LETTER OF OFFER ("Letter of Offer"/ **"**LOO")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as Equity Shareholder(s) of Shakti Met-Dor Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrars to the Offer. In case, you have sold your Equity Shares in Shakti Met-Dor Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of the Equity Shares or the member of stock exchange through whom the said sale was effected.

CASH OFFER BY

Mr. M V S S Subba Raju (resident of Gayatri Exotica, Plot No.56, Road No.2, Flat No.401, West Marredpally, Secunderabad – 500 026. Phone No. 91 40 27805809) **Mrs. M Uma Raju** (resident of Gayatri Exotica, Plot No.56, Road No.2, Flat No.401, West Marredpally, Secunderabad – 500 026. Phone No. 91 40 27805809) **Mr. C Shashidar Reddy** (resident of Plot No.18, Card Master Enclave, 205, Akbar Road, Sikh Village, Near Diamond Point, Secunderabad Phone No. 91 40 27729097), **Dr. C Anupama Reddy** (resident of Plot No.18, Card Master Enclave, 205, Akbar Road, Sikh Village, Near Diamond Point, Secunderabad-500 009, Phone No. 91 40 27729097) **Mr. U Pradeep Kumar** (resident of 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad Phone No.91 40 27665766) and **Mrs. V Rama Devi** (resident of 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad Phone No. 91 40 27665766) **("THE ACQUIRERS")**

And **Persons Acting in Concert** with them

Mr. M Bhava Raju (resident of Door No.76-4-5, Gandhi Puram-2, Rajahmundry-533 103, East Godavari District (AP), Phone No. 91 883 2442445), **Mr. V Vivek** (resident of 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029 Phone No. 91 40 27665766), **Ms. V Shruthi** (resident of 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029 Phone No. 91 40 27665766), **Mr. M V S N Raju** (resident of Door No.76-4-5, Gandhi Puram-2, Rajahmundry-533 103, East Godavari District (AP), Phone No. 91 883 2442445), **Mrs. C Amrita Reddy** (resident of 14742, Chisholm Landing Way, North Potomac, Maryland-20878, USA, Phone No. 91 40 27729097) **Mrs. C Sumathi Reddy** (resident of Plot No.18, Card Master Enclave, 205, Akbar Road, Sikh Village, Near Diamond Point, Secunderabad-500 009 Phone No. 91 40 27729097), **Mr. M Vikram** (resident of Gayatri Exotica, Plot No.56, Road No.2, Flat No.401, West Marredpally, Secunderabad – 500 026. Phone No. 91 40 27805809) **Mr. V Ravi Kumar** (resident of 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029, Phone No. 91 40 27665766) **Mr. V Krishna Rao*** (resident of 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029, Phone No. 91 40 27665766) and **Mrs. V Anupama** (resident of 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029, Phone No. 91 40 27665766)

** Mr. V Krishna Rao one of the PAC has Expired on 08th March, 2010.*

to the existing shareholders of

SHAKTI MET-DOR LIMITED (THE "TARGET COMPANY"/ "SML")

Registered Office: Plot No.20, Sripuri Colony, Karkhana, Secunderabad-500 015)

Tel Nos.: 91 40 27840394/27840395 Fax No. 91 40 27892327

Email: info@shaktimetdor.com

to acquire upto 5,50,800 equity shares of Rs.10/- each representing 20% of the outstanding voting equity share capital at a price of Rs.180/- per fully paid up equity share(hereinafter referred to as "Offer").

1. The Offer is being made by the Acquirers and PACs pursuant to Regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "the Regulations").
2. As on the date of the PA, there are no statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory approvals. The Acquirers alongwith PACs will not proceed with the Offer in the event that such statutory approvals are not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same upto three working days **(i.e. Thursday , April 1, 2010)** prior to the date of the closure of the offer **(i.e., Wednesday, April 07, 2010)**.
4. Regulation 26 of the Take over Regulations provide for an upward revision of Offer in respect of the price and the number of shares to be acquired, at any time up to seven working days (**i.e. Friday, March 26 2010)** prior to the date of closure of the offer. (**i.e. Wednesday, April 07, 2010)**. The same price will be paid by the Acquirers for all the shares tendered any time during the open offer. Any revision(s) in the offer price will be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement was made. The Acquirers can withdraw this offer, only under circumstances as mentioned under Regulation 27(1) and in this event the same would be informed by way of Public Announcement in the same news papers where the original Public Announcement has appeared.
5. The Offer is not subject to minimum level of acceptance.
6. The procedure for acceptance is set out in Clause 10 of this Letter of Offer
7. **If there is a competitive bid**
   a. **The public offers under all the subsisting bids shall close on the same date**
   b. **As the offer price cannot be revised during 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

The Public Announcement, this Letter of Offer (including Form of Acceptance-cum-Acknowledgement) and Form of Withdrawal are available on SEBI's website (www.sebi.gov.in).

Manager to the Offer	**Registrars to the Offer**
KARVY INVESTOR SERVICES LIMITED **Karvy Investor Services Limited** 46, Avenue 4, Street No. 1, Hyderabad – 500 034 Phone Nos: 91 40 23428774/2331 2454 Fax No: 91 40 2337 4714 Email: cmg@karvy.com Contact Person: Mr. M P Naidu	KARVY **Karvy Computershare Private Limited** Cyber Villa, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081, India Tel: 91 40 2342 0815 Fax: 91 40 2343 1551 E-mail: einward.ris@karvy.com Contact Person: Mr. M Muralikrishna
OFFER OPENS ON : FRIDAY, MARCH 19, 2010	OFFER CLOSES ON : WEDNESDAY, APRIL 07, 2010

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

ACTIVITY	ORIGINAL SCHEDULE		REVISED SCHEDULE	
	Date	Day	Date	Day
Date of Public Announcement	January 28, 2010	Thursday	January 28, 2010	Thursday
Specified Date	February 25, 2010	Thursday	February 25, 2010	Thursday
Last date for a competitive bid	February 17, 2010	Wednesday	February 17, 2010	Wednesday
Date by which Letter of Offer to be dispatched to shareholders	March 10, 2010	Wednesday	March 15, 2010	Monday
Date of opening of the Offer	March 19, 2010	Friday	March 19, 2010	Friday
Last date for revising the Offer price	March 26, 2010	Friday	March 26, 2010	Friday
Last date for withdrawing acceptance from the Offer	April 1, 2010	Thursday	April 1, 2010	Thursday
Last date of closing of the Offer	April 7, 2010	Wednesday	April 7, 2010	Wednesday
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders.	April 22, 2010	Thursday	April 22, 2010	Thursday

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1. ABBREVIATIONS & DEFINITIONS

Acquirers1	Mr. M V S S Subba Raju, Mrs. M Uma Raju, Mr. C Shashidar Reddy, Dr. C Anupama Reddy, Mr. U Pradeep Kumar and Mrs. V Rama Devi
Board	Board of Directors
BSE	The Bombay Stock Exchange Limited
BV	Book Value
CDSL	Central Depository Services (India) Ltd.
DIN	Director Identification Number
DP or Depository Participant	Karvy Stock Broking Limited
EPS	Earning per share
Escrow Account	Escrow account opened in the name and style of "Shakti Met-Dor Limited - Open Offer - Escrow Account" with the Escrow Bank, established in accordance with Regulation 28 of the SEBI (SAST) Regulations by the Acquirers
Escrow Banker	HDFC Bank Limited, 6-1-73, Ground and 3rd Floor, Saeed Plaza, Lakdi ka pool, Hyderabad – 500 004
FEMA	The Foreign Exchange Management Act, 2000, and subsequent amendments thereof.
FII(s)	Foreign Institutional Investors registered with SEBI
FOA or Form of Acceptance	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
FOW or Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
FY	Financial Year
Letter of Offer/LOO	This Letter of Offer
Manager or Manager to the Offer or Karvy	Karvy Investor Services Limited
NRI(s)	Non-Resident Indians
Non-Resident Shareholders	NRIs', OCBs' and FIIs' holding the Equity Shares of SML
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Bodies
Offer or Open Offer	Open Offer to acquire 5,50,800 equity shares of Rs.10/- each representing 20% of the outstanding voting equity share capital of SML at a price of Rs.180/- per share
Offer Price	Rs.180/- per fully paid up Equity Share Rs.10/- each of SML
PACs/Persons Acting in concert	Mr. M Bhava Raju, Mr. V Vivek, Ms. V Shruthi, Mr. M V S N Raju, Mrs. C Amrita Reddy, Mrs. C Sumathi Reddy, Mr. M Vikram, Mr. V Ravi Kumar, Late Mr. V Krishna Rao and Mrs. V Anupama.
Person eligible to participate in the Offer	Equity shareholders of SML (other than the Acquirers and PACs) whose names appear on the Register of Members of SML at the close of the business hours on **Thursday, February 25, 2010** (the "Specified Date") and also to those persons who own the shares at any time prior to the closure of the Offer, but are not the registered equity shareholders.
Public Announcement or PA	Public Announcement for the Open Offer issued on behalf of the Acquirers and PACs on Thursday, January 28, 2010
Registrars or Registrars to the Offer	Karvy Computershare Private Limited
RBI	Reserve Bank of India
RoNW	Return on Net Worth
The Regulations / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.
SEBI	Securities and Exchange Board of India

SEBI Act	Securities and Exchange Board of India Act, 1992, and subsequent amendments thereof.
Specified Date	Thursday, February 25, 2010
SML / Target Company / the Company	Shakti Met-Dor Limited

2. RISK FACTORS

1. The Shares tendered in the Offer in demat form will be held in a designated escrow account and the shares tendered in physical form will be held by the Registrar to the Offer, till the completion of the Offer formalities. The Acquirers and PACs make no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

2. The Acquirers and the PACs reserve the right to withdraw the Offer in the event that statutory approvals for the purpose of this Offer that may be necessary at a later date are refused.

3. If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirers and PACs shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations.

4. In case the Acquirers and PACs are unable to make the payment of consideration within a period of fifteen days from the closure of the offer as per Regulation 22(12) to the shareholders who have accepted the offer due to non-receipt of statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders for delay beyond fifteen days, as may be specified by SEBI from time to time.

3. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT 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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SHAKTI MET-DOR LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), PACs OR THE COMPANY WHOSE EQUITY SHARES/CONTROL IS 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(S) 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(S) DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, KARVY INVESTOR SERVICES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 05, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

4. DETAILS OF THE OFFER

4.1 Background to the Offer

4.1.1 This Open Offer ('Offer') is being made to the shareholders (except the Promoter Group) of Shakti Met-Dor Limited by Mr. M V S S Subba Raju, Mrs. M Uma Raju, Mr. C Shashidar Reddy, Dr. C Anupama Reddy, Mr. U Pradeep Kumar and Mrs. V Rama Devi and Persons Acting in Concert with the Acquirers namely Mr. M Bhava Raju; Mr. V Vivek; Ms. V Shruthi; Mr. M V S N Raju; Mrs. C Amrita Reddy; Mrs. C Sumathi Reddy; Mr. M Vikram; Mr. V Ravi Kumar; Late Mr. V Krishna Rao and Mrs. V Anupama, to consolidate their shareholding by acquiring 5,50,800 Equity Shares of Rs.10/- each at a price of Rs.180/- per equity share (hereinafter referred to as "Offer Price") for cash, representing 20% of voting capital in terms of the Regulations.

4.1.2 The Acquirers and PACs belong to the Promoter Group of the Target Company, which in aggregate owns 12,70,085 equity shares constituting 46.12% voting capital of the Target Company. The Acquirers and PACs are desirous of consolidating their shareholding in accordance with Regulation 11(1) of the Regulations. In compliance with the provisions of the Regulations, the Acquirers and PACs have made a PA on January 28, 2010 for acquiring the shares as stated in para 4.1.1 above from the shareholders of the Target Company whose names appear in the Register of Members or who are beneficial owners of its equity shares as on the Specified Date (i.e. **Thursday, February 25, 2010).** There are no partly paid up Equity Shares of the Target Company.

4.1.3 The Acquirers have acquired 55,500 equity shares (8,500 equity shares as gift and 47,000 equity shares for consideration in cash) in the Target Company during the last 12 months from the date of the Public Announcement i.e. January 28, 2010. The highest and average price paid for such acquisition of shares is Rs.41 and Rs.34.72 respectively.

4.1.4 The Acquirers, PACs and the Target Company have not been prohibited by SEBI from dealing in securities in terms of directions under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.

4.1.5 No changes are proposed in the Board of Directors of the Target Company after the Offer.

4.2 Details of the Proposed Offer.

4.2.1 The PA, dated January 27, 2010 as per Regulation 15(1) of the Regulations, was made in the following newspapers on January 28, 2010:

Newspaper	Language	Edition
Financial Express	English	All Editions
Janasatta	Hindi	All Editions
Praja Shakti	Telugu	All Editions
Loksatta	Marathi	All Editions

Further, a Corrigendum to the Public Announcement was published on March 11, 2010 in the following newspapers

Newspaper	Language	Edition
Financial Express	English	All Editions
Janasatta	Hindi	All Editions
Praja Shakti	Telugu	All Editions
Loksatta	Marathi	All Editions

A copy of the PA and Corrigendum to the PA are also available on SEBI's website (www.sebi.gov.in).

4.2.2 The Acquirers and PACs are currently holding 12,70,085 Equity Shares of Rs.10/- each of the Target Company representing 46.12% of its fully paid up share capital. The Acquirers and PACs are desirous of consolidating their shareholding in accordance with Regulation 11(1) of the Regulations. In compliance with the provisions of the Regulations, the Acquirers and PACs have made PA on January 28, 2010 to acquire 5,50,800 Equity Shares of Rs.10/- each representing 20% of the voting capital of the Target Company at a price of Rs.180/- per fully paid up equity share in cash, from its shareholders whose names appear in the Register of Members or who are beneficial owners of its equity shares as on the Specified Date **(i.e. Thursday, February 25, 2010).**

4.2.3 There are no partly paid up equity shares of the Target Company.

4.2.4 As the offer involves payment of consideration in cash, the differential price referred to in explanation (iii) to regulation 20(11) of the Regulations is not applicable.

4.2.5 This is not a competitive bid.

4.2.6 This is not a conditional offer and same is not subject to any minimum level of acceptance.

4.2.7 If there is any upward revision in the Offer Price of Equity Shares by the Acquirers till the last date of revision viz., **Friday, March 26, 2010** or in case of withdrawal of the Offer, the same would be informed by way of a public announcement in the newspapers in which the original PA was published on **Thursday, January 28, 2010** and the same revised price would be payable by the Acquirers to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirers under the Offer.

4.2.8 The Offer is subject to the terms and condition set out herein in the Letter of Offer.

4.2.9 This Offer is subject to receipt of the statutory approvals mentioned in clause 9.8 of this LOO. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

4.2.10 The Equity Shares tendered and accepted pursuant to the Offer will be acquired by the Acquirers.

4.2.11 The Equity Shares will be acquired by the Acquirers are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

4.2.12 As on the date of the LOO, the Manager to the Offer does not hold any shares in the Target Company.

4.3. RATIONALE FOR THE ACQUISITION AND OFFER

4.3.1 As stated in para 'Background to the Offer' above, this Offer is pursuant to Regulation 11(1) and other applicable provisions of the Regulations involving substantial acquisition of shares or voting rights without change in control or management.

4.3.2 This Offer has been made pursuant to Regulation 11(1) and other provisions of Chapter III of SEBI (SAST) Regulations and in compliance with the regulations for the purposes of consolidation of holdings.

4.3.3 The Acquirers are interested in consolidation of their shareholding. Thus, the consolidation of shares and voting rights is the reason and rationale for the acquisition.

4.3.4 The Acquirers and PACs do not have any plans to sell, dispose off or otherwise encumber any assets of the Target Company in the next two years, except in the ordinary course of business. The Acquirers and PACs undertake not to sell, dispose off or otherwise encumber any substantial Assets of the Target Company except with the prior approval of the shareholders and in accordance with and subject to the applicable laws, permissions and consents, if any.

4.3.5 The Acquirers and the PACs are forming part of Promoter Group of the target Company and are in control of the Company. The object and purpose of this offer is to consolidate the holdings of the Promoter Group / Acquirers and therefore the increase in holdings of the acquirers will not impact or alter the current plans of the Target Company.

5. BACKGROUND OF THE ACQUIRERS AND PACs

5.1 Acquirers

5.1.1 **Mr. M V S S Subba Raju**, son of Mr. M Bhava Raju, aged about 56 years is residing at Flat No.401, Gayatri Exotica, Plot No.56, Road No.2, West Marredpally, Secunderabad-500 026, Phone No. 91 40 27805809. He is a Post Graduate in Commerce from Pune University. He is the Promoter and Managing Director of Shakti Met-Dor Limited. Prior to establishing Shakti Met-Dor Limited he held key positions in Nagarjuna Steels Limited and other Companies for 14 years. His networth as on January 13, 2010 is Rs. 296.88 lakhs [As certified by Mr. V Sasidhar, Practicing Chartered Accountant (Membership No. 200954) having office at 413, 4th Floor, 1-7-323, Panchasheela Towers, Park Lane, Secunderabad – 500 003 Phone: 91 40 40200374 Email: sasidharvidiyala@gmail.com, vide certificate dated January 22, 2010].

5.1.2 **Mr. C Shashidar Reddy**, son of (Late) Mr. C G K Reddy, aged about 46 years is residing at Plot No.18, Card Master Enclave, 205, Akbar Road, Sikh Village, Near Diamond Point, Secunderabad-500 009, Phone No. 91 40 27729097. He is a Graduate in Law from Delhi University; specialized in Corporate Law, International Business Law, Patents, Copy-Rights and IPRs. He is the Promoter and Executive Director of Shakti Met-Dor Limited. Prior to establishing Shakti Met-Dor Limited, he worked as Project Manager with Podukodu Steels Limited. His networth as on January 13, 2010 is Rs. 370.19 lakhs. [As certified by Mr. V Sasidhar, Practicing Chartered Accountant (Membership No. 200954) having office at 413, 4th Floor, 1-7-323, Panchasheela Towers, Park Lane, Secunderabad – 500 003 Phone: 91 40 40200374 Email: sasidharvidiyala@gmail.com, vide certificate dated January 22, 2010].

5.1.3 **Mr. U Pradeep Kumar**, son of Late Mr. V Krishna Rao, aged about 50 years is residing at 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029, Phone No. 91 40 27665766. He is an Engineering Graduate from Osmania University. He is a Non-Executive Director of the Shakti Met-Dor Limited and is associated with the Target Company since its inception and is actively involved in strategic decisions of the Company. Mr. U Pradeep Kumar is into various businesses. His networth as on January 13, 2010 is Rs. 784.83 lakhs [As certified by Mr. V Sasidhar, Practicing Chartered Accountant (Membership No. 200954) having office at 413, 4th Floor, 1-7-323, Panchasheela Towers, Park Lane, Secunderabad – 500 003 Phone: 91 40 40200374 Email: sasidharvidiyala@gmail.com, vide certificate dated January 22, 2010].

5.1.4 **Mrs. M Uma Raju**, Wife of Mr. M V S S Subba Raju, aged about 50 years is residing at Flat No.401, Gayatri Exotica, Plot No.56, Road No.2, West Marredpally, Secunderabad-500 026, Phone No. 91 40 27805809. She is a Post-Graduate in Arts from Nagarjuna

University. She is a House Wife. Her networth as on January 13, 2010 is Rs. 195.57 lakhs [As certified by Mr. V Sasidhar, Practicing Chartered Accountant (Membership No. 200954) having office at 413, 4th Floor, 1-7-323, Panchasheela Towers, Park Lane, Secunderabad – 500 003 Phone: 91 40 40200374 Email: sasidharvidiyala@gmail.com, vide certificate dated January 22, 2010].

5.1.5 **Dr. C Anupama Reddy**, wife of Mr. C Shashidar Reddy, aged about 40 years is residing at Plot No.18, Card Master Enclave, 205, Akbar Road, Sikh Village, Near Diamond Point, Secunderabad-500 009, Phone No. 91 40 27729097 is a doctor by profession. Her networth as on January 13, 2010 is Rs. 187.90 lakhs [As certified by Mr. V Sasidhar, Practicing Chartered Accountant (Membership No. 200954) having office at 413, 4th Floor, 1-7-323, Panchasheela Towers, Park Lane, Secunderabad – 500 003 Phone: 91 40 40200374 Email: sasidharvidiyala@gmail.com, vide certificate dated January 22, 2010].

5.1.6 **Mrs. V Rama Devi**, wife of Mr. U Pradeep Kumar, aged about 42 years is residing at 1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029, Phone No. 91 40 27665766 is a Graduate. She is a House Wife. Her networth as on January 13, 2010 is Rs. 190.15 lakhs [As certified by Mr. V Sasidhar, Practicing Chartered Accountant (Membership No. 200954) having office at 413, 4th Floor, 1-7-323, Panchasheela Towers, Park Lane, Secunderabad – 500 003 Phone: 91 40 40200374 Email: sasidharvidiyala@gmail.com, vide certificate dated January 22, 2010].

5.1.7 Mrs. M Uma Raju is the wife of Mr. MVSS Subba Raju; Dr. C Anupama Reddy is the wife of Mr. C Shashidar Reddy and Mrs. V Rama Devi is the wife of Mr. U Pradeep Kumar.

5.2 Persons Acting in Concert (PACs)

5.2.1 Background of the Persons Acting in Concert is as under:

Sl. No.	Name of the PAC	Address & Phone no.	Line of business and experience	Relationship with Acquirers
1	Mr. M Bhava Raju	Door No.76-4-5, Gandhi Puram-2, Rajahmundry-533 103, East Godavari District (AP) Phone No. 91 883 2442445	Agriculturist and businessman (In the field of Film Exhibition) Exp. 60 years	Father of Mr. M V S S Subba Raju
2	Mr. V Vivek	1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029 Phone No. 91 40 27665766	In service with the Target Company as Management Trainee since August, 2009	Son of Mr. U Pradeep Kumar
3	Ms. V Shruthi	1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029 Phone No. 91 40 27665766	Student	Daughter of Mr. U Pradeep Kumar
4	Mr. M V S N Raju	Door No.76-4-5, Gandhi Puram-2, Rajahmundry-533 103, East Godavari District (AP) Phone No. 91 883 2442445	Agriculturist and businessman (In the field of Film Exhibition) Exp. 28 years	Brother of Mr. MVSS Subba Raju
5	Mrs. C Amrita Reddy	14742, Chisholm Landing	Service (Quality	Sister-in-law of

		Way, North Potomac, Maryland-20878, USA Phone No. 91 40 27729097	Assurance Associate in DP Clinical Inc., USA) Exp. 4 Years	Mr. C Shashidar Reddy
6	Mrs. C Sumathi Reddy	Plot No.18, Card Master Enclave, 205, Akbar Road, Sikh Village, Near Diamond Point, Secunderabad-500 009 Phone No. 91 40 27729097	Housewife	Mother of Mr. C Shashidar Reddy
7	Mr. M Vikram	Flat No.401, Gayatri Exotica, Plot No.56, Road No.2, West Marredpally, Secunderabad-500 026 Phone No. 91 40 27805809	In service with the Target Company, heading Business Development	Son of Mr. MVSS Subba Raju
8	Mr. V Ravi Kumar	1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029 Phone No. 91 40 27665766	Business (Bullion and Jewellery trading) Exp. 12 Years	Brother of Mr. U Pradeep Kumar
9	Late Mr. V Krishna Rao	1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029 Phone No. 91 40 27665766	Business (Bullion and Jewellery trading) Exp. 53 Years	Father of Mr. U Pradeep Kumar
10	Mrs. V Anupama	1-2-593/38, Plot No.175, Street No.14, Lane No.6, Gaganmahal Colony, Domalguda, Hyderabad-500 029 Phone No. 91 40 27665766	Housewife	Sister-in-law of Mr. U Pradeep Kumar

5.2.2 The networth as on 13th January 2010 of PACs viz., Mr. M Bhava Raju is Rs.104.85 lakhs; Mr. V Vivek is Rs.11.00 lakhs; Ms. V Shruthi is Rs.13.50 lakhs; Mr. MVSN Raju is Rs.117.30 lakhs; Mrs. C Amrita Reddy is Rs.20.00 lakhs; Mrs. C Sumathi Reddy is Rs.18.00 lakhs; Mr. M Vikram is Rs.52.00 lakhs; Mr. V Ravi Kumar is Rs.475.00 lakhs; Late Mr. V Krishna Rao was Rs.80.00 lakhs and Mrs. V Anupama is Rs. 150.00 lakhs. [As certified by Mr. V Sasidhar, Practicing Chartered Accountant, (Membership No. 200954) vide certificate dated 22nd January 2010, having office at 413, 4th Floor, 1-7-323, Panchsheela Towers, Parklane, Secunderabad 500 003, Phone: 91 40 40200374 Email id: sasidharvidiyala@gmail.com].

5.2.3 Shares held by the PACs are as under:

Sl. No.	**Name of the PAC**	**No. of Shares held**	**% to voting capital**
1	Mr. M Bhava Raju	22500	0.82
2	Mr. V Vivek	2500	0.09
3	Ms. V Shruthi	2500	0.09
4	Mr. M V S N Raju	500	0.02
5	Mrs. C Amrita Reddy	10000	0.36
6	Mrs. C Sumathi Reddy	14600	0.53
7	Mr. M Vikram	9000	0.33
8	Mr. V Ravi Kumar	60210	2.19

9	Late Mr. V Krishna Rao	50000	1.82
10	Mrs. V Anupama	25000	0.91
	Total	**196810**	**7.16**

5.3 As on date, Mr. M V S S Subba Raju is the Promoter and Managing Director of the Target Company and Mr. C Shashidar Reddy is the Promoter and an Executive Director of the Target Company presently controlling the management of the Target Company.

5.4 The Acquirers have not entered into any formal agreement with anybody with respect to the acquisition of shares through this Offer and acting together under an informal understanding.

5.5 The Acquirers and PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other regulation made under the SEBI Act.

5.6 As per the information provided, the Acquirers and PACs have duly complied with the provisions of Chapter II of the SEBI (SAST) Regulations except for:

Regulation 7(1A) pertaining to the disclosures to be provided to the Stock Exchanges and Target Company for consolidation of their shareholding in the Target Company as on 23.09.2002; 28.04.2003 and 29.04.2004. SEBI may initiate action against the Aquirers and PACs for non-compliance of Regulation 7 of the Regulations.

Not filing application seeking exemption from applicability of the Regulations under Regulation 3(4) for interse transfer made on 6.3.2004 and for acquisition of equity shares from APIDC Limited on 28.4.2003.

However, the Acquirers have filed Reports under Regulation 3(4) of the SEBI(SAST) Regulations, 1997 on 15th February 2010 for which SEBI may, post examination of these reports, initiate action against the Acquirers if deemed necessary.

5.7 None of the Acquirers or PACs are full time Directors in any Company other than those disclosed in para 5.3 above.

5.8 The Acquirers and PACs do not hold any position on Board of Directors of any listed Company except Mr. MVSS Subba Raju is the Managing Director of the Target Company. Mr. C.Shashidar Reddy is the Executive Director of the Target Company and Mr. U Pradeep Kumar is Non-Executive Director of the Target Company.

5.9 The Acquirers and PACs do not have any plan 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. However, the Acquirers and PACs undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of its shareholders and in accordance with and subject to applicable laws, permissions and consents, if any.

5.10 Details of Earlier Acquisition of Promoters and PACs as on the date of Public Announcement:

Period/Year	Mode of Acquisition	Shares Acquired		Cumulative Shares	Shares sold		Compliance Status
		No. of Shares	% of Shares		No. of Shares	% of Shares	
Prior to SAST							
Opening Balance		969295	35.20	969295	-	-	-
20.01.2000	Sale	-	-	966795	2500	0.09	Not applicable
27.01.2001	Sale	-	-	966395	400	0.01	Not applicable
06.03.2001	Sale	-	-	959395	7000	0.25	Not applicable
02.01.2002	Purchase	81800	2.97	1041195	-	-	Not applicable
23.09.2002	Purchase	184300	6.69	1225495	-	-	Not complied with 7(1A)
28.04.2003	Purchase	135000	4.90	1360495	-	-	Not complied with 7(1A)
29.04.2004	Purchase	103600	3.76	1464095	-	-	Not complied with 7(1A)
01.01.2005	Withdrawals from Promoters Group	-	-	1447195	16900	0.61	Not applicable
31.03.2005	Sale	-	-	1446895	300	0.01	Not applicable
28.08.2005	Sale	-	-	1444895	2000	0.07	Not applicable
30.09.2006	Addition to PAC	22300	0.81	1467195	-	-	Not applicable
01.10.2006	Withdrawals from Promoters Group	-	-	1452195	15000	0.54	Not applicable
26.01.2007	Sale	-	-	1451995	200	0.01	Not applicable
09.02.2007	Sale	-	-	1450995	1000	0.04	Not applicable
16.02.2007	Sale	-	-	1449995	1000	0.04	Not applicable
16.03.2007	Sale	-	-	1449495	500	0.02	Not applicable
08.05.2007	Sale	-	-	1449395	100	0.00	Not applicable
11.05.2007	Sale	-	-	1448395	1000	0.04	Not applicable
25.05.2007	Sale	-	-	1447995	400	0.01	Not applicable
08.06.2007	Sale	-	-	1447395	600	0.02	Not applicable
27.04.2007	Sale	-	-	1447195	200	0.01	Not applicable
30.09.2007	Sale	-	-	1446395	800	0.03	Not applicable

16.11.2007	Sale	-	-	1446295	100	0.00	Not applicable
27.11.2007	Sale	-	-	1446195	100	0.00	Not applicable
11.01.2008	Sale	-	-	1445595	600	0.02	Not applicable
25.01.2008	Sale	-	-	1445495	100	0.00	Not applicable
31.03.2008	Purchase	200	0.01	1445695	-	-	Not applicable
31.03.2008	Inclusion in the Promoters Group	19500	0.71	1465195	-	-	Not applicable
25.03.2009	Purchase	47000	1.71	1512195	-	-	Not applicable
31.03.2009	Withdrawals from Promoters Group	-	-	1270085	242110	8.79	Not applicable

6. DISCLOSURE IN TERMS OF REGULATION 21

Even if the offer is accepted in entirety, the public shareholding in the Target Company will not fall below 25%. In any event, pursuant to this Offer, if the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirers will, in accordance with regulation 21 of the Regulations, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

7. BACKGROUND OF THE TARGET COMPANY - SML

7.1 The Target Company was originally incorporated on 25th October 1988 under Companies Act, 1956 as a private limited company and subsequently converted into a public limited company on 22nd December 1992 by virtue of a special resolution dated 30th October 1992. The Registered Office is situated at Plot No.20, Sripuri Colony, Karkhana, Secunderabad - 500 015 phone no. 91 40 27840394/5 Fax no. 91 40 27892327. Email id: info@shaktimetdor.com.

7.2 The Target Company is one of the leading steel doors Manufacturer in India. The Target Company's steel doors are UL Certified (Underwriters Laboratories Inc.) for universal acceptability. The Target Company is ISO-9001-2000 certified by Det Norske Veritas (DNV) Management System Certificate since 2002.

7.3 The Target Company's Manufacturing Unit is located at Survey No.198, Gallipuram, Qutubullapur Mandal, Rangareddy District, Andhra Pradesh. It has the capacity to manufacture 1,20,000 Metal Doors per annum. The Target Company currently undertakes only turnkey projects, providing a range of customised steel doors including fire doors, scientific doors, general doors, and special application doors to pharmaceutical companies, hospitals, hotels, software companies, IT parks, defense establishments, multiplexes, refineries, metro rail companies, and airports.

7.4 Mr. M V S S Subba Raju and Mr C Shashidar Reddy are the promoters of the Target Company and other Acquirers and PACs form part of Promoter Group.

7.5 The Board of Directors of the Target Company comprise of Mr. MVSS Subba Raju, Mr. C Shashidar Reddy, Mr. U Pradeep Kumar, Mr. P S Reddy, Mr. P Suyodh Rao and Mr. P V Sivakumar.

7.6 The Authorised Share Capital of the Target Company is Rs.400.00 Lakhs comprising of 40,00,000 equity shares of Rs. 10/- each. The issued capital of the Target Company is Rs.360.73 Lakhs comprising of 36,07,295 Equity Shares of Rs.10/- each; subscribed share capital is Rs. 349.93 lakhs comprising of 34,99,295 Equity Shares of Rs.10/- each of which 27,53,845 Equity Shares were fully paid and 7,45,450 Equity Shares were paid up to the extent of Rs. 2.50 per Equity Shares and the same were forfeited on 28th September, 2001.

7.7 All the equity shares of Target Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE). There are no partly paid up shares of the Target Company.

7.8 There are no outstanding convertible instruments. There are no shares under lock in period.

7.9 Share Capital Structure as on the date of PA:-

Subscribed and paid-up Equity Share Capital	**No. of Equity Shares (Face Value - Rs. 10/-)/ Voting Rights**	**% of Voting Rights**
Fully paid-up Equity Shares (a)	27,53,845	100
Partly paid-up Equity Shares (b)	-	Nil
Total paid up Equity Shares (a+b)	27,53,845	100
Total	**27,53,845**	**100**

7.10 The capital build-up of SML since its inception is as follows:

Date of Allotment	**Number of Shares Issued**	**Cumulative paid up capital (Rs.)**	**Mode of allotment**	**Identity of allottees (Promoters / Ex-promoters / Others)**	**Status of compliance**
26.10.1988	200	2000	Memorandum subscription	Promoters	Complied
18.12.1993	34695	348950	Preferential allotment	Promoters	Complied
23.04.1994	924500	9593950	Preferential allotment	Promoters	Complied
30.04.1994	231100	11904950	Preferential allotment	APIDC	Complied
11.07.1994	2308800	34992950	IPO	Public	Complied

7.11 The status of compliance with Chapter II of SEBI (SAST) Regulations, 1997 is as follows:

The Company has not complied with Regulation 6(2) and 6(4) of the Regulations. Further under Regulation 8(3) there was delay of 2128 days, 12 days, 1032 days, 667 days, 302 days, 362 days and 100 days for the disclosure required to be made for the year ended 31st March 1998, 2000, 2001, 2002, 2003, 2004 and 2008. Further under Regulation 8(3) there has been a delay of 5 days, 4 days and 91 days for Record date for 2006, 2007 and 2008. SEBI may initiate appropriate action under the SEBI Act/Regulations for the delay. The Target Company has not disclosed the details of PACs as required under Regulation 8(3) of the Regulations till date.

7.12 No penal actions have been initiated by the Stock Exchange against SML till date. Till date trading of shares has not been suspended on any of the Stock Exchanges where the Company's shares are listed.

7.13 SML has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, as amended or under any other regulation made under the SEBI Act.

7.14 As on the date of the PA, the Board of Directors of SML are as below:

S.no	Name and Address	DIN	Experience	Qualifications	Date of Appointment	Position held
1	Mr. M V S S Subba Raju Flat No.401 Gayatri Exotica, Plot No.56, Road No.2, W.Marredpally, Secunderabad, 500026	00569560	Promoter Director; 14 years experience in Steel Industry, held senior position in the Marketing Division and was associated with the implementation of various project works in NSL Limited.	PG in Commerce	25/10/1988	Managing Director
2	Mr.C. Shashidar Reddy Plot No.18, Cardmaster, 205, Akbar Road, Sikh Village, Diamond Point, Secunderabad-500009	00569641	Promoter Director; Specialized in Corporate Law, International Business Law, Patents, Copyrights and IPRs. Project Manager in Steel industry for five years.	Graduate in Law	25/10/1988	Executive Director
3	Mr. U. Pradeep Kumar H.No: 1-2-593/38 Plot No. 175, Street No,4,Lane No. 6, Gaganmahal Colony, Domalguda Hyderabad-500029	00871989	Have his own bullion and other businesses; is actively involved in strategic decisions of Shakti Met-Dor Limited since sixteen years.	Graduate Engineer	26/09/1996	Non Executive Director
4	Mr. P. Simhadri Reddy 202 Fair Court Richmond Town	00380564	Worked in different Banks including Citibank and at present	B.Com., CA IIB	30/07/2004	Non Executive Director

	Bangalore		having his own investment consultancy firm.			
5	Mr. P. Suyodh Rao 1/2/593/59 Gagan Mahal, Domalguda, Hyderabad-500029	02800989	Consultancy Services on Investment, economic analysis of environment	PG of Regis University, Denver, Masters in Economics Gokhale Institute of Politics and Economics, Pune	9/10/2009	Addl. Director
6	Mr. PV Sivakumar 1/2/1705 Rajamudaliar St., Secunderabad-500003	00353625	Headed Garment Exports and cooperative Banking business	Graduate	9/10/2009	Addl. Director

7.15 There have been no Mergers/ demergers or spin offs in SML during the last three years

7.16 The audited financial highlights of SML for the last three years and the unaudited financials for the six month period ending 30 September, 2009; as certified by Mr.C D Lala, partner of Chaturvedi & Shah, Chartered Accountants (Membership No. 35671), vide certificate dated January 22, 2010 and quarter ended 31st December, 2009; as certified by Mr.C D Lala, partner of Chaturvedi & Shah, Chartered Accountants (Membership No. 35671), vide certificate dated 11th March, 2010 are as below:

(Rs. In Lakhs)

P & L Statement	**Quarter ended 31st December, 2009 (Subjected to limited review)**	**Upto 30 September 2009 (Subjected to limited review)**	**2008-09**	**2007-08**	**2006-07**
Income from operations (Net of excise duty)	2294.92	2310.47	6191.83	7309.48	6359.95
Other Income	11.38	121.55	62.59	74.80	32.53
Variation in stock	(40.33)	50.80	33.00	10.64	5.90
Total Income	2265.97	2482.82	6287.42	7394.92	6398.38
Total expenditure	1852.87	1983.94	5064.19	5287.93	4648.16
Profit before Depreciation, Interest and Tax	413.10	498.88	1223.23	2106.99	1750.22
Depreciation	75.31	147.36	167.95	95.39	87.91
Interest & Financial charges	55.21	138.57	158.89	97.55	41.66
Profit before Tax	282.58	212.95	896.39	1914.05	1620.65
Provision for Tax	96.39	72.38	316.67	666.36	555.17
Tax for earlier years	-	-	1.31	(0.72)	9.15
Profit after Tax	186.19	140.57	578.41	1248.41	1056.33

Balance Sheet Statement	Quarter ended 31st December, 2009	Upto 30 September 2009	2008-09	2007-08	2006-07
Sources of Funds					
Paid up share capital	294.02	294.02	294.02	294.02	294.02
Reserves and Surplus (Excluding FII revaluation reserves)	4462.47	4276.23	4135.71	3621.73	2471.23
Net worth	4756.49	4570.25	4429.73	3915.75	2765.25
Secured Loans	2167.98	1918.84	2219.24	1014.72	752.33
Un-secured Loans	445.37	486.69	246.29	60.39	82.84
Deferred tax liability	330.17	251.63	251.63	95.46	80.40
TOTAL	**7700.01**	**7227.41**	**7146.89**	**5086.32**	**3680.82**
Uses of Funds					
Net fixed assets	4970.32	5031.62	5098.88	1968.62	1382.36
Investments	-	-	-	-	-
Net current assets	2729.69	2195.79	2048.01	3117.70	2298.46
Total misc. expenditure not written off.	-	-	-	-	-
Total	**7700.01**	**7227.41**	**7146.89**	**5086.32**	**3680.82**

Other financial data	Quarter ended 31st December, 2009	Upto 30 September 2009	2008-09	2007-08	2006-07
Dividend %	-	-	20	30	30
Earning per share(Rs)	6.76*	5.10*	21.00	45.33	38.36
Return on net worth (%)	3.91	3.08	13.06	31.88	38.20
Book value per share(Rs)	172.72	165.96	160.86	142.19	100.41

* Not Annualized

7.17 The reasons for rise or fall in Total income and PAT is as follows:

Quarter ended Dec`09

During the Quarter ended 31st December 2009, SML's Sales has slightly increased and was Rs.2,294.91 lakhs. Profit after exceptional items and tax was Rs.186.19 lakhs and the position has slightly improved due to construction activity which was in slowdown was slightly picking up.

Half year ended Sep'09

During the Half Year ended 30th September 2009, SML's Sales was Rs.2,310.47 lakhs. Profit after exceptional items and tax was Rs 140.57 lakhs and the position continued to be depressed on account of lower construction activity which was affected by the slowdown in setting up of SEZs, Software Parks and other infrastructure projects.

Comparing FY 2009 to FY 2008

During the year ended 31st March, 2009, SML's sales decreased by 15.29% over previous year to Rs 6,191.83 lakhs. Profit after tax dropped by around 53.67% to Rs.578.41 lakhs due to lower construction activity which was affected by the slowdown in setting up of SEZs, Software Parks and other infrastructure projects.

Comparing FY 2008 to FY 2007

During the year ended 31st March, 2008, SML's sales increased by 14.93% over previous FY to Rs 7,309.48 lakhs. Profit after tax increased to Rs 1,248.41 lakhs, a growth of 18.18% which can be attributed to increased investments in infrastructure sector by Government and private sectors.

7.18 Pre and post-Offer shareholding pattern of SML, as on the date of PA is as follows:

Shareholders category	Shareholding & voting rights prior to the acquisition and offer		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding/ voting rights after the acquisition and offer	
	A		D		E=C+D	
	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group						
a. Acquirers						
i. MVSS Subba Raju	134,578	4.89				
ii. C Shashidar Reddy	137,307	4.99				
iii. M Uma Raju	215,310	7.82				
iv. C Anupama Reddy	281,510	10.22				
v. U Pradeep Kumar	301,270	10.94				
vi. V Rama Devi	3,300	0.12	5,50,800	20.00		
					18,20,885	
b. PACs						
i. M Bhava Raju	22,500	0.82				
ii. V Vivek	2,500	0.09				66.12
iii. V Sruthi	2,500	0.09				
iv. MVS Raju	500	0.02				
v. C Amritha Reddy	10,000	0.36				
vi. C Sumathi Reddy	14,600	0.53				
vii. M Vikram	9,000	0.33				
viii. V Ravi Kumar	60,210	2.19				
ix. V Krishna Rao	50,000	1.82				
x. V Anupama	25,000	0.91				
Total (a+b+c)	**1270,085**	**46.12**	**5,50,800**	**20.00**	**18,20,885**	**66.12**
2. Parties to the agreement other than 1(a)	-	-	-	-	-	-

3. Public (other than parties to the agreement and Acquirers)						
a. Institutions/Mutual Funds/Banks	100	0.00	(550800)	(20.00)	972960	33.88
b. Other Companies*	353,598	12.84				
c. Non Domestic Companies						
d. Foreign Institutional Investors						
e. Non Resident Individuals	7,200	0.26				
f. Public	11,22,862	40.78				
Total (a+b+c+d+e+f)	**14,83,760**	**53.88**	**(5,50,800)**	**(20.00)**	**9,72,960**	**33.88**
GRAND TOTAL (1+2+3)	**27,53,845**	**100.00**			**27,53,845**	**100.00**

As on December 31, 2010, the total number of shareholders of SML in the public category are 915.

*Other Companies constitutes of the following:-

Name of the Company	No. of shares	% of holding
SRI SHIRIDI SAI ENTERPRISES PVT LTD	207600	7.54
FIRST SECURITIES(P) LTD	97700	3.55
EUREKA STK SH BKG SERV	7500	0.27
ANGEL BROKING LIMITED.	6578	0.24
EUREKA STK SH BKG SERV	6450	0.23
RUSHABH MANAGEMENT SERVICES PVT LTD	6300	0.23
ASHIKA STOCK BROKING LTD.	5903	0.21
TRISYS ON THE NET PRIVATE LIMITED	4500	0.16
EUREKA CREDIT FINANCE PRIVATE LIMITED	2500	0.09
LAXMISIVANI CHEMICALS P LTD	2100	0.08
SYKES & RAY EQUITIES (I) LTD.	1350	0.05
JAINAM SHARE CONSULTANTS PVT. LTD	600	0.02
KARVY STOCK BROKING LTD	600	0.02
POTHULURI HIRE PURCHASE & FIN P LTD	600	0.02
M ANANDAM CONSULTANCY SERVICES PRIVATE LIMITED	500	0.02
RELIGARE SECURITIES LTD	400	0.01
PRABHUDAS LILLADHER PRIVATE LIMITED	300	0.01
SHREE BAHUBALI INTERNATIONAL LTD.	228	0.01
AUM CAPITAL MARKET PVT. LTD.	200	0.01
GLOBE CAPITAL MARKET LTD	187	0.01
ANAGRAM STOCKBROKING LTD	101	0.00
UNICON SECURITIES PRIVATE LIMITED	100	0.00
AJCON GLOBAL SERVICES LIMITED	100	0.00
MARFATIA STOCK BROKING PRIVATE LIMITED	100	0.00
MANGAL KESHAV SECURITIES LIMITED	100	0.00
HEM SECURITIES LIMITED	100	0.00
MAHALAXMI MOULDS PRIVATE LIMITED	100	0.00
INDIA CAPITAL MARKETS PRIVATE LIMITED	100	0.00
SHRI PARASRAM HOLDINGS PVT.LTD.	100	0.00
RELIGARE FINVEST LTD	100	0.00
VINAR INTEGRATION LIMITED	100	0.00
SHAREKHAN LIMITED	100	0.00
ALANKIT ASSIGNMENTS LTD.	100	0.00
MADURA CAPITAL MARKET SERVICES (P) LTD.	100	0.00
KARVY STOCK BROKING LIMITED	90	0.00
ZEN SECURITIES LTD-BSE CLIENTS A/C	5	0.00
PRABHUDAS LILLADHER PVT. LTD.	2	0.00
SMC GLOBAL SECURITIES LIMITED	1	0.00
STERLING DERIVATIVES & COMMODITIES SERVICES PRIVATE LIMITED	1	0.00
RAJ OVERSEAS AND FINANCE PVT. LTD	1	0.00
JNJ HOLDINGS PVT. LTD.	1	0.00
	353598	**12.84**

7.19 The details of changes in shareholding of Promoters.

Mr MVSS Subba Raju

Period/ Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Shareholding of the promoter group before the instant transaction	Cumulative Shares/ Shareholding of the promoter group After the instant transaction	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	--	117078	4.25%	0	117078	4.25%	-	0.00%	Not applicable
20.01.2000	Sale	-	0.00%	117078	116478	4.23%	600	0.02%	Not applicable
27.01.2001	Sale	-	0.00%	116478	116078	4.22%	400	0.01%	Not applicable
06.03.2001	Sale	-	0.00%	116078	109078	3.96%	7000	0.25%	Not applicable
02.01.2002	Interse Transfer	76500	2.78%	109078	185578	6.74%	-	-	Not applicable
02.01.2002	Purchase -off Market	20300	0.74%	185578	205878	7.48%	-	-	Not applicable
28.04.2003	Purchase -off Market	17500	0.64%	205878	223378	8.11%	-	-	$
06.03.2004	Interse Transfer	-	0.00%	223378	132078	4.80%	91300	3.57%	*
28.08.2005	Interse Transfer	8000	0.29%	132078	134578	4.89%	5500	0.20%	Not applicable

Mrs M Uma Raju

Period/ Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Shareholding of the promoter group before the instant transaction	Cumulative Shares/ Shareholding of the promoter group After the instant transaction	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	--	4510	0.16	0	4510	0.00	-	-	Not applicable
28.04.2003	Purchase - Off Market	50000	1.82	4510	54510	1.98	-	-	$
06.03.2004	Interse Transfers	91300	3.32	54510	145810	5.29	-	-	*
29.04.2004	Purchase - Off Market	52500	1.91	145810	198310	7.20	-	-	@

07.05.2004	Interse Transfers	5000	0.18	198310	203310	7.38	-	-	Not applicable
28.08.2005	Interse Transfers	5500	0.20	203310	208810	7.58	-	-	Not applicable
26.07.2006	Purchase - Off Market	7000	0.25	208810	215810	7.84	-	-	Not applicable
25.10.2008	Interse Transfers	-	-	215810	206810	7.51	9000	0.33%	Not applicable
31.07.2009	Interse Transfers	8500	0.31	206810	215310	7.82	-	-	Not applicable

Mr C Shashidar Reddy

Period/Year	**Mode of Acquisition**	**Shares Acquired**	**% of Voting Capital**	**Shareholding of the promoter group before the instant transaction**	**Cumulative Shares/ Shareholding of the promoter group After the instant transaction**	**%**	**Shares Sold**	**%**	**Status of Compliance**
Prior to SAST REG.		85357	3.10	0	85357	3.10	-	-	Not applicable
20.01.2000	Open Market	-	-	85357	83457	3.03	1900	0.07	Not applicable
12.10.2000	Interse Transfers	53560	1.94	83457	137017	4.98	-	-	Not applicable
02.01.2002	Purchase - off Market	6000	0.22	137017	143017	5.19	-	-	Not applicable
12.01.2002	Purchase - off Market	20700	0.75	143017	163717	5.95	-	-	Not applicable
02.02.2002	Purchase - off Market	9500	0.34	163717	173217	6.29	-	-	Not applicable
02.03.2002	Purchase - off Market	7500	0.27	173217	180717	6.56	-	-	Not applicable
28.04.2003	Purchase - off Market	17500	0.64	180717	198217	7.20	-	-	$
13.12.2003	Interse Transfers	7500	0.27	198217	205717	7.47	-	-	Not applicable
05.03.2004	Interse Transfers	13000	0.47	205717	218717	7.94	-	-	Not applicable
06.03.2004	Interse Transfers	-	-	218717	137307	4.99	81410	2.96	*

Mrs C Anupama Reddy

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Shareholding of the promoter group before the instant transaction	Cumulative Shares/ Shareholding of the promoter group After the instant transaction	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.		29500	1.07	0	29500	1.07	-	-	Not applicable
28.04.2003	Purchase-Off Market	50000	1.82	29500	79500	2.89	-	-	$
06.03.2004	Interse Transfer	81410	2.96	79500	160910	5.84	-	-	*
28.10.2003	Interse Transfer	15000	0.54	160910	175910	6.39	-	-	Not applicable
29.04.2004	Purchase-Off Market	51100	1.86	175910	227010	8.24	-	-	@
28.05.2004	Interse Transfer	2500	0.09	227010	229510	6.48	-	-	Not applicable
31.07.2004	Interse Transfer	5000	0.18	229510	234510	8.42	-	-	Not applicable
25.03.2009	Purchase-Off Market	47000	1.71	234510	281510	10.13	-	-	Not applicable

Mr U Pradeep Kumar

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Shareholding of the promoter group before the instant transaction	Cumulative Shares/ Shareholding of the promoter group After the instant transaction	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	-	51970	1.89%	0	51970	1.89	-	-	Not applicable
12.01.2002	Interse Transfer	23300	0.85%	51970	75270	2.73	-	-	Not applicable
30.01.2002	Interse Transfer	7100	0.26%	75270	82370	2.99	-	-	Not applicable
12.09.2002	Purchase - Off Market	20500	0.74%	82370	102870	3.74	-	-	Not applicable
23.09.2002	Purchase - Off Market	184300	6.69%	102870	287170	10.43	-	-	Not Complied with Regulation 7(1A)

07.09.2005	Interse Transfer	4100	0.15%	287170	291270	10.58	-	-	Not applicable
26.07.2006	Interse Transfer	10000	0.36%	291270	301270	10.94	-	-	Not applicable

Mrs V Rama Devi

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Shareholding of the promoter group before the instant transaction	Cumulative Shares/ Shareholding of the promoter group After the instant transaction	%	Shares Sold	%	Status of Compliance
09.08.2005	Interse Transfer	2800	0.10%	0	2800	0.10%	-	-	Not applicable
28.08.2005	Market Purchase	500	0.02%	2800	3300	0.12%	-	-	Not applicable

Mr M Bhava Raju

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Shareholding of the promoter group before the instant transaction	Cumulative Shares/ Shareholding of the promoter group After the instant transaction	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	-	13000	0.47%	0	13000	0.47%	-	-	Not applicable
Prior to SAST REG. included in PAC from 2006-07		500	0.02%	13000	13500	0.49%	-	-	Not applicable
28.08.2005	Open Market	8000	0.29%	13500	21500	0.78%	-	-	Not applicable
18.08.2006	Open Market	1000	0.04%	21500	22500	0.82%	-	-	Not applicable

Mr V Vivek

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Cumulative Shares	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	-	2500	0.09%	2500	0.09%	-	-	Not applicable

Ms V Shruthi

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Cumulative Shares	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	-	2500	0.09%	2500	0.09%	-	-	Not applicable

Mr M V S Raju

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Cumulative Shares	%	Shares Sold	%	Status of Compliance
Prior to SAST REG. included in PAC from 2006-07	-	500	0.02%	500	0.02%	-	-	Not applicable

Mrs C Amrita Reddy

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Shareholding of the promoter group before the instant transaction	Cumulative Shares/ Shareholding of the promoter group After the instant transaction	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	-	250	0.01%	0	250	0.01%	-	-	Not applicable
Prior to SAST REG. included in PAC from 2006-07	-	10000	0.36%	250	10250	0.37%	-	-	Not applicable
26.02.2007	Interse Transfer			10250	10000	0.36%	250	0.01%	

Mrs C Sumathi Reddy

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Shareholding of the promoter group before the instant transaction	Cumulative Shares/ Shareholding of the promoter group After the instant transaction	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	--	6600	0.24	0	6600	0.24	-	-	Not applicable
03.05.2004	Interse Transfer	-	-	6600	-	0.00	6600	0.24	Not applicable
26.02.2007	Interse Transfer	14600	0.53	-	14600	0.53	-	-	Not applicable

Mr M Vikram

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Cumulative Shares	%	Shares Sold	%	Status of Compliance
25.10.2008	Interse Transfer	9000	0.33	9000	0.33	-	-	Not applicable

Mr V Ravi Kumar

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Cumulative Shares	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	-	60210	2.19	60210	2.19	-	-	Not applicable

Mr V Krishna Rao

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Cumulative Shares	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	-	50000	1.82	50000	1.82	-	-	Not applicable

Mrs V Anupama

Period/Year	Mode of Acquisition	Shares Acquired	% of Voting Capital	Cumulative Shares	%	Shares Sold	%	Status of Compliance
Prior to SAST REG.	-	25000	0.91	25000	0.91	-	-	Not applicable

*The Acquirers have not complied with Regulation 3(4) of the Regulations.
$The Acquirers have not complied with Regulation 3(4) and Regulation 7(1A) of the Regulations.
@The Acquirers have not complied with Regulation 7(1A) of the Regulations.

7.20 The Target Company has complied with the norms of the SEBI Guidelines on Corporate Governance as enumerated in clause 49 of the listing agreements with Stock Exchange.

7.21 Details of pending litigations/suits filed against SML
There are no legal cases, prosecutions, show-cause notices pending against SML in any Court of law or any other concerned statutory/ regulatory authorities.

7.22 The Name and Details of the Compliance Officer are as under:
Ms.Girijabala K
Company Secretary
Plot No.20, Sripuri Colony
Karkhana, Secunderabad – 500 015
Phone: 91 40 27840394/5
Fax: 91 40 27892327
Email: info@shaktimetdor.com

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification for the Offer Price

8.1.1 The equity shares of SML are listed on the Bombay Stock Exchange Limited, Mumbai (BSE). Based on the information available (Source: www.bseindia.com), the Shares of the Target Company, within the meaning of explanation (i) to Regulation 20(5) of the Regulations, are frequently traded on the BSE.

Total number of shares traded during 6 calendar months preceding the month in which the PA is made	Total number of listed shares *	Annualised trading turnover (as % of total listed shares)
73,255	27,53,845	5.32%

***** Excludes 7,45,450 shares already forfeited and not yet reissued

8.1.2 As the shares of the SML have been traded frequently at Bombay Stock Exchange Limited where they are listed during the preceding six calendar months prior to the month of the PA. The price in terms of Regulation 20(4) of the Regulations has been determined taking into the account the following parameters:-

a)	Negotiated Price under the Agreement	:	Not applicable
b)	Highest Price paid by the Acquirers for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	:	Not applicable
c)	The average of the weekly high and low of the closing prices of the shares of SML on Stock Exchange, during 26 weeks period preceding the date of the Public Announcement	:	Rs.131.61
d)	The average of the daily high and low of the prices of the shares of SML, during 2 weeks preceding the date of the Public Announcement	:	Rs.162.90

The weekly high and low of the closing prices of the shares during the 26 week period ended the last trading date before the Public announcement are given below:-

Week No.	Week ending	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Volume
1	Wednesday, August 05, 2009	91.30	87.00	89.15	2256
2	Wednesday, August 12, 2009	91.35	87.05	89.20	2403
3	Wednesday, August 19, 2009	94.90	90.95	92.93	1373
4	Wednesday, August 26, 2009	104.60	91.00	97.80	3192
5	Wednesday, September 02, 2009	128.00	109.80	118.90	5181
6	Wednesday, September 09, 2009	122.45	117.10	119.78	6224
7	Wednesday, September 16, 2009	122.85	110.00	116.43	1386
8	Wednesday, September 23, 2009	114.65	104.00	109.33	3601
9	Wednesday, September 30, 2009	139.25	120.35	129.80	5536
10	Wednesday, October 07, 2009	146.20	132.40	139.30	4180
11	Wednesday, October 14, 2009	127.00	119.65	123.33	4425
12	Wednesday, October 21, 2009	135.35	129.00	132.18	643
13	Wednesday, October 28, 2009	130.50	125.10	127.80	2187

14	Wednesday, November 04, 2009	134.25	125.35	129.80	1298
15	Wednesday, November 11, 2009	125.25	123.00	124.13	2345
16	Wednesday, November 18, 2009	139.00	123.00	131.00	5185
17	Wednesday, November 25, 2009	145.00	141.10	143.05	1927
18	Wednesday, December 02, 2009	153.20	145.50	149.35	2869
19	Wednesday, December 09, 2009	160.00	150.00	155.00	2596
20	Wednesday, December 16, 2009	158.00	151.00	154.50	3608
21	Wednesday, December 23, 2009	155.00	147.10	151.05	3660
22	Wednesday, December 30, 2009	156.50	155.00	155.75	118
23	Wednesday, January 06, 2010	162.00	148.50	155.25	2353
24	Wednesday, January 13, 2010	165.90	156.00	160.95	4640
25	Wednesday, January 20, 2010	160.00	154.00	157.00	1155
26	Wednesday, January 27, 2010	175.90	162.20	169.05	77381
	26 weeks average			**131.61**	

The daily high and low prices of the Equity shares of SML, during the 2 weeks period ended January 27, 2010 (being the last trading day prior to the date of Public Announcement are given below:-

S.no.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	Thursday, January 14, 2010	161.90	159.00	160.45	200
2	Friday, January 15, 2010	158.00	158.00	158.00	10
3	Monday, January 18, 2010	157.00	157.00	157.00	200
4	Tuesday, January 19, 2010	167.00	152.05	159.53	742
5	Wednesday, January 20, 2010	163.90	160.00	161.95	3
6	Thursday, January 21, 2010	165.00	151.00	158.00	1961
7	Friday, January 22, 2010	171.00	160.05	165.53	1214
8	Monday, January 25, 2010	177.25	165.00	171.13	2815
9	Wednesday, January 27, 2010	179.00	170.00	174.50	71391
	2 weeks average			**162.90**	

In view of the above, the Offer price of Rs.180/- per equity share of Rs.10/- each is higher than the prices based on the parameters referred to above and is justified in terms of the Regulations.

8.1.3 As on date of this PA, the Manager to the Offer does not hold any equity shares in the Target Company. The Manager to the Offer undertakes not to deal in the equity shares of SML upto a period of fifteen days after the closing of the Offer.

8.1.4 The Offer is unconditional and not subject to any minimum level of acceptance.

8.1.5 This is not a competitive bid.

8.1.6 **Non compete fees:** No agreement has been entered into for acquiring the equity shares/ voting rights of the Target Company with anybody and hence, the details related to non-compete fee is not applicable.

8.1.7 Acquirers and PACs have not acquired any shares from the date of PA till the date of the Letter of Offer. In case they acquire any shares upto 7 working days prior to the closure of the offer, then the Offer Price shall not be less than the highest price paid by them for such acquisition.

8.2 Financial arrangements for the Offer

8.2.1 The Acquirers and PACs have made firm financial arrangement for financing the acquisition of equity shares under the Open Offer, in terms of Regulation 16(xiv) of the Regulations.

8.2.2 The total funds required for implementation of the Offer at Rs.180/- (Rupees One hundred and eighty only) per fully paid up equity share is Rs. 9,91,44,000/- (Rupees Nine crores ninety one lakhs and forty four thousand only) assuming that full acceptance for the Offer is received ("Offer Consideration")

8.2.3 In accordance with Regulation 28 of the Regulations, the Acquirers have made an escrow arrangement for the Offer comprising a Bank Guarantee no.0192110BG0000001 dated January 22, 2010 issued by State Bank of India, Overseas Branch, 5-9-300, Gunfoundry, Hyderabad-500 001 having its Registered Office at Nariman Point, Mumbai-400 021, in favour of Manager to the Offer for an amount of Rs. 2,50,00,000/- (Rupees Two crores fifty lakhs only), being more than 25% of the total consideration payable, which will remain in force upto 22nd July 2010. In addition, the Acquirers have also made a cash deposit with HDFC Bank Limited, located at 6-1-73, Ground & 3rd Floor, Sayeed Plaza, Lakdi-ka-pool, Hyderabad-500 004 for an amount of Rs. 10,00,000/- (Rupees Ten lakhs only), being more than 1% of the total consideration payable, in the Escrow Account bearing No. 00210350002996 opened in the name and style of SHAKTI MET-DOR LIMITED – OPEN OFFER – ESCROW ACCOUNT. The Acquirers have empowered the Manager to the Offer i.e. Karvy Investor Services Limited to instruct and to realize the value of above Bank Guarantee and Cash Deposit in terms of the Regulations.

8.2.4 The Acquirers and PACs have made firm financial arrangements to meet their obligations in full under the Offer. For this purpose, the Acquirers and PACs intend to utilize their own resources and may also use borrowed funds. Mr. V Sasidhar, a Practicing Chartered Accountant (Membership No.200954) having office at 413, 4th Floor, 1-7-323, Panchsheela Towers, Parklane, Secunderabad-500 013. Tel.No.:040-40200374 E-mail: sasidharvidiyala@gmail.com vide certificate dated 22nd January 2010 has confirmed that sufficient resources are available with the Acquirers and PACs for fulfilling the obligations under this 'Offer' in full.

8.2.5 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers and PACs to implement the offer in accordance with the Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 The Letter of Offer ('LOO'), specifying the detailed terms and conditions, together with the Form of Acceptance cum Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) will be mailed to the shareholders of the Target Company whose names appear on the register of members of the Target Company and to the Beneficial Owners of the equity shares of the Target Company whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on **Thursday, February 25, 2010** ('Specified Date').

9.2 All owners of equity shares, registered or unregistered, of the Target Company (except the Promoters Group) are eligible to participate in the Offer anytime before the closing of the Offer. Accidental omission to dispatch of Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. A copy of the Letter of Offer (including Form of Acceptance) will be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

9.3 The instructions, authorizations and provisions contained in the form of acceptance and form of withdrawal constitute an integral part of the terms of this Offer.

9.4 Shares that are subject to any charge, lien or encumberance are liable to be rejected. The Equity Shares of the Target Company will be acquired by the Acquirers under the Offer, free from all liens, charges and encumbrances and together with all rights attached thereto.

9.5 Each shareholder of SML to whom this Offer is being made is free to offer his shareholding in SML in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.

9.6 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. A copy of the letter of offer (including Form of Acceptance) is expected to be available on SEBI’s Website (http://www.sebi.gov.in) during the period the offer is open and may also be downloaded from the website for participating in the Offer.

9.7 As on date, none of the equity shares of the Target Company are under lock-in.

9.8 Statutory/Other Approvals required for the Offer

9.8.1 The Offer being announced is not a conditional offer and is not subject to any minimum level of acceptance.

9.8.2 The Offer is subject to receipt of approval(s) from Reserve Bank of India (“RBI”), if any, under the Foreign Exchange Management Act, 1999 for acquisition of equity shares by the Acquirers from non-resident person(s). The Acquirers will make the requisite application to RBI for acquisition of such shares as and when required. Delay, if any in obtaining the permission will delay the payments to be made to non-resident person(s) under the Offer.

9.8.3 To the best of the knowledge of the Acquirers, no other statutory or regulatory approval is required for them to proceed with this Offer. If any other approvals are required subsequently, the Offer would be subject to such additional approvals. The Acquirers will have a right not to proceed with the Offer in the event the approvals indicated above are refused in terms of Regulation 27(1b) of the Regulations.

9.8.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of the Regulations, will be adhered to, i.e. SEBI has power to grant extension of time to the Acquirers for payment of consideration to the shareholders subject to the Acquirers agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of wilful default by the Acquirers in obtaining the approvals, Regulation 22 (13) of the Regulations, will also become applicable.

9.8.5 The Acquirers do not require any approval from the Bank or Financial Institution for the present Offer.

9.9 ***If there is a Competitive Offer/Bid:***

i) The Public Offers under all the subsisting bids shall close on the same date.

ii) As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

10.1 Shareholders who wish to tender their equity shares will be required to send their following mentioned documents to the Registrar to the Offer by hand delivery/registered post or through courier, as the case may be, at **Karvy Computershare Private Limited** - Cyber Villa, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081, India, Tel: 91 40 2342 0815, Fax: 91 40 2343 1551, E-mail: einward.ris@karvy.com on or before Closure of offer (i.e., **Wednesday, April 07, 2010**,) on their working days during the business hours indicated below in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. In the case of demat 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., **Wednesday, April 07, 2010**).

Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects, otherwise the same is liable to be rejected. In the case of demat 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. 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.

i. 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 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 SML and duly witnessed at the appropriate place, preferably, by a Notary or Bank Manager or Member of the Stock Exchange under their seal of office and membership number. The transfer deed should be left blank except for the signatures as mentioned above. A blank Share Transfer form is enclosed along with this Letter of Offer.

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 issued by the Broker through whom the shares were acquired.
- Valid Share Transfer form(s) as received from the market.

It may be noted that if the specimen signatures(s) of the acceptor differs with the specimen signature(s) recorded with SML or if they are not in the same order, such shares are liable to be rejected under this Offer.

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

ii. 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.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.
- The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depositary Account. The credit in the Special Depository Account should be received on or before 3 pm as on the date of closure of the Offer, i.e., **Wednesday, April 07, 2010**.
- The Delivery Instructions to be given to the DP should be in "Off-Market" mode only. For each Delivery Instruction the Beneficial Owner should submit a separate Form of Acceptance.
- The Manager to the Offer, Karvy Investor Services Limited, has opened a special depository account at National Securities Depository Limited (NSDL) as detailed below:

Client ID	17518682
DP Name	Karvy Stock Broking Limited
Special DP Account	"Shakti Metdor Limited –Open Offer Escrow Account "
DP ID	IN 300394
ISIN	ISINE614D01014

- Forms of Acceptance of dematerialized equity shares not credited to the above special depository account on or before the closing of Offer i.e. April 7, 2010 are liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least two working days prior to the date of closing of the Offer.
- Shareholders having their beneficiary account in Central Depository Services (India) Limited (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.
- In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the shareholder.
- **Business Hours**: Monday to Friday: 10.30 a.m. to 3.00 p.m.
Saturday: 10.00 a.m. to 1.00 p.m.
- **Holidays:** Sundays and Bank Holidays

Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the designated collection centre, to the Registrar at the addresses as mentioned hereinabove during business hours indicated above other than on holidays.

Please note that the Share Certificates/Delivery Instruction Slip and other documents in relation to the acceptance of the Offer should not be sent to the Acquirers or the Target Company or the Manager to the Offer.

10.2 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Distinctive Number; Folio Number, Number of shares offered; along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., no later than **Wednesday, April 07, 2010** or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the Special Depository Account, or the eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than **Wednesday, April 07, 2010**. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI’s website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI’s website and apply using the same.

10.3 Unregistered owners or shareholders who have not received the Letter of Offer, may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in 'off-market' mode or counterfoil of the delivery instruction in the 'off-market' mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No Indemnity is required from the unregistered owners.

10.4 Shareholders of the Target Company who have sent their equity shares for transfer should submit Form of Acceptance duly completed and signed, copy of the letter sent to Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialization should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However, they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.

10.5 Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

10.6 If the aggregate of the valid responses to the Offer exceeds the Offer size of 5,50,800 fully paid-up equity shares of Rs.10/- each, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, subject to a minimum of 100 shares or the entire holding if less than 100 shares, in case of physical mode. In case, the Equity Shares are surrendered in dematerialized mode minimum acceptance will be one (1) Equity Share only.

10.7 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized are completed well in time so that the credit in the Special Depository Account is received on or before the date of Closure of the Offer, i.e., no later than **Wednesday, April 07, 2010**, else the application would be rejected.

10.8 While tendering shares under the Offer, NRIs / OCBs / Foreign Shareholders will be required to submit the previous RBI Approvals (specific or general) that they may have obtained for acquiring shares of SML. In case of previous RBI Approvals not being submitted, the Acquirer reserve the right to reject such shares tendered.

10.9 **TAX TO BE DEDUCTED AT SOURCE:** As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under applicable section of the Income Tax Act or as business profits as the case may be, Acquirers may need to deduct tax at source (including surcharge and education cess) at the applicable rate on the gross consideration payable to the following categories of shareholders, as given below:

- Non resident Indians
- Overseas Corporate Bodies (OCBs) / Non-domestic companies
- Other persons who are not resident in India

Accordingly, while tendering Shares under the Offer, NRI / OCBs / foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the Shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such Shareholder.

In respect of **Foreign Institutional Investors** (“**FII**”): The Acquirers will not deduct tax at source if the Shares are held by the FII on investment / capital account. FIIs will have to certify in the Form of Acceptance cum Acknowledgment that the said shares are held on investment / Capital Account and enclose the certificate of registration by SEBI as FII.

10.10 In terms of Regulation 22 (5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days (i.e, Thursday, **April 1, 2010**) prior to the date of closure (i.e, **Wednesday, April 07, 2010**) of the Offer. The withdrawal option can be exercised by submitting the documents only to the Registrar to the Offer as per the instructions below.

i. For Equity Shares held in demat form:

Beneficial owners should enclose

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
- 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 Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
- 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 SML and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original / Copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
- In case of non-receipt of Form of withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details
- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number and Number of Shares tendered / with drawn.
- In case of dematerialised shares: Name; Address; Number of Shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the special depository account.

a) The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer / Special Depository Escrow Account.
b) The intimation of returned shares to the Shareholders will be at the address through Registered post as per the records of SML / Depository as the case may be.
c) In case of partial withdrawal 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 SML.
d) Partial withdrawal of tendered shares can be done only by the Registered shareholders / Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
e) Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
f) In case of non receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper along with the following details:-

  - **In case of Physical shares:** by stating the Name, Address, Distinctive numbers, Folio Number, Number of shares tendered and to be withdrawn.
  - **In case of dematerialised shares:** by stating Name, Address, Number of shares tendered and to be withdrawn, DP Name, DP Id, Beneficiary Account Number, Counterfoil / Photocopy of the delivery instruction in “Off market” mode duly acknowledged by the DP in favour of the special depository account.
  - **In either case:** a copy of the acknowledgment received from the Registrar to the Offer upon tendering of the Shares, so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before April 7, 2010 (the Offer Closing Date)

The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include, but are not limited to:

i. Duly attested death certificate and succession certificate (in case of single shareholder) in case of the original shareholder is deceased.
ii. duly attested Power of Attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s)
iii. In case of Companies, the necessary corporate authorizations (including Board Resolutions)
iv. any other relevant documents

10.11 In case of delay in receipt of statutory approvals beyond 15 days from the date of closure of the offer, interest will be payable for the delayed period in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

10.12 Payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose shares / share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheques/demand drafts will be drawn in the name of the sole / first named holder / unregistered owner and will be sent to him. ***It is desirable that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that same can be incorporated in the cheque/demand draft.***

10.13 Unaccepted or withdrawn Share Certificate(s), transfer form(s) and other documents, if any, will be returned by Registered Post at the shareholders' / unregistered owners' sole risk to the sole / first named shareholder/unregistered owner. Unaccepted or withdrawn shares held in demat form will be credited back to the beneficial owners' depositary account with the respective depositary participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

10.14 The Registrar and Manager to the Offer will hold in trust the Share(s) / Share certificate(s), Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders / unregistered owner(s) of SML, who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares/ share certificates are dispatched / returned.

10.15 **Mode of making payment**
The payment of consideration, if any, would be done through any of the following modes:

10.15.1 Electronic Clearing System (ECS) – Payment of consideration would be done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, odhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non- MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and

Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of considerations would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of consideration through ECS is mandatory for shareholders having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

10.15.2 **Direct Credit** – Shareholders having bank accounts with the Escrow Banker(s), in this case being, HDFC Bank Limited, shall be eligible to receive considerations through direct credit. Charges, if any, levied by the Escrow Bank(s) for the same would be borne by the Acquirers.

10.15.3 **RTGS** – Shareholders having a bank account at any of the abovementioned 68 centres and whose consideration amount exceeds Rs. One Lac, have the option to receive payment through RTGS. Such eligible shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Acceptance-cumacknowledgement form. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the Escrow Bank(s) for the same would be borne by the Acquirers. Charges, if any, levied by the shareholders's bank receiving the credit would be borne by the shareholder.

10.15.4 **National Electronic Fund Transfer (NEFT)** – Payment of consideration shall be undertaken through NEFT wherever the shareholders' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the shareholders through this method. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

10.15.5 For all other shareholders, including those who have not updated their bank particulars with the MICR code, the payments will be dispatched under certificate of posting for value up to Rs.1,500 and through Speed Post/ Registered Post for payments of Rs.1,500 and above. Such payments will be made by cheques, pay orders or demand drafts drawn on HDFC Bank Limited and payable at par.

10.16 The consideration to those shareholders whose shares or share certificates and/or other documents are found complete, valid and in order and accepted by Acquirers in part or in full will be made within 15 days from the date of closure of the Offer. The Acquirers undertake to pay interest pursuant to Regulation 22(12) to the Shareholders for the delay, if any, in payment of consideration. The consideration will be paid as per the modes specified in clause 10.15 above. Such consideration in excess of Rs.1500/- or unaccepted share certificates, transfer deeds and other documents, if any, will be returned by Registered Post / Speed Post at the shareholders / unregistered owners sole risk to the sole/first shareholders / unregistered owner. Equity Shares held in dematerialized form, to the extent not accepted will be credited back to the beneficiary owners depository account with the respective depository participant as per the details furnished by the beneficial owner in the form of acceptance or otherwise. All dispatched involving payment of a value upto Rs.1500/- will be made under certificate of posting at the shareholders sole risk.

11. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of SML at the address of the Manager to the Offer M/s. Karvy Investor Services Limited, "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034 from 11.00 a.m. to 3.00 p.m. on any working day until the Offer closes.

1. Copy of Public Announcement as published in the newspapers on January 28, 2010 and published copy of corrigendum to PA made on 11 March, 2010.
2. The Net worth certificates of the Acquirers and PACs dated January 22, 2010 from Mr. V Sasidhar, Practicing Chartered Accountant.
3. Certificate of Incorporation and Memorandum and Articles of Association of SML.
4. Annual Reports of SML for the financial years ended March 31, 2007, 2008 and 2009 and limited review report of the auditors for the nine months ended December 31, 2009.
5. Copy of bank guarantee dated January 22, 2010 No. 0192110BG0000001 issued by State Bank of India, Overseas Branch, Gunfoundry, Hyderabad – 500 001 for Rs.250.00 lakhs valid till July 22, 2010 in favour of the Manager to the Offer and copy of the letter dated January 25, 2010 confirming deposit of Rs.10.00 lakhs (representing an amount, being more than 1% of the maximum purchase consideration payable in terms of the Offer) issued by HDFC Bank Limited having office at No.6-1-73, Ground Floor, Sayeed Plaza, Lakdi ka pool, Hyderabad – 500 004.
6. Copy of MOU dated January 22, 2010 between Karvy Investor Services Limited, the Manager to the Offer and the Acquirers.
7. Copy of appointment letter dated January 22, 2010 issued to Karvy Computershare Private Limited as Registrars to the Offer.
8. Copy of confirmation regarding opening of Special Depository Account in the name and Style of "Shakti Met-Dor Limited - Escrow Account - Open Offer"
9. Copy of SEBI letter no. CFD/DCR/TO/RM/197776/10 dated March 09, 2010 in terms of Regulation 18(2) of the Regulations.
10. Undertakings from the Acquirers and PACs.

12. DECLARATION BY THE ACQUIRERs AND PACs

The Acquirers and PACs severally and jointly accept full responsibility for the information contained in the PA, Corrigendum to PA and this Letter of Offer, Form of Acceptance, Form of Withdrawal and would be severally and jointly responsible for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

Sd/-
MVSS Subbaraju

Place: Hyderabad
Date: 11.03.2010

Mrs. M Uma Raju, Mr C Shashidar Reddy, Dr. C Anupama Reddy, Mr. U Pradeep Kumar, Mrs. V Rama Devi, Mr. M Bhava Raju, Mr V Vivek, Ms. V Shruthi, Mr. M V S N Raju, Mrs. C Amrita Reddy, Mrs. C Sumathi Reddy, Mr. M Vikram, Mr. V Ravi Kumar, Mr. V Krishna Rao and Mrs. V Anupama have authorized Mr. MVSS Subba Raju vide a Power of Attorney dated January 22, 2010 to sign this Letter of Offer on their behalf.

Enclosed:
a) Form of Acceptance cum Acknowledgement
b) Form of Withdrawal cum Acknowledgment
c) Blank Share Transfer Deed(s) for shareholders holding shares in physical form

FORM OF ACCEPTANCE- CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this form with enclosures to the Registrar to the Offer at their address given overleaf)

OFFER OPENS ON	Friday, March 19, 2010
LAST DATE OF WITHDRAWAL	Thursday, April 1, 2010
OFFER CLOSES ON	Wednesday, April 07, 2010

From

Folio No/DP ID and Client ID	Sr. No.	No. of shares held

Tel. No.: Fax No.: E-mail:

To,
Karvy Computershare Private Limited
Cyber Villa, Plot No.17-24,
Vittalrao Nagar,
Madhapur,
Hyderabad – 500 081, India.

Sub: Open Offer to acquire up to 5,50,800 Equity Shares of Rs. 10/- each forming 20% of the issue equity share capital of Shakti Met-Dor Limited (SML) by Mr. M V S S Subba Raju, Mrs. M Uma Raju, Mr. C Shashidar Reddy, Dr. C Anupama Reddy, Mr. U Pradeep Kumar and, Mrs. V Rama Devi (Acquirers) at a price of Rs.180/- per share in terms of the SEBI (SAST) Regulations, 1997 and subsequent amendments thereto.

I / We refer to the Letter of Offer dated March 11, 2010 for acquiring the equity shares held by me / us in SML. I / We, the undersigned, have read the Public Announcement and Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We also understand and accept that my / our acceptance of the offer will become a fully valid and binding contract between me/us and you, only upon fulfillment of all the conditions mentioned in clause 9 of the Letter of Offer.

FOR SHARES HELD IN PHYSCIAL FORM

I/We hereby irrevocably and unconditionally accept the Offer and enclose the original Share Certificate(s) and duly signed. Transfer Deed(s) in respect of my/our shares, as detailed below (please enclose additional sheet if required).

Sr. No.	**Certificate No.**		**Distinctive No(s)**		**No. of Shares**
	From	To	From	To	
Total number of equity shares					

I / We confirm that the equity shares of SML which are being tendered by me / us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever. I / We note and understand that the original share certificate (s) and valid share transfer deed(s) will be held in trust for me/us by Registrar to the Offer until the time the Acquirers pays the purchase consideration as mentioned in the Letter of Offer. I / We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures. I / We authorize the Acquirers will accept the shares so offered which they may decide to accept in consultation with the Merchant Banker and in terms of the Letter of Offer and I / We further authorize the Acquirers will return to me / us Equity Share

Certificate(s) in respect of which the Offer is nor found valid/not accepted, specifying the reasons thereof. I / We or my / our legal heirs/legal representatives do not have any claim over the same and my / our acceptance under the said Offer cannot be disputed upon. I / We authorize the Acquirers or Merchant Banker to send by Registered Post the draft/cheque, in settlement of the amount to the sole / first holder at the address mentioned below.

FOR SHARES HELD IN DEMAT FORM

I / We, holding shares in dematerialized form, accept the Offer and enclose photocopy of the "Delivery Instruction Slip" duly acknowledged by DP in respect of my/ our equity shares as detailed below.

DP Name	DP ID	Client ID	No. of shares	Name of the Beneficiary

I / We have done an off market transaction for crediting the shares to the special depository account (with National Securities Depository Limited, styled **"Shakti Met-dor Limited – Open Offer - Escrow Account"** for which necessary instructions have been given to my DP whose particulars are given below:

DP Name: Karvy Stock Broking Limited	**DP ID:** IN 300 394	**Client ID:** 17518682

I / We note and understand that the shares would lie in the "Escrow Account for the open offer" until the time the Acquirers will makes payment of purchase consideration as mentioned in the Letter of Offer.

Shareholders having their beneficiary account with CDSL should use an "Inter-Depository Delivery Instruction Slip" for the purpose of crediting their shares in favour of the special depository account with NSDL.

FOR NRIs / OCBs / FIIs / NON RESIDENT SHAREHOLDERS

I/We have enclosed the following documents:

• Approval from Reserve Bank of India / Government of India for purchase of shares, if any.

• No Objection Certificate/ Tax Clearance certificate under Income tax Act, 1961, as applicable.

Following additional documents should be attached wherever applicable.

• Power of Attorney

• Death Certificate/ Succession Certificate

• Corporate authorisation in case of Companies along with Board / General Meeting Resolutions and Specimen Signatures of Authorised Signatories.

• Others (Please specify):_______________

I / We confirm that the equity shares of SML which are being tendered herewith by me/us under this Offer, are free from lien, charges and encumbrances of any kind whatsoever.

I / We note and understand that once I/ we have accepted the Offer by tendering the requisite documents in terms of Public Announcement / Letter of Offer, I/we have the option to withdraw the same upto three working days prior to the date of the closure of the offer i.e. on or before Thursday, April 1, 2010.

I / We authorise the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer, I/We further authorise the Acquirers to return to me/us, by registered post, equity share certificate(s) in respect of which the offer is not found valid/ not accepted, specifying the reasons thereof and demand draft/ cheque in settlement of the amount by registered post/ speed post/ UCP, in terms of Letter of Offer, to the sole/ first holder at the address mentioned below and I/We authorize the Acquirers to split/consolidate the share certificates comprising the shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquires are hereby authorised to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Full Name(s) of the Holders	Name & Address	Specimen Signature
First/ Sole Holder PAN No.		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of the First/ Sole Share holder where the purchase consideration / share certificate(s) is to be dispatched:

Note: In case of joint holdings, all holders must sign. A corporation must affix its rubber stamp.
So as to avoid fraudulent encashment in transit, the shareholder(s) have to provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank:___________________________ Branch:_____________________
City:____________________
Account Number:___________________________Savings/Current/(Others: please specify) __________________

Yours faithfully,
Signed and Delivered
Place:
Date:

PROCEDURE FOR ACCEPTANCE

The equity shareholders of SML who wish to avail the Offer can deliver all the relevant documents referred to above to the Registrars to the Offer at their office as mentioned in the covering page of this Letter of Offer (on all days except holidays and Sundays) in accordance with the instructions specified in the Letter of Offer and in the Acceptance Form so as to reach them not later than **Wednesday, April 07, 2010**.

---TEAR ALONG THIS LINE--

Acknowledgement Slip

Received from Mr/Ms____, Address____ Folio No.__________ Number of Certificates enclosed _________________________ Certificate Nos.__________________ Total number of shares enclosed _______________________________ Date of Receipt ____________________________.

Form of Acceptance cum Acknowledgement for Offer of _____ Equity Shares of SML along with copy of Delivery Instruction Slip/ ____ Share Certificates bearing numbers _______________ along with transfer deed.

Stamp of collection centre______________________ Signature of Official__________ Date of Receipt________

INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS/PACs OR TO THE MANAGER TO THE OFFER

2. The Form of Acceptance should be filled up in English only.

3. In the case of dematerialized 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. **Wednesday, April 07, 2010.** The Form of Acceptance-cum-Acknowledgement of such dematerialized shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.

4. Shareholders/Beneficiary Owners should enclose the following:

For Shareholders holding Dematerialized Shares

a. Shareholders having their beneficiary account in Central Depository Services (India) Limited have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

b. Shareholders should enclose the following:
   i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the beneficiary owners whose names appear in the beneficiary account, as per the records of the Depository Participant ('DP').
   ii) A photocopy of the Delivery instruction in "Off Market" mode or counterfoil of Delivery Instruction in "Off Market" mode, duly acknowledged by the DP.
   iii) For each Delivery Instruction the Beneficial Owner should submit a separate form of Acceptance.

Shareholders holding Physical shares should enclose

a. Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
b. Original Share Certificate(s)
c. Valid Share Transfer Deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signature lodged with SML, and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference etc.,) should be done by a Magistrate or Notary Public or Bank Manager of a Bank where the shareholder holds an operative account, under their official seal.
d. The details of buyer should be left blank falling which the same will be invalid under the Offer. The details of the Acquirers as buyer will be filled by the Acquirers upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

Unregistered owners should enclose

a. Form of Acceptance duly completed and signed.
b. Original Share Certificate(s)
c. Brokers contract note in original
d. Transfer deed(s) executed by the registered holders of the shares leaving the details of buyer blank. If the same is filled in then the share(s) are liable to be rejected
e. Owners of shares who have sent their shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to the Target Company for transfer of shares and valid share transfer form(s).

NRIs/OCBs/Foreign shareholders should submit

a. The previous RBI approvals (Specific or general) that they would have obtained for acquiring shares of SML.
b. No Objection Certificate/Tax clearance Certificate, indicating the amount of tax to be deducted by Acquirers before remitting the consideration, from the Income-Tax authorities under the Income Tax Act, 1961.

Other Documents as necessary

a. Duly attested death certificate and succession certificate (in case of single shareholder) if the original shareholder is deceased.
b. Duly Attested Power of attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s).
c. No Objection Certificate from the charge holder/lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance.
d. In case of companies, the necessary corporate authorization (including Board Resolutions)
e. Any other relevant documentation.

5. The Form of Acceptance cum Acknowledgement alongwith enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar to the Offer between 10 AM and 3 PM on all working days and between 10.30 AM and 1.00 PM on Saturdays.

6. Payment Consideration: Shareholders must note that on the basis of name of the Shareholders, Depository Participant`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 Shareholder`s details including address, bank account and branch details. These bank account details will be used to made payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders sole risk and neither the Acquirers, the Manager to the Offer, the Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any loss caused to the Shareholders due to any such delay or liable to pay any interest for such delay. Physical shareholders are requested to fill up their bank account details in the `Form of Acceptance cum Acknowledgment.

Note: All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address:

Karvy Computershare Private Limited: Cyber Villa, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081, India Tel: 91 40 2342 0815, Fax: 91 40 2343 1551. E-mail: einward.ris@karvy.com Contact Person: Mr. M Muralikrishna.

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS/SHARES THAT ARE RECEIVED BY THE REGISTRAR TO THE OFFER AFTER THE CLOSURE OF THE OFFER I.E. BY 3 PM ON WEDNESDAY, APRIL 07, 2010 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this Offer any time up to three working days prior to the date of closure of offer i.e. on or before April 1, 2010, In case you wish to withdraw your acceptance please use this form.	OFFER SCHEDULE: OFFER OPENS ON: Friday, March 19, 2010 LAST DATE OF WITHDRAWAL: Thursday , April 1, 2010 OFFER CLOSES ON: Wednesday, April 07, 2010

From:

Tel. No. Fax No.: E-mail:

To,
Karvy Computershare Private Limited
Cyber Villa, Plot No.17-24,
Vittalrao Nagar,
Madhapur,
Hyderabad – 500 081, India.

Sub: Open Offer to acquire up to 5,50,800 Equity Shares of Rs. 10/- each forming 20% of the issue equity share capital of Shakti Met-Dor Limited (SML) by Mr. M V S S Subba Raju, Mrs. M Uma Raju, Mr. C Shashidar Reddy, Dr. C Anupama Reddy, Mr. U Pradeep Kumar and, Mrs. V Rama Devi (Acquirers) at a price of Rs.180/- per share in terms of the SEBI (SAST) Regulations, 1997 and subsequent amendments thereto.

Dear Sir,

I/We refer to the Letter of Offer dated March 11, 2010 for acquiring the equity shares held by me/us in Shakti Met-Dor Limited.

I/We, the undersigned, have read the Public Announcement and Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorize the Acquirers 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 Acquirers/Manager to the Offer/Registrar to the Offer. I/We note that this form of withdrawal shall reach the Registrar to the Offer at the address mentioned in the Letter of Offer or mentioned overleaf as per mode of delivery indicated therein on or before the last date of withdrawal i.e. **Thursday, April 1, 2010**

I / We note that the Acquirers/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 the shares held in dematerialized form in the Depository Account due to inaccurate/incomplete particulars/instructions.

I / We also note and understand that the Acquirers 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 depositories from time to time.

We had deposited/sent our 'Form of Acceptance' to you on __________ along with original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below: (Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sr. No.	Certificate Nos.	Distinctive No(s)		No. of Shares
		From	To	
Total number of equity shares				

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

I / We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

I / We authorise the Acquirers to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer and,

I / We authorise the Acquirers or the Registrar to the Offer to send by registered post the original share certificate(s), transfer deed(s) and other documents tendered by me/us to the sole/first holder at the address mentioned below:

I / We held the following shares in dematerialized form and tendered the shares in the Offer and had done an off-market transaction for crediting the shares to the "Shakti Metdor Limited – open offer Escrow Account " (Depository Escrow Account) as per the following particulars:

Depository Participant Name	**DP ID**	**Client ID**
Karvy Stock Broking Limited	IN300394	17518682

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 the Beneficiary**	**No. of Shares**

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 of the beneficiary holders have been verified by the DP as per records maintained at their end and the same have also been duly attested by them under their seal.

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

Yours faithfully,
Signed

Signed and Delivered by	FULL NAME (S)	SIGNATURE (S)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Address of the First/Sole Shareholder
____
____
____
____

Place: Date:

Note: Incase of joint holdings, all holders must sign. A Corporation must affix its common seal.
--TEAR HERE---

Shakti Met-Dor Limited – Open Offer- Withdrawal form

Acknowledgement Slip

Folio No.:	Sr. No.:	

Received from Mr./Ms.		Signature of Official	Stamp of Registrar to the

Address		and Date of Receipt	Offer
Physical shares: Folio no.________/Demat Shares: DP ID: ______________ Client ID:___________________ for _______________ number of Shares.			

INSTRUCTIONS

1. The Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the address mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e., by **Thursday, April 1, 2010**.

2. Shareholders should enclose the following:

i. For Equity Shares held in demat form:

- Duly signed and completed form of Withdrawal.
- Copy of the form of acceptance-cum-Acknowledgement/Plain paper application submitted and the acknowledgement slip.

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 Equity Shares held in physical form:

Duly signed and completed form of withdrawal.

Copy of the form of acceptance-cum-acknowledgement / Plain paper application submitted and the Acknowledgement slip.

In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holding(s) in the same order and as per specimen signatures registered with SML, and duly witnessed at the appropriate place.

iii Unregistered owners should enclose:

- Duly signed and completed Form of withdrawal.
- Copy of the Form of Acceptance-cum-acknowledgement/Plain paper application submitted and the Acknowledgement slip.

3. The withdrawal of shares will be available only for the Share Certificate/shares that have been received by the registrar to the Offer/special Depository Escrow Account.

4. The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company / Depository as the case may be.

5. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer.

6. In case of partial withdrawal 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 only available to registered shareholders.

7. **Shareholders holding shares in dematerialized form are required to issue the necessary standing instruction for receipt of the credit in their DP Account.**

Note: All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address:

Karvy Computershare Private Limited: *Cyber Villa, Plot No.17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081, India Tel: 91 40 2342 0815, Fax: 91 40 2343 1551. E-mail: einward.ris@karvy.com.* ***Contact Person: Mr. M Muralikrishna****.*