



Lloyds Steel Industries Limited

Regd. Office : Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai-400 013. Tel.No. 3041 8111. Fax No. 3041 8260
Visit us at : www.lloyds.in

Recommendations of the Committee of Independent Directors (constituted by the Board of Directors of Lloyds Steel Industries Ltd.) (hereinafter referred to as "IDC") on the Open Offer to the Equity Shareholders of Lloyds Steel Industries Ltd. ("Target Company") for the acquisition of 27,15,74,809 Equity Shares of the Target Company, under regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations")

1	Date of Meeting of IDC to give its recommendations	October 15, 2012
2	Name of the Target Company	Lloyds Steel Industries Ltd.
3	Details of the Offer pertaining to Target Company	The Offer is being made by the Acquirers/PAC in terms of Regulation 3(1) and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the acquisition of 27,15,74,809 Equity Shares of ₹ 10 each, of the Target Company, representing 26% of the Emerging voting capital at a price of ₹ 11.65 per Equity Share.
4	Name of the Acquirers and Person(s) Acting in concert (PAC) with the Acquirers	Acquirers: a) Ultimate Logistics Solutions Pvt. Ltd. b) Metallurgical Engineering and Equipments Ltd. PAC : Ushdev International Ltd.
5	Name of the Manager to the Offer	Centrum Capital Limited Centrum House, CST Road, Vidyanageri Marg, Kalina, Santacruz (E), Mumbai-400098 Tel : 022-42159000, Fax: 022-42159707, Email: isil.openoffer@centrum.co.in
6	Members of IDC	a) Mr. K A Krishna Rao - Member b) Mr. U N Challu - Member c) Mr. Brij Lal Khanna - Member
7	IDC Members' relationship with the Target Company (Director, Equity Share owned, any other contract/relationship, if any)	IDC Members are the Independent Directors in the Board of Directors of the Target Company. Mr. K A Krishna Rao holds 5,000 & Mr. U N Challu hold 30,000 equity shares in the Target Company. The aggregate of 35,000 shares represents 0.005 % of the Target Company's total Equity prior to acquisition by the acquirers/PAC.
8	Trading in the Equity Shares of the Target Company by IDC Members	No Trading has been done by the IDC Members in the Equity Shares of the Target Company during the last six months.
9	IDC Members relationship with the Acquirers/PACs (Director, Equity Share owned, any other contract/relationship, if any)	None of the IDC Members is director in Acquirers/PAC or holds any equity shares of Acquirers and PAC nor have any relationship with the Acquirers and PAC.
10	Trading in the Equity Shares/other securities of the Acquirers/PAC by IDC Members	None of the IDC Members have done any trading/dealt in equity shares of the Acquirers and PAC during the last six months.
11	Recommendation on the Open Offer, as to whether the Offer is or is not, fair and reasonable	IDC is of the view that open offer is fair and reasonable.
12	Summary of reasons for recommendation	The IDC considered the following facts :The company was under BIFR since 2001 and came out of BIFR only in May, 2012 vide order of BIFR dated 4 th May, 2012. The company is in immediate need of funds to meet its' working capital requirements and make required investment for modernisation. Hence for revival of the company immediate infusion of capital is the optimal option. Promoters of the Acquirers are co-promoters of Uttam Galva Steels Limited and promoters of Uttam Galva Metalics Limited who have the requisite financial ability to infuse funds into the Target Company besides being well experienced in the steel manufacturing sector. Hence the committee is of the view that the allotment of share capital and change in control to the acquirers is in the overall interest of the company. Further, IDC have perused the Public Announcement, Detailed Public Statement and Letter of Offer released by Centrum Capital Limited, Manager of the Offer, for and on behalf of the Acquirers and PAC. Based on these documents, IDC is of the opinion that Offer Price of ₹ 11.65 offered by the Acquirers and PAC, being the highest price amongst the selective criteria is in line with the regulation prescribed by SEBI under Takeover Regulations which prima facie appears to be fair and reasonable.
13	Details of Independent Advisors, if any	Nil
14	Any other matter to be highlighted	Nil

To the best of our knowledge and belief, after making proper enquiry, the information contained in this statement is, in all material respect, true, correct and not misleading, whether by omission of any information or otherwise and includes all the information required to be disclosed by the Target Company under the Takeover Regulations.

For Lloyds Steel Industries Limited

Place: Mumbai
Date: 15.10.2012

Sd/-
K A K Rao
Member-IDC

Sd/-
U N Challu
Member-IDC

Sd/-
Brij Lal Khanna
Member-IDC

PRESSMAN