



Innoventive Industries Ltd.

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06th January, 2012

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra (E), Mumbai – 400051
Tel: 022-26598235/36, 26598346
Fax: 022-26598237/38 and 022-26598347/48

The Bombay Stock Exchange Limited
Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Tel: 022-22728398
Fax: 022-22722037/39/41/61

Subject: 'Acquisition of Salem Steel – Direct access to USA market'

Dear Sir / Madam,

This is to inform you that the Company has incorporated a Corporation (within the meaning of Applicable Laws prevailing in the United States of America) by name 'INNOVENTIVE AMERICAS INC.,' ("IAI") in accordance with the resolution passed by the Board of Directors of the Company in its meeting held on 16th December, 2011. Further, IAI is wholly owned (100%) by the Company.

Further, the Company has floated a step down Subsidiary / Limited Liability Company ("LLC") in the United States of America ("USA") by name 'Salem Steel NA, LLC' ("SSNA").

Today, The Company has signed & agreement through SSNA to acquire entire inventory, receivable, book debts, furniture, fixtures, machinery, intellectual property and other intangible rights etc., appearing in the books / records of Salem Steel North America, LLC ("Salem") as at 31st December, 2011 together with its on-going business on mutually agreed terms & conditions.

The Company shall own 85% stake in the SSNA through IAI whereas balance 15% will be retained by one of the existing promoter of Salem. The agreed amount of consideration payable by the Company for acquisition of said 85% stake is USD 4.675 Million.

Salem was incorporated in the year 2002 as a Limited Liability Company, represents international producers of DOM (Drawn over Mandrel) and seamless tubing, supplied in carbon and alloy grades; as well as welded and seamless stainless steel tubing in the USA market.

The Company started supplying DOM / CEW tubes to Salem in March 2009 and since then it marketed its product in USA through a long term arrangement with Salem.

Salem caters to various industries such as aircraft, construction, automotive, boilers & heat exchangers etc.

This is for your information and further dissemination purpose.

Thanking you.

Yours truly,
For **Innoventive Industries Limited**



Authorised Signatory



Authorised signatory