# ANNOUNCEMENT TO SHAREHOLDERS OF
# ISPAT INDUSTRIES LIMITED

**Registered Office:** Park Plaza, 71, Park Street, Kolkata 700016, **Tel:** 033-3026 5000, **Fax:** 033-2229 1956

This Announcement is further to, and should be read in conjunction with the Public Announcement dated December 21, 2010 published on December 22, 2010 issued by Enam Securities Private Limited, the Manager to the Offer, on behalf of JSW Steel Limited ("**Acquirer**"), to the equity shareholders of Ispat Industries Limited (the "**Target**") pursuant to and in compliance with Regulation 10 and Regulation 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto ("**SEBI (SAST) Regulations**" or "**Regulations**").

The shareholders of the Target are requested to kindly note the following:

In terms of the second proviso to Regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer is required to deposit hundred percent of the total Open Offer consideration in an escrow account prior to the appointment of its directors on the Board of the Target. Accordingly, in addition to Rs. 13.35 Crores (Rs. Thirteen Crore and Thirty five lakhs) which had previously been deposited ("**Previous Deposit**") in the Open Offer Escrow Account with Axis Bank Limited, having its registered office at Trishul, 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad, 380 006, acting through its branch in Nariman Point, Mumbai ("**Escrow Bank**"), the Acquirer has caused a lien to be marked by the Escrow Bank in favour of the Manager to the Offer against a fixed deposit of Rs. 1,316.10 Crores (Rs. One thousand three hundred sixteen crores and ten lakhs only) ("**Lien**") with the Escrow Bank.

Together with the Lien and the Previous Deposit, the Acquirer has created an escrow over hundred percent of the consideration payable in the Offer, assuming full acceptances, aggregating to Rs. 1329.45 Crores (Rs. One thousand three hundred and twenty nine crores forty five lakhs only), in accordance with the second proviso to Regulation 22(7) of the SEBI (SAST) Regulations. The Manager to the Offer is authorized to realize the value of the escrow in terms of the Regulations and the Escrow Bank has marked a lien on the entire said cash deposit in favour of the Manager to the Offer.

Consequent to the above and pursuant to the Subscription cum Shareholders Agreement dated December 20, 2010, the Acquirer has nominated Mr. Sajjan Jindal and Mr. Seshagiri Rao M.V.S. for appointment on the Board of Directors of the Target as its representatives. The aforesaid persons have been appointed as additional directors of the Target at the meeting of the Board of Directors of the Target held on January 13, 2011, subject to necessary approvals.

All other terms and conditions of the Offer remain unchanged.

**DECLARATION BY THE ACQUIRER**

The Acquirer and the Board of Directors of the Acquirer accept full responsibility for the information contained in this Announcement and for fulfillment of their obligations under the SEBI (SAST) Regulations, 1997.

The terms used but not defined in this Announcement shall have the same meaning assigned to them in the PA. This Announcement would also be available on the SEBI website at http://www.sebi.gov.in.

**ISSUED ON BEHALF OF THE ACQUIRER BY:**

**(Manager to the Offer)**

ENAM

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**Date**: January 13, 2011
**Place**: Mumbai

Size: 15x12 cms