

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF ISPAT INDUSTRIES LIMITED

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

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF ISPAT INDUSTRIES LIMITED

This Public Announcement ("PA" or "Public Announcement") is being issued by Enam Securities Private Limited ("ENAM"), the Manager to the Offer, on behalf of JSW Steel Limited ("JSW" or the "Acquirer"), to the equity shareholders of Ispat Industries Limited ("Ispat" or the "Target") pursuant to and in compliance with Regulation 10 and 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations" or the "Regulations").

I. Background to the Offer

- The Acquirer to this Offer is JSW Steel Limited.
- The Board of Directors of the Target ("Board") in its meeting held on December 20, 2010 has passed a resolution duly authorising the preferential allotment of 1,086,649,874 equity shares Rs. 10 each ("Shares") to the Acquirer for a consideration of Rs. 19.85 per Share, aggregating to Rs. 2,157 crore ("Board Resolution"). Simultaneously with the decision of the Board as aforesaid, the Acquirer, the Target, Dankuni Investments Ltd, Gontermann Peipers (India) Ltd, Global Steel Holdings Ltd, Balasore Alloys Ltd, Navoday Management Services Ltd (formerly known as Ispat Finance Ltd), Fiscal Securities India Ltd., Navoday Consultants Ltd (formerly known as Mudra Ispat Ltd.), Ispat Steel Holdings Ltd., Secures Holdings Ltd, Ushaditya Trading Pvt Ltd (Formerly known as Ushaditya Investments Pvt Ltd), Mr M L Mittal, Mr Pramod Mittal, Smt Sangita Mittal, Mr V K Mittal, Smt Archana Mittal, Smt Saroj Rateria, Aldbury International Ltd., Indethal Holdings Ltd., Detherm Holdings Ltd, Mudra International Ltd., Denro Holdings Pvt Ltd, Navoday Exim Pvt Ltd (formerly known as Ispat Holdings Pvt Ltd.), Kartik Credit Pvt Ltd., Mita Holdings Pvt Ltd., Goldline Tracom Pvt Ltd, Navadisha Real Estate Pvt Ltd (Formerly known as Kanoria Plastokem Pvt Ltd), Shining Stars Pvt. Ltd., Radiant Stars International Ltd., Navoday Niketan Pvt Ltd (formerly known as Jupiter Niketan Pvt Ltd) and Navoday Highrise Pvt Ltd (formerly known as Greenline Highrise Pvt Ltd) ("Promoters") have entered into a Subscription cum Shareholders Agreement on December 20, 2010 for the acquisition as aforesaid ("SSA"). An extra ordinary general meeting of the Target will be convened on January 18, 2011 to approve this preferential allotment in accordance with the provisions of the Section 81(A) of the Companies Act, 1956 and other applicable provisions.

- Post the preferential allotment, the Acquirer will own 1,086,649,874 equity shares of the target aggregating to 45.53% of the equity capital (including the preferential issuance) of the Target and aggregating to 33.58% of the fully diluted voting capital of the Target as at 15 days post the closure of the Offer (as defined below) i.e., voting capital after considering the preferential allotment of 1,086,649,874 Shares and assuming (i) 24,47,90,350 Shares to be allotted to the Preference Shareholders through conversion of preference shares into equity (ii) 43,34,39,620 shares that can be allotted to the lenders of debt under a conversion option available to them under the Corporate Debt Restructuring framework and (iii) 17,11,63,189 shares that can be allotted to lenders to whom there are overdue principal and interest payments and have intimated to the Company their intent to convert such outstanding amount into Equity under a conversion option available to them under the Corporate Debt Restructuring framework (such voting capital being referred to as "Fully Diluted Equity Share Capital").

- Pursuant to the proposed substantial acquisition of equity shares and control in terms of the SSA as referred to in paragraph 2, this mandatory Offer (the "Offer" or "Open Offer") is being made by the Acquirer in compliance with Regulation 10 and 12 and other applicable provisions of the SEBI (SAST) Regulations. The Acquirer hereby makes this Offer to shareholders of the Target (other than the parties to the SSA) to acquire 64,72,38,458 Shares of the Target of face value of Rs. 10 each representing in aggregate 20% of the Fully Diluted Equity Share Capital as required under Regulations 21(1) and 21(5) of the SEBI (SAST) Regulations at a price of Rs. 20.54 (Rupees Twenty and Fiftyfour paise only) per fully paid up Share ("Offer Price") payable in cash subject to the terms and conditions mentioned in this PA and in the Letter of Offer that will be circulated to the shareholders in accordance with the SEBI (SAST) Regulations (the "Letter of Offer"). This Offer is not subject to any minimum level of acceptance. The Allotment and Call Money in Arrears as on June 30, 2010 of the Target is Rs. 0.73 Crore. [Source: Annual Report, 2009-10]. The Offer Consideration for partly paid up Share shall be reduced by the amount due on the Shares on which calls are unpaid in terms of Regulation 20(10) of the Regulations.

- Some salient features of the SSA are as follows:

- The Acquirer has agreed to subscribe to 1,086,649,874 equity shares of Rs. 10 each of the Target for a consideration of Rs. 19.85 per Share, aggregating to Rs. 2,157 Crore ("Subscription Amount"). The preferential allotment will take place 2 business days after the satisfaction of the conditions precedents set out in paragraph 5(iii) below.
- The Acquirer has agreed to advance a sum of Rs. 500 Crore to the Company as an advance towards the Subscription Amount ("Advance Subscription Amount"). In the event of termination of the SSA before the preferential allotment, the Advance Subscription Amount will be treated as a refundable trade advance which will be repaid to the Investor within 3 months of the date of termination, together with interest at the rate of 10% per annum on all such amounts, calculated retrospectively from the date of advancement of such amount. The Acquirer has entered into an Escrow Agreement dated December 20, 2010 with the Target and the State Bank of India ("SSA Escrow Agreement").
- The subscription to the Shares under the SSA is subject to the satisfaction of certain conditions precedent, including the approvals of the shareholders of the Target under Section 81(1)(A) of the Companies Act, 1956, there having been no material adverse change in the Target, in-principle approval being obtained from the stock exchanges for the listing of the Shares to be issued under the preferential allotment and consent of the lenders of the Target having been obtained for the preferential allotment.
- If the shareholders' approval for the preferential allotment has been obtained but certain other conditions precedents have not been satisfied on or prior to the date on which the shareholders' resolution lapses in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Acquirer has agreed to make a further advance of Rs. 500,00,00,000 to the Target (the "Additional Advance"). The Additional Advance is also governed by the SSA Escrow Agreement and SSA.
- The Target and the Promoters have undertaken to carry on the Target's business in all material respects only in the ordinary course between the date of the SSA and the preferential allotment.
- The Target proposes to appoint key managerial personnel within a period of 7 days from the date of the SSA in view of the current requirements of the Target to restart its operations. The appointment of such personnel will be subject to the Acquirer's prior consent.
- The Target will put in place a monitoring mechanism immediately for monitoring the payments and collections of receivables of the Target from all its bank accounts. The monitoring mechanism will be subject to the consent of the Acquirer. All payments made from the bank accounts of the Target shall be approved in accordance with the monitoring mechanism and by the key managerial personnel appointed in terms of paragraph 5(vi) above.
- The corporate name of the Target will be changed to "JSW Ispat Steel Limited" after the preferential allotment in terms of the SSA and appropriate licence agreements will be entered into in this regard.
- The Promoters will have a right to appoint 1/3 of the directors of the Board excluding independent directors and directors nominated by lenders or by a strategic investor and one of their nominees directors shall be the Executive Vice Chairman of the Company for a period of 18 months from the date of SSA for so long as the Promoters hold atleast 15% of the equity share capital of the Target. The Acquirer will have the right to appoint the non-executive chairman of the Board.
- The Promoters of the Target have agreed that:

- (i) they shall not acquire any securities by way of secondary acquisition from the stock market, and (ii) the Acquirer shall be solely and exclusively entitled to the benefit of the provisions of the SEBI (SAST) Regulations which permit further acquisitions by the Promoters/Acquirer without triggering an open offer;
 - (b) they shall not acquire any securities at any time which will result in their shareholding in the Target being more than 26% of the total equity share capital of the Target (on a fully diluted basis); and
 - (c) they will not take any action which will trigger an open offer to be made by them under the provisions of the SEBI (SAST) Regulations except as permitted under the SSA.
- (xi) From the date of the issuance of shares pursuant to the preferential allotment, the Acquirer will be classified as the "promoters" of the Target.
 - (xii) The Target will provide technical assistance on an arm's length basis to the existing Promoters and their nominees for a period of 3 years and the Promoters and / or its nominees shall enter into appropriate agreements with the Target for this purpose.
 - (xiii) Till such time that the Promoters hold 15% of the equity share capital, they shall have affirmative voting rights on certain matters, viz., disposal of assets having a material adverse impact; business reorganisation; issuance of securities for a period of 5 years other than to lenders or to a strategic investor; material alterations to the business of the Target; investments, joint ventures and partnerships of the Target and amendment of memorandum and articles of the Target.
 - (xiv) The Promoters (till such time as they hold 15% of the equity share capital of the Target and do not trigger an open offer) and the Acquirer will have pre-emptive rights in any proposed issuance of securities of the Target so as to maintain their shareholding at the same level as prior to the issuance.
 - (xv) The Acquirer has the right to terminate the SSA before the preferential allotment upon the occurrence of a material adverse change, breach of warranties of the Target or the Promoters in any material respect, or breach or non-compliance with material covenants under the SSA which is not cured within 15 business days of notice of such breach/non-compliance. After the preferential allotment, the Acquirer can elect for the termination of the Promoters' rights under the SSA if the Promoters transfer their Shares to a competitor or transfer Shares in contravention of the provisions set out in paragraph 5(x) above. The Promoter has the right to terminate the SSA if the Acquirer transfers its Shares to a competitor. If the shareholding of the Promoters falls below 15%, the SSA will stand terminated. The SSA will terminate automatically upon the expiry of 12 months from the date of execution of the SSA if the preferential allotment has not happened by such time.

II. The Offer

- Pursuant to the acquisition of substantial shares and voting rights and control of the Target in terms of the SSA, this mandatory Offer is being made by the Acquirer in compliance with Regulations 10 and 12 of the SEBI (SAST) Regulations.
- The Acquirer is making an Open Offer to acquire 64,72,38,458 Shares of the face value of Rs. 10 each, representing in aggregate 20% of the Fully Diluted Equity Share Capital of Target at a price of Rs. 20.54 (Rupees Twenty and Fiftyfour Paise only) per fully paid up equity share payable in cash, in accordance with the provisions of the SEBI (SAST) Regulations and subject to the terms and conditions set out in this PA and the Letter of Offer.
- Pursuant to the completion of the Open Offer (assuming full acceptance in the Open Offer), the Acquirer would hold a maximum of 173,88,332 Shares of the Target constituting 53.58% of the Fully Diluted Equity Capital of the Target.
- This Offer is being made to all the shareholders of the Target (other than the parties to the SSA). The Acquirer will acquire all the Shares of the Target that are validly tendered as per the terms of the Offer as stated in the Letter of Offer (including the receipt of statutory and other approvals required for the acceptance of Shares by the Acquirer under the Offer), subject to a maximum of 64,72,38,458 Shares being 20% of the Fully Diluted Equity Capital.
- This Offer is not conditional upon any minimum level of acceptance.
- This Offer is subject to the receipt of the statutory and other approvals mentioned in paragraph 40 to 45 of this PA. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer will stand withdrawn.
- In terms of Clause 40A of the Listing Agreement with the Bombay Stock Exchange Limited ("BSE"), the National Stock Exchange of India Limited ("NSE") and the Calcutta Stock Exchange Limited ("CSE"), the Target is required to maintain at least 25% public shareholding for listing on a continuous basis. In the event that the public shareholding of the Target is found to be reduced below the minimum level required as per the Listing Agreement as a result of the acquisition of Shares by the Acquirer under the SSA, any acquisition of Shares from the open market and the Offer, the Promoters and promoter group of the Target (including the Acquirer) shall take necessary steps to facilitate compliance of the Target with the relevant provisions of the Listing Agreement within the time period stipulated therein in accordance with the provisions of Regulation 21(2) of the SEBI (SAST) Regulations.
- The Acquirer proposes to appoint its directors on the Board of Directors of the Target after (i) the expiry of 21 (twenty one) days from the date of release of this Public Announcement and (ii) the Acquirers having deposited cash equivalent to 100% of the Open Offer consideration (assuming full acceptance) in the Open Offer Escrow Accounts (as defined below) in terms of Regulation 22(7) of the Regulations.
- The Acquirer does not own any Shares/voting rights of the Target as of the date of the PA except as mentioned in paragraph 2 above.
- The Acquirer has not acquired any Shares of the Target during the 12 months period prior to the date of this Public Announcement.
- The Shares of the Target will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- There are no persons acting in concert for the purpose of this Offer within the meaning of Regulation 21(e) of the SEBI (SAST) Regulations.
- This is not a competitive bid.

III. The Offer Price

- The Shares of the Target are listed on BSE, NSE and CSE.
- The Shares of the Target are frequently traded on BSE and NSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations. The Shares of Target are infrequently traded on CSE.
- The annualized trading turnover in the Shares of the Target based on trading volume during June, 2010 to November, 2010 (six calendar months preceding the month in which the PA is made) is as given below:

Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month in which the PA is made	Total No. of Listed Shares	Annualized Trading Turnover (as % of Total Shares Listed)
BSE	56,24,44,100	1,222,442,218	92.02%
NSE	153,75,23,154	1,222,442,218	251.55%
CSE	N/A	1,222,442,218	N/A

The Target has made an application for listing of 7,77,07,038 Shares allotted on December 24, 2010. The approval from the Stock Exchange is awaited.

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

21. The Offer Price of Rs. 20.54 (Rupees Twenty and Fiftyfour paise only) per fully paid up equity share is justified in terms of Regulation 20(4) and 20(5) of the SEBI (SAST) Regulations being the highest of the following:		
(a) The negotiated price under the SSA	Rs. 19.85 per Share	
(b) Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of Public Announcement		N/A
(c) Higher of average of the weekly high and low of closing prices of the Shares of the Target on NSE during the 26 week period preceding the Public Announcement and Board Meeting	Rs.19.69 per Share	
(d) Higher of average of the daily high and low prices of the Shares of the Target on NSE during the two week period preceding the date of the Public Announcement and Board Meeting	Rs. 20.54 per Share	
(e) Other parameters based on the standalone audited accounts of the Target for fifteen months ended on June 30, 2010.		
(i) Return on Average Network (%)		NIL*
(ii) Book Value per Share (Rs.)		NIL*
(iii) Earning Per Share (Rs.) – Basic and Diluted		Rs. (3.37)*
(iv) Price Earning Ratio		NIL

* Return on Average Network, Book Value per Share and Earning Per Share is negative.

- The Target is engaged in the business of manufacturing hot-rolled coils ("HRC") and downstream products, such as cold-rolled coils ("CRC"), galvanized and galvalume coils/sheets, colour coated sheets and pipes and tubes and manufacturing and selling pig iron and sponge iron which falls under Industry segment "Steel - Large" with an industry P/E of 10.7 (Source: Capital Market Volume: XXV21, December 13 – 26, 2010). The industry P/E is not strictly comparable as the industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to Ispat and also vary widely in terms of financial parameters with Ispat.
- Mr. Kamlesh M. Kapadia, of M/s. K. M. Kapadia & Associates, Chartered Accountants, Membership No. 39707 have in their letter dated December 21, 2010 stated that based on the decision of Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union Vs. Hindustan Lever Limited, 1995 (83 Com case 30), the fair value per share (on weighted average basis) of the Target would be Rs. 8.22 per Share.

In view of the above, the Offer Price of Rs. 20.54 (Rupees Twenty and Fiftyfour paise only) is also justified in terms of regulations 20(4) and 20(5) of the Regulations.

- If the Acquirer acquires Shares of the Target after the date of this Public Announcement and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.

- The Acquirer is permitted to revise the size of the Offer and the Offer Price upwards up to 7 working days prior to the date of closure of the Offer. In the event of such revision, a public announcement will be made in the same newspapers where this PA has appeared and the revised Offer Price would be paid for all the Equity Shares validly tendered at any time during the Offer.

IV. Information on Acquirer

- The Acquirer, JSW Steel Limited, is a public company limited by shares incorporated on March 15, 1994 under the laws of India with the company no. L27102MH1994PLC152925. Its registered office is located at Jindal Mansion, 5 A, Dr G Deshmukh Marg, Mumbai 400026, India. The telephone no. of the Acquirer is +91-22-2351 3000 and the fax no. is +91-22-2491 7933. The Acquirer belongs to the JSW Group of Companies and is engaged in the business of manufacturing of flat and long products namely H.R. Coils, C.R. Coils, Galvanized products, Auto grade/White goods grade CRCA steel, Bars and Rods.

- The Acquirer is listed on the BSE and NSE.

- The Promoter and Promoter group of the Acquirer are Jindal South West Holdings Limited, JSW Energy Investments Private Limited, JSW Investments Private Limited, JSW Power Trading Company Limited, Nalwa Sons Investments Ltd, Sun Investments Private Limited, Jindal Holdings Limited, Gagan Trading Company Ltd, Beaufield Holdings Limited, Navoday Services Private Limited, Jindal Steel And Alloys Limited, Jindal Equipment Leasing & Consultancy Services L.L, Hexa Securities & Finance Co Ltd, Nalwa Investments Ltd, Nalwa Traders Private Limited, Mansarovar Investments Limited, Stainless Investments Limited, Colordo Trading Company Limited, Karnataka State Industrial Investment And Develop, JSW Energy Investments Pvt.Ltd, Abhinandan Investments Limited, Ever Plus Securities & Finance Limited, Heston Securities Limited, Jargo Investments Limited, Sarmiento Holdings Limited, Mendoza Holdings Limited, Nacho Investments Limited, Templar Investments Limited, Pentel Holding Limited, Estrela Investment Company Limited, Vasava Investments Limited, Hexa Securities And Finance Co Ltd, Renuka Financial Services Limited, Manjula Finance Limited, Goswamis Credits & Investment Limited, Meredith Traders Private Limited, Wachovia Investments Limited, Rishkesh Finlease Investments Pvt. Ltd., Gagan Trading Company Limited, Baltimore Trading Private Limited, Kamshet Investments Private Limited, Aras Overseas Limited, Musuko Trading Private Limited, Jindal Saw Ltd, West Coast Holdings Pvt.Ltd, Jindal Equipment Leasing & Cons Serv Ltd, Naman Enterprises Private Limited, Jindal Coated Steel Private Limited, Sajjan Jindal, Tanvi Jindal, Parth Jindal, Tanvi Jindal, Sangita Jindal, Urmila Bhuwalka, Ratan Jindal, Prithvi Raj Jindal, Sminu Jindal, Deepjha Jindal, Urvi Jindal, Tripti Jindal, Abhujay Jindal, Savitri Devi Jindal, P.R. Jindal (H.U.F.), Naveen Jindal, Girish Jhunjhunwala, Aiyush Bhuwalka, Arti Jindal, M/s S K Jindal & Sons HUF, M/s Prithvi Raj Jindal HUF, M/s Naveen Jindal & Sons HUF, Saroj Bharita, Nirmala Goid, SH P R Jindal, Tripti Jindal, Navin Kumar Jindal, Naveen Kumar Jindal, R K Jindal Karta R K Jindal HUF, Madhur Goid, Deepjka Jindal.

- The names of the Board of Directors of JSW Steel Limited, the Acquirer, are as follows: Mr. Savitri Devi Jindal, Mr. Sajjan Jindal, Mr. Seshagiri Rao M.V.S., Dr. Vinod Nowal, Mr. Jayant Acharya, Mrs. Zarin Danuwala, Mrs. Vandita Sharma, Dr. S. K. Gupta, Mr. Anthony Paul Pedder, Dr. Vijay Kelkar, Mr. Uday M. Chitale, Mr. Sudipto Sarkar, Mr. Kannan Vijayaraghavan and Mr. Shigeru Ogura.

- The financial details of the Acquirer on an unconsolidated basis is as follows:

(Amount in Rs. Crores except EPS and Book Value)	
Particulars	For the Financial Year ended March 31, 2010 (Audited)
Total Income	18,735.32
Earning Per Share (EPS) (basic)	106.34
Earning Per Share (EPS) (diluted)	105.94
Return on Net Worth (%)	23.7
Book Value (per Share)	504.00
P/E Ratio	12.6*

* [Source: Capital Market Volume: XXV21, December 13 – 26, 2010]

V. Information on the Target

- The Target, Ispat Industries Limited, is a company incorporated on May 23, 1984, under the Companies Act, 1956 with the company no. L27106WB1984PLC037519 and having its registered office at Park Plaza, 71, Park Street, Kolkata 700 016. The Target was incorporated as "Mittal Galvazinc Limited", a public limited company, on May 23, 1984 with the Registrar of Companies, West Bengal. The Target's name was subsequently changed to "Nippon Denro Ispat Limited" on April 23, 1985 and finally to "Ispat Industries Limited" on September 13, 1996. The Target is engaged in the business of manufacturing of hot-rolled coils ("HRC") and downstream products, such as cold-rolled coils ("CRC"), galvanized and galvalume coils/sheets, colour coated sheets and pipes and tubes and manufacturing and selling pig iron and sponge iron.
- The promoter and promoter group of the Target are Mr. Pramod Mittal and Mr. Vinod Mittal and Smt. Saroj Rateria, Smt. Archana Mittal, Smt Sangita Mittal, Mr. M. L. Mittal, Navoday Highrise Pvt Ltd, Navoday Niketan Pvt Ltd (Formerly known as Jupiter Niketan Pvt Ltd), Aldbury International Ltd, Dankuni Investments Ltd, Fiscal Securities India Ltd, Balasore Alloys Ltd, Gontermann Peipers (India) Ltd, Mudra International Ltd, Detherm Holdings Ltd., Navoday Management Services Ltd (Formerly known as Ispat Finance Ltd), Navoday Consultants Ltd (Formerly known as Mudra Ispat Ltd), Secures Holdings Ltd., Indethal Holdings Ltd, Ispat Holdings Pvt Ltd, Ushaditya Investments Pvt Ltd, Navadisha Real Estate Pvt Ltd (Formerly known as Kanoria Plastokem Pvt Ltd), Denro Holdings Pvt Ltd, Mita Holdings Pvt Ltd, Kartik Credit Pvt Ltd, Global Steel Holdings Ltd, Goldline Tracom Pvt Ltd, Navoday Exim Pvt Ltd and Ispat Steel Holdings Ltd who collectively hold 502,874,171 fully paid up equity shares in the Target as on the date of the public announcement constituting 38.68% of the fully paid up capital.
- As on the date of this PA the subscribed, issued and paid up share capital of the Target consist of 1,300,149,256 equity shares of Rs.10/- each aggregating Rs. 13,001,492,560/-. All issued equity shares are fully paid up (with the exception of Rs. 0.73 crores allotment and call money in arrears). As on the date of this PA the Target has 43,199,500,126 Cumulative Redeemable Preference Shares (CRPS) of Rs. 100 each (of which Rs. 15 has already redeemed), 15,51,12,156, 10% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10 each, and 48,59,08,844, 0.01% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10 each outstanding. The Shares of the Target are listed on the BSE, NSE and CSE. The equity shares are frequently traded on BSE & NSE and infrequently traded on CSE.
- The names of the Board of Directors of Ispat are as follows: Mr. Pramod Mittal, Mr. Vinod Mittal, Mr. U Mahesh Rao, Dr. A Besant C Raj, Mr. M.Sankaranarayanan, Dr. Basudeb Sen, Mr. S N Baheti, Mr. Mayank Agrawal, Ms. Manju Jain, Mr. Vinod Garg, Mr. Anil Sureka, Mr. B K Singh and Mr Vinod Kohari.
- The consolidated audited financial highlights of the Target are as given below for last 3 years;

Particulars	(Rs. In Crores except EPS)		
	March 31, 2008	March 31, 2009	15 months ending June 30, 2010
Total Income	8,709.25	8,538.99	10,578.69
Net Profit/(loss) after tax	30.79	(689.80)	(322.67)
Share Capital	2,294.03	2,272.51	2,225.09
Reserves and Surplus	1,656.27	1,564.19	1,478.53
Profit and Loss account debit balance	1,051.60	1,839.44	2,141.85
Earning Per Share (EPS) Basic and Diluted	(0.39)	(6.26)	(3.37)

VI. Reasons for Acquisition and Offer

- The Offer is being made pursuant to the SSA for the proposed acquisition of 33.58% of the Fully Diluted Equity Share Capital. This will result in substantial acquisition of shares and acquisition of control by the Acquirer in the Target in terms of the SEBI (SAST) Regulations. Hence, this Open Offer is being made in compliance with Regulation 10 and 12 read with other applicable provisions of the SEBI (SAST) Regulations.
- The Acquirer believes that they have adequate ability to implement large capital intensive steel projects and operate them efficiently. Its plans also include setting-up of captive coke oven, pellet and power projects and improve the profitability of the Target. The Acquirer possesses an enhanced marketing network which would facilitate appropriate strengthening of sales and distribution set-up in the prevailing market conditions.
- As of date of this PA, the Acquirers do not have any plans to dispose of or otherwise encumber any assets of the Target in the next two years except in the ordinary course of business of the Target, and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target. Notwithstanding the immediately preceding sentence, the Board of Directors of the Target will take appropriate decisions in these matters as per the requirements of business and in line with the opportunities from time to time.
- The Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of Target, other than in the ordinary course, except with the prior approval of the shareholders of Target.

VII. Statutory / Other Approvals Required for the Offer

- The acceptance by the Acquirer of Shares tendered by non-resident shareholders pursuant to this Offer is subject to the approval of the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 and the regulations made thereunder ("FEMA"). The Acquirer will make necessary applications to and file with the RBI to obtain the approval described above.
- As of the date of this PA, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to implement the Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approval.
- The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer.
- The Acquirer, in terms of Regulation 27 of SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which this PA is being made.
- In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the shareholders of the Target who have accepted the Offer, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. However, if the delay occurs on account of willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable and the amount held in the Open Offer Escrow Accounts (as defined below) shall become liable to forfeiture.
- Consent is required from financial institutions and banks who are lenders of the Target for the proposed substantial acquisition of Shares.

VIII. Disclosure under Regulation 21(2) of the SEBI (SAST) Regulations, 1997

- In terms of Clause 40A of the Listing Agreement with the BSE, NSE and CSE, the Target is required to maintain at least 25% public shareholding for listing on a continuous basis.
- In the event that the public shareholding of the Target is found to be reduced below the minimum level required as per the Listing Agreement as a result of the acquisition of Shares by the Acquirer under the SSA, any acquisition of Shares from the open market and the Offer, the Promoters and promoter group of the Target (including the Acquirer) shall take necessary steps to facilitate compliance of the Target with the relevant provisions of the Listing Agreement within the time period stipulated therein in accordance with the provisions of Regulation 21(2) of the SEBI (SAST) Regulations.

IX. Funding Arrangement for the Offer

- The Acquirer has made firm financial arrangement for financing the acquisition of equity shares under the Open Offer, in terms of Regulation 16 (xiv) of the SEBI (SAST) Regulations. The Acquirer proposes to fund the Offer out of deposits, investments in mutual funds and borrowing.
- The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 64,72,38,458 Shares at Rs. 20.54 (Rupees Twenty and Fifty four paise only) per fully paid up Share is Rs. 1329,42,77,923/- (Rs. One thousand three hundred and twenty nine crores forty two lakhs seventy seven thousand nine hundred twenty three only) ("Offer Consideration").
- By way of security for performance of the Acquirer's obligations under the SEBI (SAST) Regulations, an unconditional, irrevocable and on demand bank guarantee dated December 21, 2010 ("Bank Guarantee") has been issued by Axis Bank Limited, a banking company incorporated under the Companies Act and whose registered office is at Trishul, 3rd Floor, Opp. Samartheshwari Temple, Law Garden, Ellis Bridge, Ahmedabad 380 006 ("Escrow Bank"), on behalf of the Acquirer in favour of the Manager to the Offer which is valid up to and including June 20, 2011 for an amount up to Rs. 148 Crores (Rupees One hundred and forty eight crores only) being the amount required under Regulation 28(2) of the SEBI (SAST) Regulations, i.e., 25% of the first Rs. 100 Crores and 10% thereafter. Further, the Acquirer has created an Escrow Account named "Escrow Account – III – Open Offer" ("Escrow Account – Cash") with the Escrow Bank and has deposited a sum of Rs. 13.35 Crores (Rupees Thirteen crores and thirty five lakhs only) in the said Escrow Account – Cash. The amount deposited in Escrow Account – Cash is the amount required under Regulation 28(10) of the SEBI (SAST) Regulations, i.e., at least 1% of the total consideration. The Bank Guarantee and Escrow Account – Cash are together referred to as "Open Offer Escrow Accounts". In accordance with Regulation 28 of the SEBI (SAST) Regulations, ENAM has been duly authorized to issue instructions to the Escrow Agent and to realize the value of the Open Offer Escrow Accounts.
- Further, Acquirer has confirmed that the funds deposited in the segregated account in combination with the Escrow Amount may be used for the Open Offer and are adequate to meet the financial requirements for the Open Offer.
- Mr. Kamlesh M. Kapadia, of M/s. K. M. Kapadia & Associates, Chartered Accountants, Membership No. 39707 have in their letter dated December 21, 2010 certified that JSW Steel Limited has made firm arrangements to meet the financial obligations under the Offer offer to be made to the shareholders of the Target Company.
- Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

X. Other Terms of the Offer

- A Letter of Offer specifying the detailed terms and conditions of the Offer, together with a Form of Acceptance-cum-Acknowledgement ("FOA") will be mailed on or before Friday, February 04, 2011 to the shareholders of the Target (other than parties to the SSA), whose names appear on the Register of members of the Target and to the owner of the shares whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on Wednesday, December 22, 2010 (the "Specified Date"). 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. The Offer is subject to terms and conditions set out herein and in the Letter of Offer that will be sent to the shareholders of the Target as on the Specified Date.
- Shareholders who wish to tender their Shares, held in physical form, will be required to send the FOA, original Share Certificate(s) and transfer deed(s) duly signed to the registrar to the Offer, Link Intime India Private Limited ("Registrar to the Offer"), C-13, Pannaal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai 400 078, either by hand delivery on weekdays or by Registered Post, at their sole risk, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than Thursday, March 03, 2011 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement.
- The Registrar to the Offer, has opened a special depository account with National Securities Depository Limited ("NSDL") called, "LIIL-III OPEN OFFER ESCROW DEMAT ACCOUNT". Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their equity shares in the special depository account:

Depository Participant ("DP") Name	Ventura Securities Limited
------------------------------------	----------------------------

DP ID	IN 303116
-------	-----------

Client ID	10677213
-----------	----------

Account Name	LIIL-III OPEN OFFER ESCROW DEMAT ACCOUNT
--------------	--

Depository	National Securities Depository Limited ("NSDL")
------------	---

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use inter-depository delivery instruction slips for crediting their shares in favour of the special depository account with National Securities Depository Limited ("NSDL").

- All owners of equity shares demat/physical, registered/unregistered (other than parties to the Agreements) are eligible except as mentioned in paragraph 32 above, to participate in the Offer anytime before the closure of the Offer. All registered owners can send duly completed FOA, filled and signed in accordance with the instructions contained in the Letter of Offer and FOA, to the Registrars to the Offer, at the collection centres mentioned in paragraph 59 below, before the closure of the Offer, i.e., Thursday, March 03, 2011. No indemnity shall be required from the unregistered shareholders.
- Beneficial owners (holders of Shares in dematerialized form) who wish to tender their shares will be required to send their FOA along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account to the Registrar to the Offer, either by hand delivery on weekdays or by Registered Post, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than Thursday, March 03, 2011, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. The credit for the delivered Shares should be received in the special depository account on or before close of the Offer, i.e., no later than Thursday, March 03, 2011.

- In addition to the above-mentioned address, the shareholders of the Target, who wish to avail of and accept the Offer, can also deliver the FOA along with all the relevant documents at the collection centre below in accordance with the procedure as set out in the Letter of Offer. (Monday to Friday 10 am to 3 pm & Saturdays 10 am to 1 pm.)

City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
1 Mumbai	Nilesh Chalke	Link Int				

...continued from previous page.

69. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
70. Shareholders, who have sent their Shares for dematerialization, need to ensure that the process of getting their Shares dematerialized is 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 Thursday, March 03, 2011 else their application would be rejected.
71. While tendering the shares under the Offer, NRIs/OCBs/FIIs/foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of the Target. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such shares tendered.
72. Compliance with tax and other regulatory requirements:
- As per the provisions of section 196D(2) of the Income-tax Act, 1961 no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor as defined in section 115AD of the Income-tax Act, 1961.
 - While tendering their equity shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a no objection certificate or tax clearance certificate or certificate for deduction of tax at lower rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs on the entire consideration amount payable to such shareholder.
73. Securities transaction tax will not be applicable to the shares accepted in the Offer.
74. A schedule of the activities pertaining to the Offer is given below:-

Activity	Date and Day
PA Date	Wednesday, December 22, 2010
Specified Date *	Wednesday, December 22, 2010
Last date for a competitive bid	Wednesday, January 12, 2011
Date by which Letter of Offer to be dispatched to shareholders	Friday, February 04, 2011
Date of opening of the Offer	Saturday, February 12, 2011

Last date for revising the Offer Price	Monday, February 21, 2011
Last date for withdrawing acceptance from the Offer	Friday, February 25, 2011
Last date of closing of the Offer	Thursday, March 03, 2011
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	Friday, March 18, 2011

* Specified Date is only for the purpose of determining the names of the shareholders of the Target as on such date to whom the Letter of Offer would be sent.

XI. General

75. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / Letter of Offer shall have the option to withdraw acceptance tendered by them up to 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations.**
76. If there is any upward revision in the Offer Price by Acquirer till the last date of revision viz. February 21, 2011 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original PA had appeared. The Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.
77. **If there is a competitive bid:**
- The Open Offers under all the subsisting bids shall close on the same date.**
 - As the Offer Price cannot be revised during 7 (seven) 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.**
78. Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer has appointed Enam Securities Private Limited as Manager to the Offer. Enam Securities Private Limited does not hold any shares of the Target as on the date of this PA.
79. Neither the Acquirer nor the Target have been prohibited by the Securities and Exchange Board of India ("SEBI") from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.
80. The Acquirer and its directors severally and jointly accept the responsibility for the information contained in this PA. The Acquirer is responsible for the fulfilment of its obligations under the SEBI (SAST) Regulations.

81. Registrar to the Offer – Link Intime India Pvt. Ltd. (Unit: IIL Open Offer), C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078. Tel: (91) 022-25960320. Fax: (91) -022-25960329 E-mail:nilesh.chalke@linkintime.co.in, **Contact Person:** Nilesh Chalke.

This Public Announcement would also be available on the SEBI's website (www.sebi.gov.in). For applying in this Offer, eligible persons to the Offer may also download a copy of the Form of Acceptance cum Acknowledgement which will be available on SEBI's website at (www.sebi.gov.in) from the Offer Opening Date, i.e. February 12, 2011.

Issued on behalf of the Acquirer by Manager to the Offer



Enam Securities Private Limited

801, Dalamal Tower, Nariman Point, Mumbai 400 021, India.
Tel: +91 22 6638 1800, Fax: +91 22 2284 6824
Email: iil@enam.com, Website: www.enam.com
Contact Person: Sachin K. Chandiwai /Anurag Byas
SEBI Registration No.: INM000006856

Advisor to the Offer



ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai - 400 020
Telephone: +91 22 2288 2460, Facsimile: +91 22 2282 6580

Place: Mumbai

Date: December 21, 2010