



Steel Exchange India Limited

Corp. Office : 103, Vizag Profile Towers, Kurmannapalem, Visakhapatnam - 530 046. A.P.
Phone : +91-891-2587175, 2587573 Fax : +91-891-2749218, 2749215

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Date: 11th March, 2013

Mr.Nanha Ram Devineni
Chief Executive Officer
Pridhvi Asset Reconstruction & Securitisation Company Ltd.,
Hyderabad

Dear Mr.Nanha Ram,

We are happy to inform you that we will soon be paying the amounts due to PARAS and closing our accounts with you, as the consortium of banks led by SBI have in principle agreed to sanction the required credit facilities to meet our growing operations of the newly acquired unit at Srirampuram, Visakhapatnam. At this juncture I would like to recall the immense support extended by you at every stage of our journey from the time we were associated with GSAL as strategic investors.

It was in the year 2009 when we approached you with a request to support us in our endeavor to revive the closed sponge iron unit of M/s GSAL (India) Ltd. Accordingly you had acquired the debts of the company from IDBI & ICICI banks. Subsequently we were inducted as strategic investors and because of your initiative and the strategy adopted by you in resolving legal issues, matters relating to DRT, BIFR, etc, we could overcome all the hurdles and stumbling blocks which cropped up before a 'Rehabilitation Scheme' was finally approved by the BIFR, which is now being implemented. Your understanding of the complex issues involved and the guidance and support extended by you at every stage provided the much needed comfort and relief to us in acquiring such a huge project.

The positive stand taken by PARAS before the BIFR in

- 1) Consenting to allow the GSAL to reverse huge accumulated loss in order to make the net worth positive, by agreeing to a steep reduction of your claim in the acquired debts.
- 2) Consenting to forego your rights on substantial part of equity pledged with the original lenders
- 3) In granting a comfortable repayment programme for payment of the acquisition cost were the most critical factors which have undoubtedly influenced the smooth acquisition of GSAL by Steel Exchange India Ltd.

You may recall that this case has been pending with BIFR since 1999. We are happy that SEIL has taken the responsibility of reviving the sick unit.





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I am proud to claim that today this enterprise which was just a sponge iron unit when it was closed years back is now on the verge of becoming an Integrated Steel Plant. After its acquisition by us we have added Steel Melting Shop, Rolling Mill and a 60MW power plant with the able support of our bankers. Here again such expansions could not have been possible if you had not given your consent for release of your charge on the corresponding landed properties

I am glad to inform you that the power plant was successfully commissioned in the shortest possible time and inaugurated by Smt.D.Purandheswari, Hon.Minister, Govt. of India, in January 2013. The plant has been supplying power to our beloved state of Andhra Pradesh at a time the state was reeling under heavy power shortages.

In the process of revival we have settled all the statutory dues. More than anything else, it gives us immense satisfaction that we could re employ/provide additional direct and indirect employment to as many as 2000, majority of whom are locals.

All this would not have been possible but for your able support and professional guidance. I feel PARAS has truly justified the very purpose for which the ARCs are set up. I am sure PARAS under your leadership will continue to pursue its noble objectives in supporting the cause of viable sick units.

The Management and Staff of Steel Exchange India Ltd., join me in expressing our profound gratitude to the Management of PARAS and to you personally.

With regards

Yours sincerely

(Bandi Suresh Kumar)

Joint Managing Director