores divided into 1,04,45,18,493 Equity Shares of the face value of ₹ 10 each.
- vi. As per the shareholding pattern for quarter ending June 30, 2012, the Target Company does not have any partly paid Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. There are 41,12,90,510 Equity Shares subject to lock-in obligations which include 16,30,00,000 Equity Shares held by the Acquirers.
- vii. The shares of the Target Company are presently listed on BSE with Scrip Code: 500254; Scrip ID: LLOYDSTEEL and NSE with Scrip Symbol: LLOYDSTEEL.
- viii. Based on the information available on BSE and NSE, the Equity Shares are frequently traded on both BSE and the NSE (within the meaning of definition of "frequently traded shares") under clause (j) of sub-regulation (1) of regulation 2 of the SEBI (SAST) Regulations, 2011 and is most frequently traded on NSE.
- ix. The present directors of LSIL are Mr. Mukesh R. Gupta, Mr. Rajesh R. Gupta, Mr. B.L. Agarwal, Mr. K.A. Krishna Rao, Mr. B.L. Khanna, Mr. R.K. Bansal, Mr. U.N. Chalu, Mr. Ashok Tandon and Mr. Manash Chakravarty. There are no Directors on the Board of Directors of the Target Company representing the Acquirers or the PAC.
- x. The key financial information of the Target Company based on the audited financial statements for the financial year ended March 31, 2010, 2011 and 2012 are as follows:

Particulars	(Amount in Lakhs except per share data)		
	Financial Year Ended March 31, 2010	Financial Year Ended June 30, 2011*	Financial Year Ended March 31, 2012*
Total Revenue	2,90,319.15	4,12,710.37	3,89,163.30
Net Income	(7,808.09)	(13,967.13)	(7,345.46)
EPS (in ₹)	(3.65)	(4.46)	(1.75)
Net worth/Shareholders' Funds	(28,737.13)	(29,908.51)	8,179.53

\*Financial Year (2010-2011) of the Target Company was extended by three months and consequently contained 15 months, which ended on June 30, 2011. In order to realign financial year ending in March 2012, the Target Company closed the financial year with a period of 9 months i.e. from July 1, 2011 to March 31, 2012. (Source: Annual Reports of the Target Company for FY 2010, 2011 and 2012)

### E. Details of the Offer:

- i. The Acquirers are making an Open Offer to acquire up to 27,15,74,809 Equity Shares representing 26% of the Emerging Voling Capital of the Target Company ("Offer Size") at a price of ₹ 11.65 per fully paid up Equity Share (hereinafter referred to as "Offer Price") payable in cash, subject to the terms and conditions set out in the PA, this DPS and the Letter of Offer, that will be sent to the shareholders of the Target Company.
- ii. This Offer is being made to all equity shareholders except the Acquirers, PAC and Existing Promoters ("Eligible Shareholder").
- iii. The Offer is subject to the compliance of the terms and conditions as mentioned under the IA dated July 14, 2012 including but not limited to the unconditional approval of the Competition Commission of India ("CCI"), the approval of BSE and NSE (together referred to as "Stock Exchanges") for listing of the Equity Shares to be allotted under the Preferential Allotment, amendment of the Articles of Association of the Target Company incorporating the salient terms of the IA, receipt of various approvals and consents etc. In terms of regulation 23(3) of the SEBI (SAST) Regulations, 2011, in the event of any such condition precedents and other conditions enumerated in the IA are not satisfactorily complied with within the time specified in the IA, the Offer would stand withdrawn. In the event of withdrawal, a public announcement will be made in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, the Stock Exchanges and the registered office of the Target Company.
- iv. The Acquirers are in the process of filing an application with CCI seeking unconditional approval for the Preferential Allotment and the Open Offer. The Target Company has applied to the lenders of the Target Company for their approval for the Preferential Allotment and the change in control and management of the Target Company and applied to other third parties for requisite approvals.
- v. This Offer is not conditional on any minimum level of acceptance by the equity shareholders of the Target Company. The Acquirers will acquire all the Equity Shares that are validly tendered as per terms of the Offer up to a maximum of 27,15,74,809 Equity Shares constituting 26% of the Emerging Voling Capital of the Target Company post Preferential Allotment to the Acquirers.
- vi. The Acquirers held 16,30,00,000 Equity Shares in the Target Company prior to the Preferential Allotment.
- vii. Neither the Acquirers nor their directors have acquired any shares of Target Company during the 12 months period prior to the date of this DPS, save and except those allotted to the Acquirers on March 17, 2012 and to be acquired pursuant to the Preferential Allotment and terms of the IA.
- viii. This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares.
- ix. The Equity Shares will be acquired by the Acquirers as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- x. The Manager to the Offer, Centrum Capital Limited does not hold any Equity Shares in the Target Company as at the date of this DPS. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares during the Offer Period.
- xi. The Acquirers have entered into an IA dated July 14, 2012 with the Target Company and the Existing Promoters.
- xii. The salient features of the IA are as follows:
- a. Pursuant to the issue and allotment of the Equity Shares under the Preferential Allotment and the Open Offer, the Acquirers will also acquire majority voting rights in the Target Company and will appoint directors on the Board which coupled with the resignation of some of the existing non-independent directors, will result in a change in control of the Target Company.
- b. Pursuant to the aforesaid and subject to the provisions contained in the SEBI (SAST) Regulations, 2011, the Acquirers will be designated as "Promoters" of the Target Company and the Existing Promoters shall contemporaneously upon expiry of the offer period in terms of the SEBI (SAST) Regulations, 2011 (unless otherwise directed by SEBI or the Stock Exchanges) cease to have any control over the affairs of the Target Company and will also cease to be "Promoters" or "co-promoters" or "persons-acting-in-concert" of the Target Company or part of the "promoter group".
- c. The Existing Promoters are also bound by certain non-compete and non-solicitation obligations for a term of five (5) years. No additional or separate consideration as control premium or as non-compete fees or otherwise, is being paid for the non-compete and non-solicitation obligation of the Existing Promoters.
- d. The IA also contains customary provisions including certain covenants transfer restriction of the shares of the Existing Promoters such as restriction on transfer to competitor, right of refusal in favour of the Acquirers, tag along and drag along rights to the Acquirers, covenants, representations, warranties and related indemnity obligations of the Existing Promoters.
- e. The IA also contains a provision for certain reserved matter rights to the Acquirers. The IA enumerates certain actions such as selling or disposition or encumbering assets/properties, shutting down of an existing business, commencement of any new line of business, change in the issued, subscribed or paid up equity or preference share capital of the Target Company, re-organization of the share capital, etc. by the Target Company which will require the consent of the Acquirers.
- f. The Target Company and the Existing Promoters are required to obtain all authorizations, approvals and consents required in connection with the execution, delivery and performance of the IA, the consummation of the Transaction (the Preferential Allotment and the Open Offer) and the amendment to the charter documents of the Target Company.
- F. The Acquirers do not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. LSIL's future policy for disposal of its assets, if any, for two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of regulation 25(2) of SEBI (SAST) Regulations, 2011.
- G. The acquisition of Equity Shares under the Offer (assuming full acceptance) may result in public shareholding in LSIL being reduced below the minimum level required as per the listing agreement entered into by the Target Company with the BSE and NSE (the "Listing Agreements"). Accordingly, the Acquirers undertake that they shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreements and notification of the Central Government dated June 4, 2010 amending the Securities Contracts (Regulation) Rules, 1957 within the time stipulated therein.

### II. BACKGROUND TO THE OFFER

- i. The Acquirers to this Open Offer i.e. Ultimate Logistics Solutions Private Limited and Metallurgical Engineering and Equipments Limited (formerly known as Siddharth Holdings Private Limited) were allotted 8,15,00,000 Equity Shares each aggregating to 16,30,00,000 Equity Shares constituting 24.53% of the existing equity capital of the Target Company pursuant to preferential allotment approved by the shareholders in the extra ordinary general meeting held on March 01, 2012.
- ii. The shareholders of the Target Company have passed a special resolution pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and all the other provisions of applicable laws, if any, for issue and allotment of 38,00,00,000 Equity Shares at a price of ₹ 10/- per Equity Share constituting 36.38% of the post preferential issued and subscribed Equity Shares of the Target Company i.e. 1,04,45,18,493 Equity Shares of ₹ 10/- each.
- iii. The total consideration payable by the Acquirers for the Preferential Allotment shall be ₹ 380.00 crores. The consideration shall be paid in cash by the Acquirers.
- iv. Consequent to the Preferential Allotment, the post preferential shareholding & voting rights of the Acquirers will be 54.30% of the Equity Shares constituting 51.99% of Emerging Voling Capital. Pursuant to Preferential Allotment and acquisition of IA, the Acquirers shall hold the majority of the Equity Shares in the Target Company and will have control over the management and affairs of Target Company.
- v. This mandatory Open Offer is being made by the Acquirers in compliance with regulations 3(1), 4 and other applicable provisions of SEBI (SAST) Regulations, 2011.
- vi. The main object of this acquisition is to acquire the control over the management and affairs of the Target Company. The Acquirers will continue the existing business of the Target Company and review the operations of the Target Company on completion of the Open Offer. The Acquirers may, as permitted by applicable law and in accordance with the procedures of the Target Company, rationalise or restructure the existing business activities in line with overall group objectives. Promoters of the Acquirers are co-promoters of Uttam Galva Steels Limited and promoters of Uttam Galva Metalics Limited which has business synergies with the Target Company. The Acquirers intend to explore various opportunities to maximize this business synergies.

### III. SHAREHOLDING AND ACQUISITION DETAILS

The present and proposed shareholding of the Acquirers and PAC in Target Company and the details of their acquisition are as follows:

Details	Acquirer 1		Acquirer 2		PAC		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Shareholding as on PA date	8,15,00,000	12.26*	8,15,00,000	12.26*	-	-	16,30,00,000	24.53*
Shares to be acquired after the PA date pursuant to Preferential Allotment	31,00,00,000	29.68	7,00,00,000	6.70	-	-	38,00,00,000	36.38
Shareholding Post Preferential Allotment	39,15,00,000	37.48	15,15,00,000	14.51	-	-	54,30,00,000	51.99
Shares to be acquired in the Open Offer**	-	-	-	-	-	-	27,15,74,800	26.00
Post Offer shareholding† (On Diluted basis, as on 10 <sup>th</sup> working day after closing of tendering period)	-	-	-	-	-	-	81,45,74,809	77.99

\* As a percentage of Pre-Preferential Allotment  
 \*\* Assuming full acceptance under the Offer. The bifurcation of Equity Shares to be acquired in the Offer by Acquirer 1 and Acquirer 2 will be available after the Offer. Hence, their individual holding after the Offer cannot be ascertained at this date.  
 † PAC will not be acquiring the Equity Shares in the Open Offer and hence will not be holding any Equity Shares post Open Offer.

### IV. OFFER PRICE

i. The Equity Shares are listed on BSE and NSE. The trading in the Equity Shares has not been suspended from the Stock Exchanges.

- ii. The annualized trading turnover in the Equity Shares in the Stock Exchanges based on trading volume during 12 calendar months prior to the month of PA (July 01, 2011 to June 30, 2012) is as given below:

Stock Exchange	Total number of Equity Shares traded during 12 calendar months prior to the month of PA	Weighted average number of Equity Shares	Annualised Trading Turnover as % of weighted average number of Equity Shares
BSE	67,680,916	481,201,673	14.06
NSE	86,719,600	481,201,673	18.02

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