LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document ('Letter of Offer' or 'LoF') is sent to you as a shareholder(s) of Orissa Sponge Iron & Steel Limited ('Orissa Sponge' or the 'Target Company'). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Competitive Bid or Registrar to the Competitive Bid. In case you have recently sold your shares in Orissa Sponge, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement and Form of Withdrawal and Transfer Deed to the member of stock exchange through whom the said sale was effected.

COMPETITIVE BID/ OFFER by

The Acquirer*: Monnet Ispat & Energy Ltd.

Registered Office: Monnet Marg, Mandir Hasaud, Raipur – 492101, India. Tel. No. 0771-2471334, 2471335, 22471336, 22471337, 22471338, 22471339

Corporate Office: Monnet House, 11, Masjid Moth, Greater Kailash-II, New Delhi –110048, India. Tel: 011 2921 8542/43/44/45/46, Fax: 011 2921 8541

(*****The Hon'ble High Court of Chhattisgarh sanctioned the scheme of merger between Monnet Ispat & Energy Limited & Mounteverest Trading & Investment Limited (MTIL), having registered office at 216, Sector C, Urla Industrial Complex, Raipur-493221, India, vide its order dated November 09, 2010, which was registered with the Registrar of Companies on November 23, 2010. Accordingly, for the purposes of this Letter of Offer and all the terms therein, Monnet Ispat & Energy Limited will be acting as the Acquirer. For more details with respect to this merger between Monnet Ispat & Energy Limited & Mounteverest Trading & Investment Limited, please refer to the paragraph "Merger of Mounteverest Trading & Investment Ltd. into Monnet Ispat & Energy Ltd. (MIEL) Scheme of Arrangement" to page 12 of this Letter of Offer.)

Along with

The Person Acting in Concert [PAC 1] Torsteel Research Foundation in India

Registered Office: Chaterjee International Centre, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata – 700071, India

Tel: 033 22883910-16/ 033 22263114/6442, Fax: 033 22267470/ 033 22272511

Along with

The Person Acting in Concert [PAC2] TRFI Investment Private Ltd.

Registered Office: 12 Lee Road, Kolkata 700020, India. Tel: 033 2289 2841 - 50, Fax: 033 2289 3848

for the acquisition of up to 6,100,000 fully paid-up equity shares of Rs 10/- each representing 22.59% of the paid-up capital and 20% of the Emerging Voting Capital of

Orissa Sponge Iron & Steel Limited

Registered Office: OSIL House, Gangadhar Meher Marg, Bhubaneshwar - 751 024, Orissa. Tel: 0674 3016500, Fax: 0674 3016535

at Rs. 310 per Equity Share payable in cash ('Offer Price') pursuant to Regulation 10, 11 (1), 12, 25 (1) and 25 (3) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

Attention:

(1) This Offer is being made pursuant to and in compliance with Regulation 10, 11 (1), 12, 25 (1) and 25 (3) and other applicable provisions of the Regulations. (2) The Offer is not subject to a minimum level of acceptance by the shareholders of Orissa Sponge. (3) To the best of the knowledge of the Acquirers, as on the date of the Letter of Offer, there are no statutory approvals required to implement the Competitive Bid. In case any statutory approvals are required to be obtained, the Competitive Bid would be subject to such statutory approvals, and the Acquirers, in terms of Regulation 27 of SEBI (SAST) Regulations, will have a right not to proceed with the Competitive Bid in the event any such statutory approvals are refused. In case of delay in receipt of statutory approvals, if any required, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the tendering shareholders of the Target Company, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, if any required, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable. To the best of the knowledge of the Acquirers, as on the date of the Letter of Offer, there are no approvals required from financial institutions / banks for the said Offer. (4) No approvals are required under the Memorandum and Articles of Association of the Target Company or of the Acquirers. (5) The Acquirers are permitted to revise the Offer Price upwards any time up to seven working days prior to the date of closure of the Offer. If there is any further upward revision of the Offer Price by the Acquirers till the last date for revision viz. July 06, 2012 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement had appeared as mentioned in para 2.21 of this Letter of Offer. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer. (6) Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer i.e. July 12, 2012 (7) This Offer is being made as a competitive bid, in accordance with Regulation 25(1) and 25(3) of the Regulations, pursuant to public announcement dated February 6, 2009 issued by Centrum Capital Limited (Manager to the Offer) on behalf of Bhushan Power and Steel Limited (Acquirer) along with Titanic Steel Industries Limited and Olympian Steel Industries Limited (Persons Acting in Concert) to the shareholders of Orissa Sponge to acquire upto 5,200,000 fully paid up equity shares of Rs.10/- each (representing 26% of the then issued equity share capital) of the Target Company at a price of Rs.300/- (Rupees Three Hundred only) per Share. A public announcement dated February 6, 2009 has been published on February 7, 2009 edition of Business Standard in New Delhi and is also available on the website of SEBI (www.sebi.gov.in) and announced on website of BSE (www.bseindia.com) on February 9, 2009. **(7) As this is a competitive bid: (i) The offer under all the subsisting bids shall close on the same date; (ii) As the competitive bid Price cannot be revised during the seven working days prior to the closing date of the competitive bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final offer price of each bid and tender their acceptances accordingly.** (8) Further, another public announcement has been published on February 28, 2009 by IDFC-SSKI Limited for an offer has been made by Bhushan Energy Limited (Acquirer) along with Mr. Brij Bhushan Singhal, Mr. Neeraj Singhal, BNS Steel Trading Private Limited, BBN Transportation Private Limited, BNR Infotech Private Limited, BNR Consultancy Services Private Limited and Bhushan Steel Limited (Persons Acting in Concert or PACs) to the shareholders of the Target Company to acquire upto 6,100,000 fully paid-up equity shares of Rs.10/- each (representing 20% of the 'Emerging Voting Capital') of the Target Company at a price of Rs.360/- (Rupees Three Hundred Sixty only) per Share. This offer is also competitive bid as per Regulation 25(1) and 25(3) of the SEBI (SAST) Regulations. (9) A copy of the Public Announcement and Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in) (10) All future correspondence, if any, should be addressed to the Registrar to the Competitive Bid shown below.

MANAGER TO THE COMPETITIVE BID	REGISTRAR TO THE COMPETITIVE BID
ICICI Securities	KARVY Computershare
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India Tel: +91 22 2288 2460, Fax: +91 22 2282 6580 Email: project.star@icicisecurities.com SEBI Registration Number: INM000011179 Contact Person: Mr. Gaurav Goyal / Mr. Sumit Agarwal	**Karvy Computershare Private Limited** Unit : Orissa Sponge Iron & Steel Ltd – Open Offer Plot nos. 17-24, Vithalrao Nagar Madhapur, Hyderabad - 500 081. Tel: +91 40 44655000 / 23420815-23, Fax: +91 40 23431551 E-mail: murali@karvy.com SEBI Registration Number: INR000000221 Contact Person: Mr. M. Murali Krishna

OFFER OPENS: THURSDAY, JUNE 28, 2012	OFFER CLOSES: TUESDAY, JULY 17, 2012

Original Schedule of the Major Activities of the Offer

Sr. No.	Activity	Original Date (Day)	Revised Date (Day)
1	Date of publication of Competitive Bid PA	February 25, 2009 (Wednesday)	February 25, 2009 (Wednesday)
2	Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	February 27, 2009 (Friday)	February 27, 2009 (Friday)
3	Date by which Letter of Offer will be posted to shareholders	March 27, 2009 (Friday)	June 23, 2012 (Saturday)
4	Date of Opening of the Offer	April 4, 2009 (Saturday)	June 28, 2012 (Thursday)
5	Last date for revising the Offer Price / number of Shares	April 9, 2009 (Thursday)	July 06, 2012 (Friday)
6	Last date for withdrawal by the shareholders	April 17, 2009 (Friday)	July 12, 2012 (Thursday)
7	Date of Closure of the Offer (Refer Note)	May 13, 2009 (Wednesday)	July 17, 2012 (Tuesday)
8	Date of communicating acceptance / rejection and the corresponding payment of consideration for applications accepted/ despatch of share certificate for Shares rejected (Refer Note)	May 28, 2009 (Thursday)	August 01, 2012 (Wednesday)

Note:

1. The offer would open on Thursday, June 28, 2012 and close on Tuesday, July 17, 2012. In terms of Regulation 25 (4), any revision in the offer, by the Original Bidders would have to be announced not later than Friday July 06, 2012.

2. In accordance with Regulation 25(7) of the Regulations, as all the subsisting bids are to close on the same day, we would be required to revise our schedule of activities. Accordingly, the Letter of Offer mentions the schedule of activities based on original schedule of activities published in Competitive Bid PA on February 25, 2009 along with the revised schedule. Accordingly, the date of closure would stand revised from Wednesday May 13, 2009 to Tuesday July 17, 2012 and date for communicating the acceptance / rejection which stands revised from Thursday May 28, 2009 to Wednesday, August 01, 2012. Further, although not provided for in the Regulation, the revision in the date of closure of the offer would cause revision to the following dates:

Activity	Original Day and Date as per the Competitive Bid PA	Revised Schedule of Activities
Last date for revision of offer price	Thursday, April 9, 2009	Friday, July 06, 2012
Last date for withdrawal by shareholders	Friday, April 17, 2009	Thursday, July 12, 2012
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares / share certificate(s) will be dispatched / credited	Thursday, May 28, 2009	Wednesday , August 01, 2012

RISK FACTORS

Risks related to the proposed Offer

1. The Offer involves an offer to acquire 20% of the Emerging Voting Capital of Orissa Sponge Iron & Steel Limited from the Eligible Persons for the Offer. The Acquirers propose to acquire up to 6,100,000 fully paid-up equity shares of Rs. 10 each of Orissa Sponge Iron & Steel Limited. In the case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the Shares tendered by the shareholders in the Offer will be accepted.

2. In the event that either (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a stay of the Offer, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of the Orissa Sponge Iron & Steel Limited whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the wilful default or negligence or failure to diligently pursue on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by the SEBI. Further, the shareholders should note that after the last date of withdrawal i.e. July 12, 2012, the shareholders who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Competitive Bid, till such time as the process of acceptance of tenders and the payment of consideration is completed.

   The Offer is subject to the receipt of statutory and regulatory approvals, as provided under section 7.18 of this Letter of Offer for the acquisition of Shares by the Acquirers under the Offer. The Acquirers may not to be able to proceed with the Offer in the event the approvals are not received in terms of Regulation 27 of the Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

3. The Shares tendered in the Offer will be held in trust by the Registrar to the Competitive Bid, till the completion of the Offer formalities. Accordingly, the Acquirers 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 of Orissa Sponge Iron & Steel Limited on whether to participate or not to participate in the Offer.

Risks involved in associating with the Acquirers

4. The Acquirer has entered into a SPSA with a) TRF and b) TRFI (collectively referred to as 'Sellers') for purchase of 5,420,000 Equity Shares which represents 20.07 % of the current equity share capital and 17.77% of the Emerging Voting Capital the Target Company. As per the stock exchange filings done by Orissa Sponge, the Sellers belong to the promoter group of the Target Company. The Acquirer would be classified as the 'new promoter' of the Target Company in addition to the Sellers as existing "promoters" of the Target Company. The SPSA, *inter-alia,* provides for mechanism, steps by which the Acquirer seeks to share control of the Target Company (including by way of reconstitution of the Board of the Target Company) with the existing promoters of the Target Company, subject to completion of all conditions, formalities relating to this Offer and in accordance with laws as may be applicable. The Acquirer makes no assurance with respect to the financial performance of the Target Company or its subsidiary.

   The indicative risk factors set forth above pertain to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or its subsidiaries or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their participation in the Offer.

   In this Letter of Offer, any inaccuracy in any table between the total and sums of the amount listed are due to rounding off.

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Definitions

Acquirer / Monnet Ispat/ MIEL	Monnet Ispat & Energy Ltd. having registered office at Monnet Marg, Mandir Hasaud, Raipur – 492101, India, (erstwhile the Acquirer was Mounteverest Trading & Investment Ltd. having registered office at 216, Sector C, Urla Industrial Complex, Raipur-493221, India which was merged into Monnet Ispat & Energy Ltd. vide a Scheme of Arrangement with the appointed date being April 1, 2009).
PAC 1 or TRF PAC 2 or TRFI Persons Acting in Concert	Torsteel Research Foundation in India TRFI Investment Private Ltd Torsteel Research Foundation in India and TRFI Investment Private Limited jointly
Acquirers	MIEL and TRF and TRFI jointly
Target Company or Orissa Sponge	Orissa Sponge Iron & Steel Limited
Act	The Companies Act, 1956
BSE	The Bombay Stock Exchange Limited
NSE	The National Stock Exchange of India Limited
MPSE	Madhya Pradesh Stock Exchange
CSE	The Calcutta Stock Exchange Association Limited
BhSE	Bhubaneshwar Stock Exchange
Business Hours	Monday to Friday – 10.00 a.m. to 4.00 p.m.; Saturday – 10.00 a.m. to 1.00 p.m. (Closed on Sundays and public holidays) unless otherwise stated
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Eligible Persons for the Offer	Registered shareholders of Orissa Sponge appearing in the Register of Members as on the Specified Date and unregistered shareholders who own the Equity Shares of Orissa Sponge, anytime before the closure of the Offer, except Parties to the Share Purchase cum Shareholders Agreement and MIEL
FEMA	Foreign Exchange Management Act, 1999
First Corrigendum	A public announcement/ corrigendum dated February 27, 2009 published on February 28, 2009 in all editions of Economic Times, Navabharat Times and Samaya in Bhubaneshwar
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
IPICOL	Industrial Promotion & Investment Corporation of Orissa Limited
IREDA	Indian Renewable Energy Development Agency Limited
Letter of Offer	This Letter of Offer dated June 19, 2012

Manager to the Competitive Bid or Manager to the Offer or ICICI Securities	ICICI Securities Limited
NRIs	Non-Resident Indians
NSDL	National Securities Depository Limited
Offer / Competitive Bid	Offer for acquisition of up to 6,100,000 fully paid-up equity shares of face value of Rs10/- each of Orissa Sponge representing 20% of the Emerging Voting Capital of Orissa Sponge at a price of Rs. 310 per Share, payable in cash, subject to the terms and conditions mentioned in the Public Announcement of the Competitive Bid published on February 25, 2009 (Wednesday) read with the First Corrigendum published on February 28, 2009 (Saturday), this Letter of Offer and Form of Acceptance-cum-Acknowledgement.
Offer Price	Rs. 310 per Share
Original Offer	A public announcement dated February 6, 2009 published on February 7, 2009 in the Business Standard, for an offer issued by Centrum Capital Limited (Manager to the Offer) on behalf of Bhushan Power and Steel Limited (Acquirers) along with Titanic Steel Industries Ltd and Olympian Steel Industries Ltd (Persons Acting in Concert) (collectively known as 'Original Bidders') to the shareholders of Orissa Sponge to acquire upto 5,200,000 fully paid up equity shares of Rs.10/- each (representing 26% of the then issued equity share capital) of the Target Company at a price of Rs.300/- (Rupees Three Hundred only) per Share, payable in cash. Proposed date for opening the offer is Thursday, June 28, 2012. As per the information available, the public announcement dated February 6, 2009
PBDIT	Profit before Depreciation, Interest and Taxes
Public Announcement or PA or Competitive Bid PA	Announcement of the Competitive Bid/Offer made by the Acquirers on February 25, 2009 read along with any subsequent corrigendum published
RBI	Reserve Bank of India
Registrar or Registrar to the Competitive Bid or Karvy	Karvy Computershare Private Limited
Regulations/SEBI (SAST) Regulations/Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto up to the date of Public Announcement
Scheme of Arrangement	Scheme of Arrangement which resulted in the merger of Mounteverest Trading & Investment Ltd. into Monnet Ispat & Energy Ltd. (MIEL). On March 16, 2010 Monnet Ispat Ltd. informed the stock exchanges that the Board of Directors in their meeting held on March 15, 2010 has approved the merger of Mounteverest Trading & Investment Ltd., a company listed on Bombay Stock Exchange Ltd. into the Monnet Ispat & Energy Ltd. The Swap ratio for the proposed merger shall be two equity shares of Monnet Ispat & Energy Limited for every five equity shares of Mounteverest Trading & Investment Ltd.
SEBI	The Securities and Exchange Board of India
Second Competitive Bid	Vide a public announcement on Saturday, February 28, 2009 and based on update dated April 25, 2012 appearing on BSE website, IDFC – SSKI Limited (Manager to the offer), on behalf of Bhushan Energy Limited (Acquirer) and Mr. Brij Bhushan Singhal, Mr. Neeraj Singhal, BNS Steel Trading Private Limited, BBN Transportation Private Limited, BNR Infotech Private Limited, BNR Consultancy Services Private Limited and Bhushan Steel Limited ("Persons Acting in Concert" or "PACs") has issued a public announcement for a competitive bid for acquisition of 6,100,000 equity shares representing 20% of the Emerging Voting Capital of the Target Company at a price of Rs.360/- for cash. This is a competitive bid under Regulation 25 (1) and 25 (3) of the Regulations. Proposed date for opening the

	offer was April 24, 2009. As per the information available, the public announcement dated February 27, 2009 has been published on February 28, 2009 edition of Business Standard in New Delhi.
Share(s) or Equity Share(s)	Fully paid-up equity share(s) of face value of Rs. 10/- each of Orissa Sponge Iron and Steel Limited
Emerging Voting Capital	Fully diluted voting rights of Orissa Sponge Iron and Steel Limited totalling to 30,500,000 number of Equity Shares, which includes: a) 27,000,000 fully paid-up equity shares of face value of Rs. 10/- each and b) a total of 3,500,000 warrants are in dispute for which 3,500,000 Equity Shares may be issued. However, the afore-mentioned 3,500,000 convertible warrants in dispute are subject matter of an ongoing litigation and the matter is sub-judice.
Share Purchase cum Shareholders Agreement or SPSA or the Agreement	The Agreement, dated February 24, 2009, between Mounteverest Trading & Investment Ltd., TRF and TRFI for purchase of 5,420,000 equity shares of Rs.10/- each of Orissa Sponge at a price of Rs. 283 per equity share in cash
Specified Date	February 27, 2009

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR THE LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ORISSA SPONGE IRON & STEEL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE 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 ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, ICICI SECURITIES LIMITED, THE MANAGER TO THE COMPETITIVE BID, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 10, 2009 TO SEBI IN ACCORDANCE WITH SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSES OF THE OFFER.

The Acquirers and the Manager to the Competitive Bid accept no responsibility for statements made otherwise than in the Letter of Offer or in the Public Announcements or in any advertisement or other announcement issued by, or at the instance of the Acquirers, or the Manager to the Competitive Bid, and any person placing reliance on any other source of information for purpose of this Offer or in relation thereto would be doing so entirely at his/her/their own risk.

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 This Competitive Bid (the 'Competitive Bid' or 'Open Offer') is being made by Monnet Ispat & Energy Ltd, a company having its registered office at Monnet Marg, Mandir Hasaud, Raipur – 492101 (MIEL' or 'Monnet Ispat or the 'Acquirer'), along with Torsteel Research Foundation in India ('TRF' or 'PAC 1'), a Trust which is registered with the Registrar of Assurances, Kolkata in August 01, 1973 and having its registered office at Chaterjee International Centre, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata – 700071, TRFI Investment Private Ltd ('TRFI' or 'PAC 2'), a private limited company incorporated on March 11, 1993 having its registered office at 12 Lee Road, Kolkata 700020,(PAC 1 and PAC 2 collectively referred to as 'Persons Acting in Concert') (Acquirer and Persons Acting in Concert collectively referred to as 'Acquirers' or 'Competitive Bidders') to the equity shareholders of Orissa Sponge Iron & Steel Limited ('Orissa Sponge' or the 'Target Company') except to the parties to the Share Purchase cum Shareholders' Agreement ("SPSA" or 'the Agreement') and MIEL, pursuant to and in compliance with Regulations 10, 11 (1), 12, 25 (1) and 25 (3) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as amended ('SEBI (SAST) Regulations' or 'Regulations').

2.1.2 On February 24, 2009, Mounteverest Trading & Investment Ltd. (the erstwhile Acquirer) entered into a SPSA with a) TRF and b) TRFI (collectively referred to as 'Sellers') for purchase of 5,420,000 equity shares of Rs.10 each ('Sale shares') which represents 20.07 % of the current equity share capital and 17.77% of the Emerging Voting Capital the Target Company at a price of Rs. 283/- ('Negotiated Price') per Equity Share in cash (the 'Purchase Consideration'). The total consideration payable for the Sale shares is Rs. 1,533,860,000/- (One Thousand Five Hundred Thirty Three Million Eight Hundred and Sixty Thousand only. As per the stock exchange filings done by Orissa Sponge, the Sellers belong to the promoter group of the Target Company. No other monetary consideration, whether by way of any non-compete fees or otherwise, is payable by the Acquirer to the Sellers for the acquisition.

2.1.3 The salient features of the SPSA are as under:

(i) The Acquirer would be classified as the 'new promoter' of the Target Company in addition to the Sellers as existing "promoters" of the Target Company and the Parties (to the Agreement) shall procure that the Target Company, based on the filings made by the Parties (to the Agreement) to the Target Company, makes necessary filings with the Stock Exchanges in order to declare the Acquirer as a "new promoter" (in addition to the Sellers as existing "promoters" of the Target Company).

(ii) The Acquirer would have the right to nominate directors on the Board of Directors of the Target Company.

(iii) (iii) On the completion of purchase of shares by the Acquirer from PAC1 and PAC2and during the validity and pendency of SPSA, the Board of Directors shall comprise of nine members. It shall be re-constituted such that it will comprise of 3 directors nominated by the Acquirer, 2 directors nominated jointly by the Sellers, 1 director nominated by IPICOL and 3 independent directors nominated as per mutual agreement of the Acquirer and TRF. The nominee director appointed by IPICOL shall remain as Chairman of the Board and the Vice Chairman of the Board would be nominated by Sellers.

(iv) There are certain reserved matters which would require affirmative vote in writing of at least one director appointed by the Acquirer and one director appointed by the Sellers.

(v) An advisory committee shall be constituted comprising a representative each from the Acquirer as well as the Sellers.

(vi) The parties to the SPSA will discuss in good faith an appropriate candidate to jointly appoint as CEO of the Target Company.

(vii) In terms of Regulation 22(16) of the Takeover Regulations, the parties to the SPSA agree that in case of non-compliance of any provisions of the Takeover Regulations, this Agreement shall not be acted upon by the Sellers or the Acquirer.

2.1.4 This is a competitive bid as per Regulation 25(1) and 25(3) of the SEBI (SAST) Regulations. This Competitive Bid is made pursuant to a public announcement dated February 6, 2009 for an offer issued by Centrum Capital Limited (Manager to the Offer) on behalf of Bhushan Power and Steel Limited along with persons acting in concert, viz., Titanic Steel Industries Limited and Olympian Steel Industries Limited to the shareholders of Orissa Sponge to acquire upto 5,200,000 fully paid up equity shares of Rs.10/- each (representing 26% of the then issued equity share capital) of the Target Company at a price of Rs.300/- (Rupees Three Hundred only) per Share.

2.1.5 The representation from TRF in the Board of Orissa Sponge are as follows:

- Dr. P.K.Mohanty, Trustee of TRF acts as a Vice Chairman and Managing Director in the Board of the Orissa Sponge
- Mr. Munir Mohanty, acts as a Whole Time Director in the Board of Orissa Sponge
- Mr. M.A. Khan acts as a Director in the Board of Orissa Sponge

Further there are no representatives of TRFI in the Board of Orissa Sponge

Directors mentioned above have complied with Regulation 22(9) of the SEBI (SAST) Regulations and are not participating in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer.

2.1.6 After the date of the Public Announcement, no directors representing the Acquirers have been appointed on the Board of Directors of the Target Company and the Acquirers are in compliance with Regulation 22(7) of the SEBI (SAST) Regulations.

2.1.7 The Acquirers, and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities Exchange Board of India Act, 1992 ('SEBI Act') or any of the regulations made under the SEBI Act.

2.2 Details of the proposed Offer

2.2.1 The Public Announcement published on February 25, 2009 (Wednesday) read with the First Corrigendum published on February 28, 2009 (Saturday) was published in the following newspapers in accordance with Regulation 15 of the Regulations:

Newspapers	Language	Editions
Economic Times	English	All editions
Navbharat Times	Hindi	All editions
Samaya	Oriya	Bhubaneshwar *

* The Registered office of Orissa Sponge is situated at Bhubaneshwar

The Public Announcement and the First Corrigendum published on February 25, 2009 (Wednesday) and February 28, 2009 (Saturday) respectively is also available on the SEBI website, www.sebi.gov.in.

2.2.2 Pursuant to and subject to the terms and conditions of this Letter of Offer, the Acquirers are hereby making an offer to the Eligible Persons for the Offer to acquire up to 6,100,000 equity shares of Rs. 10/- each ('Shares'), representing 22.59% of the current equity share capital and 20% of the 'Emerging Voting Capital' of the Target Company at a price of Rs. 310/- per Equity Share ('Offer Price') payable in cash. This Offer is being made to all the public shareholders of the Target Company except parties to the Share Purchase cum Shareholders' Agreement ("SPSA" or 'the Agreement'). Any upward revision in the Offer / Competitive Bid with respect to the Offer Price will be announced in the abovementioned newspapers and the revised Offer Price would be payable by the Acquirers for all the Shares tendered anytime during the Offer.

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

2.2.4 As per the information provided by the Target Company as on the date of Letter of Offer, there are no partly paid-up equity shares in the Target Company

2.2.5 The Offer / Competitive Bid is not conditional upon any minimum level of acceptance. The Acquirer will acquire all the Equity Shares of the Target Company that are validly tendered as per the terms of the Offer up to a maximum of 6,100,000 Equity Shares, subject to the terms and conditions mentioned in the Public Announcement of the Competitive Bid published on February 25, 2009 (Wednesday) read with the First Corrigendum published on February 28, 2009 (Saturday) together with this Letter of Offer and Form of Acceptance-cum-Acknowledgement. During the Offer period, the Acquirers may acquire additional shares of the Target Company in accordance with the Regulations.

2.2.6 The Acquirers have not acquired any Equity Shares since the date of the Public Announcement and up to the date of this Letter of Offer, except on account of conversion of 7,000,000 warrants issued to TRF by Orissa Sponge which were converted into 7,000,000 Equity Shares as disclosed in this Letter of Offer.

2.2.7 This is a competitive bid as per Regulation 25(1) and 25(3) of the SEBI (SAST) Regulations. This Competitive Bid is made pursuant to a public announcement dated February 6, 2009 for an offer issued by Centrum Capital Limited (Manager to the Offer) on behalf of Bhushan Power and Steel Limited (Acquirer) along with Titanic Steel Industries Limited and Olympian Steel Industries Limited (Persons Acting in Concert) to the shareholders of Orissa Sponge to acquire upto 5,200,000 fully paid up equity shares of Rs.10/- each (representing 26% of the then issued equity share capital) of the Target Company at a price of Rs.300/- (Rupees Three Hundred only) per share, payable in cash. As per the information available to the Manager to the Competitive Bid, the public announcement dated February 6, 2009 has been published on February 7, 2009 edition of Business Standard in New Delhi. Further, the public announcement dated February 6, 2009 is available on the website of SEBI (www.sebi.gov.in) and announced on website of BSE (www.bseindia.com) on February 9, 2009.

2.2.8 A public announcement for another competitive bid has been issued by IDFC-SSKI Limited on behalf of Bhushan Energy Limited along with persons acting in concert, viz., Mr. Brij Bhushan Singal, Mr. Neeraj Singal, BNS Steel Trading Private Limited, BBN Transportation Private Limited, BNR Infotech Private Limited, BNR Consultancy Services Private Limited and Bhushan Steel Limited to the shareholders of Orissa Sponge to acquire upto 6,100,000 equity shares of Rs.10/- each (representing 20% of the Diluted Capital of the Target Company) of the Target Company at a price of Rs.360/- (Rupees Three Hundred and Sixty only) per share, payable in cash. As per the information available to the Manager to the Competitive Bid, the public announcement dated February 27, 2009 has been published on February 28, 2009 edition of Business Standard in Kolkata and is available on the website of SEBI (www.sebi.gov.in).

2.3 Object of the Offer

2.3.1 The Acquirer had purchased from the market 2,990,000 Equity Shares being 11.07% of the current equity capital of the Company. Subsequently, the Acquirer entered into a Share Purchase cum Shareholders Agreement with PAC 1 and PAC 2 on February 24, 2009 to acquire a further 5,420,000 equity shares being 20.07% of the current equity capital, thus entitling the Acquirer to exercise more than 15% of the voting rights in the Target Company in terms of Regulation 10 of the SEBI (SAST) Regulations. Hence, this Offer is in compliance with Regulation 10, 11(1) 12, 25 (1) and 25 (3) and other applicable provisions of the SEBI (SAST) Regulations.

2.3.2 The transactions as contemplated vide the SPSA would lead to the joint control of the Target Company by the Acquirer with the existing promoters of the Target Company. The Acquirer is engaged in similar line of business as that of Target company, hence the Acquirers would be able to share its experience and resources with the Target Company for the expansion of the business of the Target Company

2.3.3 As of the date of this Offer, the Acquirers do not have any plans 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 and except to the extent required for the purpose of restructuring and/or rationalisation of operations, assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies.

2.3.4 Other than in the ordinary course of business, the Acquirers undertake that it will not sell, dispose off or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company.

2.3.5 The Acquirer is part of Monnet Group which is engaged in similar line of business as that of Target Company.

2.4 Developments after the PA

Second Competitive Bid

IDFC – SSKI Limited (Manager to the Second Competitive Bid), on behalf of Bhushan Energy Limited alongwith Brij Bhushan Singhal, Mr. Neeraj Singhal, BNS Steel Trading Private Limited, BBN Transportation Private Limited, BNR Infotech Private Limited, BNR Consultancy Services Private Limited and Bhushan Steel Limited has issued a public announcement on Saturday, February 28, 2009 for a competitive bid for acquisition of 6,100,000 Equity Shares representing 20% of the Emerging Voting Capital of the Target Company at a price of Rs.360/- payable in cash. This is a competitive bid under Regulation 25 (1) and 25 (3) of the Regulations.

Further Issue of shares/ Changes in shareholding

- As per the PA published on February 25, 2009, the total paid up equity share capital of the Target Company was Rs. 200,000,000 representing 20,000,000 equity shares of Rs.10/- each.
- After conversion of 7,000,000 warrants into Equity Shares the total paid up equity share capital of the Target Company has increased to Rs.270,000,000 represented by 27,000,000 equity shares of Rs.10/- each.
- The 70 lacs warrants issued by the Target Company have been converted into Equity Shares on the following dates:
  - 40 lacs warrants have been converted on 28th February, 2009 into equal number of Equity Shares in favour of TRFI.
  - 30 lacs warrants have been converted on 4th March, 2009 into equal number of Equity Shares in favour of TRFI.

Litigation/ petition/ law suit in relation to 30 lakh warrants are as follows:

Sr. No.	Petition	Forum	Case Particulars	Present Status
1	CS (OS) No. 85/2012	High Court of Delhi	TRFI Investment Pvt. Ltd filed suit for declaration and permanent injunction against Pisces Portfolio(s) Pvt. Ltd and Moonstar Securities Trading & Finance Co. Pvt. Ltd in respect of alleged sale/assignment of 30 lacs warrants.	Written Statement by Defendant No. 2 i.e Moonstar Securities Trading & Finance Company Pvt. Ltd. has been filed. Further pleadings are to be completed and now listed for admission/denial of documents. Next date of hearing is September 20, 2012.
2	CS(OS) No. 424/2009	High Court of Delhi	Moonstar Securities Trading and Finance Company Pvt. Ltd. filed a Suit in High Court in respect of 30 lacs warrants of Orissa Sponge Iron & Steel Limited assigned / sold to it by Pisces Portfolio (P) Ltd. 30 Lac warrants were allotted	Hon'ble High Court of Delhi vide its order dated March 3, 2009 (communicated on March 5, 2009) & March 6, 2009 stated that none of the parties shall exercise any right attached to 30 lacs warrants

			to TRFI and the same were converted into equal number of equity shares in the Board meeting of the Company held on March 4, 2009	and/or Equity Shares in question till the next date of hearing which is currently operative Matter is pending before Delhi High Court. Next date of hearing is 31/07/2012

Litigation in relation to 35 lakh warrants are as follows:

Sr. No.	Petition	Forum	Case Particulars	Present Status
1	Application filed by Bhushan Energy Ltd	Securities and Exchange Board of India	Bhushan Energy Ltd has filed petition before Supreme court of India in respect of 35 lacs warrants. Vide its order dated May 7, 2012 in SLP no. 14740/2011, Supreme Court of India has made direction to Securities and Exchange Board of India to decide the matter, after taking into consideration the submission and contentions advanced by both sides.	On June 15, 2012, the Target Company has received letter no. CFD/DCR/TO/RM/12855/12, dated June 12, 2012 from Securities and Exchange Board of India vide which target company had been directed by SEBI to make its submission on or before 27th June,2012.

Litigation pending against TRF & TRFI with respect to equity shares held in Orissa Sponge is as follows:

Sr. No.	Petition	Forum	Case Particulars	Present Status
1.	Civil Appeal No. 6314-15/2011	Supreme Court of India	BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd and Bhushan Energy Ltd has filed petition before CLB, New Delhi vide which it has been alleged the certain shares of Orissa Sponge has been issued in favour of TRF (Torsteel Reserch Foundation in India) in violation of Section 77 of Companies Act, 1956. The said contention of the petitioner was rejected by CLB vide its order dated 06-10-09. Against the Order of CLB, Appeal has been filed by the BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd which was also rejected by Hon'ble Orissa High court vide its order dated 22-02-2011 in COPET no. 40 & 41 of 2009. Against the order dated 22-02-2011 of Orissa High Court, Appellant has filed SLP which has been admitted and now it is to be heard as Civil Appeal. Total 23,88,916 equity shares of Orissa Sponge are subject matter of this Civil Appeal. Next date of hearing is yet to be fixed.	Matter is still pending. Next date of hearing is yet to be fixed.

Details of Shares pledged by TRF and TRFI:

Sl. No.	Name of the Entity	Date of Transaction	No. of Shares pledged	Invoke/ Revoke
1.	Torsteel Research Foundation in India	10th Feb, 2009	33,500	NA
		28th August, 2009	14,760	NA
		24th September, 2009	40,000	NA
		18th November, 2009	6,000	NA
		15th December, 2009	17,000	NA
		8th January, 2010	4,000	NA
		12th January, 2010	23,000	NA
		24th March 2010	(40,000)	Revoke
		31st March 2010	(17,000)	Revoke
		13th April, 2010	(6,000)	Revoke
		5th May, 2010	(23,000)	Revoke
		23rd June, 2010	80,000	NA
		10th July, 2010	(4,000)	Revoke
	Torsteel Research Foundation in India	25th Jan, 2011	10,000	NA
		15th September, 2011	(17,500)	Revoke
		21st September, 2011	(97,060)	Revoke
		3rd November, 2011	(7,700)	Revoke
		11th Jan, 2012	80,000	NA
		31st Jan, 2012	25,000	NA
		2nd Feb, 2012	8,000	NA
2.	TRFI Investments Private Limited		Nil	
Total			**1,29,000**	

Details of Shares held by TRF and TRFI as on the date of the Letter of Offer:

Sl. No.	Name of the Entity	No. of Shares held	No. of Shares pledged
1.	Torsteel Research Foundation in India	31,50,589	1,29,000
2.	TRFI Investments Private Limited	85,02,190	Nil
	Total	1,16,52,779	1,29,000

Scheme of Arrangement of Merger of Mounteverest Trading & Investment Ltd. into Monnet Ispat & Energy Ltd. (MIEL).

On March 16, 2010 vide corporate announcement made to stock exchanges, Monnet Ispat Ltd. informed the Exchange that the Board of Directors in their meeting held on March 15, 2010 has approved the merger of Mounteverest Trading & Investment Ltd., a company listed on Bombay Stock Exchange Ltd. into the Company. The Swap ratio for the proposed merger shall be two equity shares of Monnet Ispat & Energy Limited for every five equity shares of Mounteverest Trading & Investment Ltd.

The justification of the proposed amalgamation was as below: —

The managements of both Mounteverest Trading & Investment Ltd. and Monnet Ispat & Energy Ltd. feel desirable to amalgamate the entities and consolidate the resources and businesses of the companies. The proposed amalgamation, as envisaged in this Scheme, is driven by the motive of consolidation of businesses under one entity. Further, Mounteverest Trading & Investment Ltd. has made investment in a Company which has similar line of activity as of Monnet Ispat & Energy Ltd. Therefore, it was thought prudent from the point of view of the interest of various stakeholders and in compliance with the best practices of Corporate Governance to bring the investment under the Balance Sheet of Monnet Ispat & Energy Ltd. In view of the constraints in the resources of Mounteverest Trading & Investment Ltd., this merger will open the opportunity of augmenting the investment of that company in future for consolidation of stake and potential takeover of the control of management of the company. The other benefits likely to arise through the proposed amalgamation are as follows:

1. Optimum and efficient utilization of capital, resources, assets and facilities;
2. Enhancement of competitive strengths including financial resources;
3. Consolidation of businesses and enhancement of economic value addition and shareholder value; and
4. Better management and focus on growing the businesses.

The appointed date of the Scheme is 1st April, 2009 being the date with effect from which the Scheme shall be applicable.

The effective date of the Scheme is November 23, 2010, the date on which certified copy of the order of the Hon'ble High Court under Sections 391 and 394 of the Act sanctioning the Scheme is approved by the Registrar of Companies of Relevant Jurisdiction after obtaining the sanctions, orders or approvals.

The transfer & vesting of the Undertaking was as mentioned in Part-II of The Scheme of Merger.

Reorganization of Capital shall was as proposed in Part-III of The Scheme of Merger: —
MIEL issued and allotted to each of the shareholders of MTIL, Equity shares in proportion of 40 (Forty) Equity shares of Rs.10/- (Rupees Ten) each in MIEL for every 100 (Hundred) equity shares of Rs.10/- (Rupees Ten) each held by them in MTIL pursuant to the Amalgamation. The holders of outstanding Fully Convertible Warrants and Fully Convertible Debentures (including their bonus entitlements) have vested rights to receive equal number of equity shares in MTIL hence they would have pari passu rights with the existing equity shareholders of MTIL under the scheme, subject to payments, if any under the terms of their allotment**.**

For arriving at the share exchange ratio, the Companies have considered the Valuation Report submitted by an independent professional firm, M/s Rakesh Raj & Associates, Chartered Accountants. Joint Fairness Opinion of Merchant Bankers, M/s Corporate Professionals Capital Pvt. Ltd has also been obtained by the Companies.

The Hon'ble High Court of Chhattisgarh vide its order passed on November 09, 2010, has confirmed the Scheme of Amalgamation of Mounteverest Trading & Investment Limited with Monnet Ispat & Energy Limited. Pursuant to Para 12 of the Order, the Scheme of Amalgamation came into effect on November 23, 2010 (effective date) upon filing of certified copy of the order with the Registrar of Companies, Madhya Pradesh & Chhattisgarh. Subsequently, the Acquirer obtained in-principal approvals from the National Stock Exchange of India and Bombay Stock Exchange Ltd. and on December 20, 2010, allotment of 4,722,539 equity shares was made to the shareholders of Mounteverest Trading & Investment Limited in the approved ratio of 40 equity shares of Monnet Ispat & Energy Ltd. for every 100 equity shares of Mounteverest Trading & Investment Limited. Upon completion of listing formalities, these exchanges granted trading permission in respect of 4,722,539 equity shares w.e.f. February 08, 2011. Pursuant to Para 3 of Part III of the Scheme of Amalgamation, Mounteverest Trading & Investment Limited stood dissolved from the effective date without winding up.

3. BACKGROUND OF THE ACQUIRERS

3.1 Monnet Ispat & Energy Ltd.

3.1.1 MIEL is a company incorporated on February 1, 1990, in Kolkata as Monnet Ispat Limited. The name of the Company was changed to Monnet Ispat & Energy Limited w.e.f. March 21, 2006. Since August 16, 1995, the registered office of MIEL has been shifted to Monnet Marg, Mandir Hasaud, Raipur – 492101. Tel. No. 0771-2471334, 2471335, 22471336, 22471337, 22471338, 22471339

3.1.2 The current, issued, subscribed and paid up equity share capital of MIEL constitutes as follows: —

Issued & Subscribed Capital	:	65,597,895 equity shares of Rs. 10 each aggregating to Rs. 655,978,950
Paid-up Capital	:	64,301,636 equity shares of Rs. 10 each fully paid-up aggregating to Rs. 643,016,360

The difference between the Issued & Subscribed Capital and Paid-up capital is on account of

1. 1,286,259 equity shares bought back and subsequently extinguished in the buyback scheme closed on May 22, 009 and 36,171 equity shares so far bought back and subsequently extinguished in relation to the ongoing buyback scheme, and
2. 10,000 equity shares forfeited and not yet re-issued by the Company.

3.1.3 The equity shares of MIEL are listed on BSE, NSE, MPSE and CSE. The Company had applied to Calcutta Stock Exchange for delisting on June 21, 2004 and the same is pending. MIEL got its shares delisted from Delhi Stock Exchange with effect from November 17, 2003 vide letter no. DSE/LIST/NR113. MIEL also got its shares delisted from Jaipur Stock Exchange with effect from November 29, 2003. Further, there are no partly paid-up shares in MIEL. On April 20, 2012, the closing price of MIEL on the BSE was Rs. 468.00 per equity share and on the NSE was Rs. 468.50 per equity share (Source: www.bseindia.com and www.nseindia.com).

3.1.4 MIEL is the flagship company of Monnet Group and is promoted by Mr. Sandeep Jajodia, Executive Vice Chairman and Managing Director of MIEL. MIEL is predominantly engaged in manufacture of Sponge Iron, Steel & Ferro alloys, Power generation and Coal Mining backed by captive resources of raw material viz. coal, iron ore & captive power.

Companies which are part of the Monnet Group are, as follows:

1) Indian Subsidiaries : -

1. Monnet Power Company Limited
2. Monnet Cement Limited
3. Monnet Daniels Coal Washeries Pvt. Ltd.
4. Rameshwaram Steel & Power Pvt. Ltd.
5. Chomal Export Private Limited
6. Chattel Construction Private Limited

2) Overseas Subsidiaries : -

1. Monnet Global Limited
2. Monnet Overseas Limited
3. Monnet Enterprises Pte. Ltd.
4. PT Monnet Global
5. PT Serwa Sembada Karya Bumi
6. Monnet Enterprises DMCC
7. Monnet Global Liberia Ltd.
8. Monnet Global Guinea S.A.
9. Monnet Global Mali S.A.

3) Joint Venture Companies: -

1. Mandakini Coal Company Ltd.
2. Urtan North Coal Company Ltd.
3. MP Monnet Mining Company Ltd.
4. Monnet Ecomaister Enviro Pvt. Ltd.

3.1.5 The shareholding pattern of MIEL as on June 15, 2012 is as follows:

Shareholder	**No. of shares**	**% holding**
Promoters' shareholding	31,810,341	49.47%
FII/ Mutual-Funds/ FIs/Banks	24,272,769	37.75%
Public	8,218,526	12.78%
Total	**64,301,636**	**100.00%**

Break-up of entities constituting promoter and promoter group of MIEL:

Sl.	**Name of the Shareholder**	**Details of Shares held**	
		No. of Shares held	**As a % of total outstanding shares of MIEL**
1	Mahendra Kumar Jajodia	250,000	0.39 %
2	Sandeep Jajodia	4,448	0.01 %
3	Monnet Industries Ltd	50	0.00 %
4	Harshwardhan Leasing Ltd	332	0.00 %
5	Cecil Webber Engineering Ltd	4,229,196	6.57 %
6	Pavitra Commercials Ltd	4,083,658	6.35 %
7	Kamdhenu Enterprise Ltd	6,752,821	10.50 %
8	Udhyam Merchandise Pvt Ltd	9,950,500	15.47 %
9	Mehendra Shipping Ltd	95,000	0.15 %
10	Paras Traders Pvt Ltd	12,432	0.02 %
11	Monnet International Ltd	381,096	0.59 %
12	Sandeep Jajodia	1,110,289	1.73 %
13	Seema Jajodia	8,801	0.01 %
14	Nikunj Jajodia	2,684,558	4.17 %
15	Nikita Jajodia	46,880	0.07 %
16	Mahendra Kumar Jajodia	947,490	1.47 %
17	Sudha Jajodia	1,243,150	1.93 %
18	Sabina Rungta	5,000	0.01 %
19	Monnet Properties Pvt Ltd	4,640	0.01 %
	Total	**31,810,341**	**49.44 %**

3.1.6 As of February 24, 2009, being the date of the Public Announcement, MIEL did not hold any shares in the Target Company while Mounteverest Trading & Investment Ltd. had acquired 2,990,000 Equity Shares in the Target Company acquired in two tranches. The disclosure under Regulation 7 (1) was triggered upon acquisition of second tranche, and the same was made to stock exchanges within one day by fax on February 25, 2009 and by filing fax confirmation copy to BSE on February 26, 2009 under the applicable Regulation 7 (1) of SEBI (SAST) Regulations, 1997. Mounteverest Trading & Investment Ltd. had acquired these 29,90,000 Equity Shares at a price of Rs. 268.70 per share, brokerage and taxes extra. The same shall not have any effect on the offer price since the offer price is above the acquisition price of the said shares. Post the implementation of the Scheme of Amalgamation which resulted in the merger of Mounteverest Trading & Investment Ltd. into Monnet Ispat & Energy Ltd., MIEL now holds these 2,990,000 shares which is 11.07% of the present paid-up capital of the Target Company and there has been no change in this holding. Details of MIEL compliance with the provisions of Chapter II of the SEBI (SAST) Regulations are attached in Annexure I

3.1.7 Neither MIEL nor their respective directors have acquired any shares of the Target Company during the 12-month period prior to the date of the Public Announcement. Neither MIEL nor any of the directors of MIEL have acquired any Equity Shares of the Target Company since the date of the Public Announcement and upto the date of this Letter of Offer.

3.1.8 As on the date of the Letter of Offer, the Board of Directors of MIEL is as follows :

Name of Director	Position	Past Experience	Qualifications	Date of Appointment	Address
Sandeep Jajodia DIN: 00082869	Chairman & Managing Director	Aged about 46 years, Shri Jajodia has been instrumental in the transformation of MIEL into an all-encompassing raw material to finished product value chain model, an all round growth and established the company to be a primary player in the steel industry	Post Graduate	Feb 1, 1990	1/17, Shanti Niketan, New Delhi-110021
C.P. Baid DIN: 00466414	Dy. Managing Director	Aged about 57 years, Mr Baid is BE (Hons) Mechanical Engineering Practice from B.I.T.S. Pilani and a Gold Medalist from the 1974 batch. He is also an MBA in Project Management. He has worked with Vedanta Resources Plc, MALCO, BALCO, Koncola Copper Mines, Zambia and Sterlite Energy Ltd. and Sesa Goa.	Post Graduate	Nov 08, 2010	B-2901, Oberoi Woods, CIBA Rd., Off. W. Exp. Highway, Goregaon- East, Mumbai, Maharashtra
K.K. Khanna DIN: 00114623	Executive Director	Aged about 63 years, Mr Khanna is BE (Mech.) from BITS, Pilani, B.E. (Engg.) gold medalist from IIIE, a Law Graduate and an MBA. After joining SAIL in 1971, he has worked at various positions and retired as Director (Technical) in 2007.	B.E., M.B.A. & LL.B.	Oct 31, 2009	J-170, Paschim Vihar, New Delhi
G.C. Mrig DIN: 00025932	Director	A 1st class first Pickering Gold medalist. An AISM (Mining) from Indian School of Mines, Dhanbad and B.Sc. (Hons.) (Mining Engineering) from Bihar University. Shri G.C. Mrig has been the Chairman – cum – Managing Director of South Easter Coalfields Ltd. and of Bharat Coaking Coal Ltd. After superannuation, he set up his own coal washery and has grown his businesses to Sponge Iron, Steel, Power and coal washery equipments.	B.Sc. (Hons.) (Mining Engineering); AISM (Mining) from School of Mines, Dhanbad	June 30, 1997	898, Sector-14, Gurgaon, Haryana
Amit Dixit DIN- 01798942	Director	Aged about 39 years, Mr. Dixit is an M.B.A. from Harvard Business School, a M.S. in Engineering from Stanford University where he was	M.B.A. from Harvard Business School,	May 14, 2012	Thakur Nivas, Flat No. 21, 173 Jamshedji Tata Road, Churchgate

		awarded John A. Blum fellowship, and B. Tech. from IIT-Bombay. Presently, he is Senior Managing Director of Private Equity at The Blackstone India Advisors.	M.S. in Engineering from Stanford University and B. Tech		Mumbai, Maharashtra, India – 400020
Vikram Deswal **DIN-05277967**	Director	Aged about 39 years, Mr Deswal is a Graduate from Instutute of Technology, Varanasi, an MBA from IIM, Lucknow and from The Wharton School, University of Pennsylvania, U.S.A. He is Managing Partner and Chief Investment Officer at East Bridge Capital Management Ltd., Boston, Massachusetts, USA.	M.B.A. from IIM, Lucknow and from The Wharton School, U.S.A. and Graduate from Instt. Of Technology, Varanasi.	May 14, 2012	21 Westerly Road, Weston, MA 02493 (USA)
Ajay Relan DIN: 00002632	Director	An MBA from IIM, Ahmedabad, he led Citigroup's Citi Ventures India as its Managing Director. After leaving Citibank, he floated CX Advisors Pvt. Ltd. and is providing investment advisory services to private equity firms across the globe.	M.B.A. from IIM, Ahmedabad	Aug 09, 2010	C-121, Defence Colony, New Delhi.
J.P. Lath DIN: 00380076	Director	Having over 34 years experience in making statutory compliances of large manufacturing unit, making liaison with various Central/State Government Departments for obtaining licenses, permissions, NoC etc.	Graduate	Jan. 30, 2006	H-26, Lajpat Nagar-II, New Delhi-110024.
Gopal Tiwari DIN: 00711446	Director	Aged about 69 years, Mr Gopal Tiwari holds a Bachelor's Degree in electrical engineering from Bhagalpur College of Engineering, Bihar. Started his career as Asstt. Engineer in MPEB in 1965 and retired in 2000 as Executive Director. He was invited to join CSEB as member and later as Chairman. He received various awards from Central & State Government acknowledging his contribution.	Graduate	Mar 29, 2011	Khasra No. 227, Forest Lane, Shiv Mandir Complex, Neb Sarai,, New Delhi-1100568

3.1.9 None of the directors of MIEL are on the board of the Target Company.

3.1.10 MIEL has not been prohibited by Securities and Exchange Board of India from dealing in securities in terms of directions issued under section 11B of the SEBI Act.

3.1.11 The audited financial information of MIEL is given below:

(Amount Rs. In lacs)

Profit & Loss Statement	**Year I**	**Year II**	**Year III**	**9-mth period**
	F Y 2008-09	**F Y 2009-10**	**F Y 2010-11**	**9Month Ended 31.12.11**
Income from operations	154,872.59	148,069.52	157,304.93	136,673.25
Other Income	4,766.65	3,175.01	2,932.17	2,860.49
Total Income	159,639.24	151,244.54	160,237.10	139,533.74
Total Expenditure.	118,975.98	101,669.16	112,325.56	100,583.50
Profit Before Depreciation Interest and Tax	40,663.26	49,575.38	47,911.54	38,950.24
Depreciation	6,530.38	7,166.55	7,386.38	5,626.55
Interest	7,060.45	9,278.85	4,372.07	4,366.82
Profit Before Tax	27,072.43	33,129.98	36,153.09	28,956.87
Provision for Tax	5,472.03	6,219.54	8,037.32	6,643.03
Profit After Tax	21,600.41	26,910.44	28,115.77	22,313.84

(Amount Rs. In lacs)

Balance Sheet Statement	**Year I**	**Year II**	**Year III**	**9-mth period**
Sources of funds	As at 31.03.2009	As at 31.03.2010	As at 31.03.2011	As at 31.12.2011
Paid up share capital	4,796.31	5,447.86	6,435.50	6,435.50
Amount received against convertible warrants	-	2,688.25	-	-
Reserves and Surplus (excluding revaluation reserves)	123,830.16	159,168.60	202,578.06	224,891.89
Miscellaneous Expenditure	- 8,258.41	- 1,842.08	-	-
Networth	120,368.06	165,462.63	209,013.56	231,327.40
Secured loans	101,685.42	125,092.30	193,287.40	321,232.51
Unsecured loans	30,832.56	24,406.06	73,898.66	41,733.27
Total	252,886.04	314,960.99	476,199.61	594,293.17
Uses of funds				
Net fixed assets	143,654.80	184,953.03	260,644.95	377,694.18
Investments	21,562.79	54,540.39	55,000.91	66,139.03
Net current assets	99,063.67	88,660.90	174,677.57	165,418.78
Deferred Tax Asset / (Liabilities)	- 11,395.22	- 13,193.32	- 14,123.82	- 14,958.82
Total	252,886.04	314,960.99	476,199.61	594,293.17

Other Financial Data	**Year I**	**Year II**	**Year III**	**9-mth period**
Dividend (%)	50%	50%	50%	0.00
Earning Per Share	44.22	53.64	48.61	34.68
Return on Networth	17.95	16.26	13.45	12.83

Book Value Per Share	250.99	311.48	324.87	359.55

*These financial information of MIEL are based on the audited financial report for the year ended March 31, 2009, March 31, 2010, March 31, 2011 and unaudited financial report for the nine months ended December 31, 2011 which has been subjected to limited review.

Following table shows the quantity and %age wise expansion in existing capacities and adding new capacities at different locations from the financial year 2006-07 onwards: -

Product	Qty.	2006-07	2007-08	% increase	2008-09	% increase	2009-10	% increase	2010-11	% increase
Sponge Iron	MT	690,000	800,000	15.94	800,000	0	800,000	0	800,000	0
M.S./S.S. Products	MT	300,000	300,000	-	300,000	0	300,000	0	300,000	0
Structural Steel	MT	200,000	200,000	-	200,000	0	200,000	0	200,000	0
Ferro Alloys	MT	58,400	58,400	-	58,400	0	58,400	0	58,400	0
Power	MW	60	150	150	150	0	150	0	150	0

Following table shows how the quantity wise and %age wise, the production of each product increased from the financial year 2006-07 onwards: -

Product	Qty.	2006-07	2007-08	% increase	2008-09	% increase	2009-10	% increase	2010-11	% increase
Sponge Iron	MT	361,660	486,017	34.39	600,431	23.54	710,044	18.26	692,096	-2.53
M.S./S.S. Products	MT	182,607	183,479	0.48	136,495	-25.61	115,325	-15.51	41,956	-63.62
Structural Steel	MT	4,121	83,017	1,914.49	80,584	-2.93	90,714	12.57	39,289	-56.69
Ferro Alloys	MT	37,154	45,134	21.48	15,911	-64.75	-	-100	8,606	
Coal	MT	667,564	835,400	25.14	989,111	18.4	1,000,119	1.11	951,930	-4.82
Power	Units	300,398,743	399,413,507	32.96	689,533,000	72.64	1,020,661,000	48.02	969,075,000	-5.05

As a result of above increase in production of each Division during 2007-08,2008-09 , 2009-10 and 2010-11 in comparison to 2006-07, the Net Sales and consequently, the Net Profits after tax registered a growth as given below:

Item	2006-07	2007-08	% increase	2008-09	% increase
Net Sales	6,378,006,065	11,590,690,637	81.73	15,487,259,407	33.62
Profitability	1,347,850,944	1,661,633,942	23.28	2,160,040,806	29.99

Item	2009-10	% increase	2010-11	% increase
Net Sales	14,806,952,274	(4.39)	15,730,493,282	6.24
Profitability	2,691,043,803	24.50	2,811,576,635	4.48

As a result of the factors coupled with increase of market prices of company’s products, the Company’s Reserves & Surplus witnessed jump during the years 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11.

Due to ongoing expansions, the Company availed loans for funding the projects as well as for increased working capital requirements. Consequently, the secured loans witnessed increase during the financial years 2008-09, 2009-10 and 2010-11.

Owing to increase in the net profits and transfer thereof to the General Reserves, addition of Reserves & Surplus of Mounteverest Trading & Investment Ltd. in the balance sheet of the Company consequent to its merged into the Company and receipt of Share Premium upon conversion of FCCBs, FCDs and warrants, the Reserves & Surplus of the Company have increased during the financial years 2007-08, 2008-09, 2009-10 and 2010-11.

Recent Update on MIEL: Financial Results for March 31, 2012

On May 14, 2012, Monnet Ispat & Energy Limited Ltd has informed the Stock Exchanges viz. BSE and NSE, about its Financial Results for the period ended March 31, 2012 and accordingly a copy of the Limited Review Report for the period ended March 31, 2012 was submitted to BSE and NSE. The same is reproduced below for reference:

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND FOR THE YEAR ENDED ON 31st MARCH, 2012

			(Figures in Rs. Crores)
Sl. No.	**Particulars**	**Three months ended 31.03.2012**	**Year to date figures for current period ended 31.03.2012**
		Unaudited	**Unaudited**
1	**Income from operations**		
	Gross Sales	586.05	2063.55
	Less Excise Duty	49.70	162.68
	(a) Net sales/income from operations (Net of Excise Duty)	536.35	1900.87
	(b) Other Operating Income	0.76	2.97
	Total Income from Operations (Net)	**537.11**	**1903.84**
2	**Expenses**		
	(a) Cost of materials consumed	344.65	1190.66
	(b) Purchase of stock-in-trade	3.65	5.42
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(27.50)	(65.50)
	(d) Employee benefits expense	21.88	87.65
	(e) Depreciation and amortisation expense	18.84	75.11
	(f) Other expenses	56.20	186.47
	Total Expenses	**417.72**	**1479.81**
3	**Profit from Operations before Other Income, Finance Costs & Exceptional Items (1-2)**	**119.39**	**424.03**

4	Other Income	12.74	41.34
5	**Profit from Ordinary Activities before finance cost and Exceptional Items (3+4)**	**132.13**	**465.37**
6	Finance Costs	24.27	67.94
7	**Profit from ordinary activities after finance cost but before Exceptional Items (5+6)**	**107.86**	**397.43**
8	Exceptional Items	0.00	0.00
9	**Profit from Ordinary Activities before tax (7+8)**	**107.86**	**397.43**
10	Tax expenses	24.77	91.20
11	**Net Profit from ordinary Activities after tax (9+10)**	**83.09**	**306.23**
12	Extraordinary Item	0.00	0.00
13	Net Profit for the period (11+12)	83.09	306.23
14	**Cash Profit**	**104.98**	**392.74**
15	Paid-up equity share capital (face value Rs.10/- per share fully paid-up)	64.34	64.34
16	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year		
17	**Earnings Per Share (EPS) (being same before and after extraordinary items) (of `10/- each (not annualized) :**		
	(a) Basic	12.91	47.58
	(b) Diluted	12.50	46.08

Notes :	
1	These results were taken on record by the Board of Directors in its meeting held on 14th May, 2012 after limited review by the auditors and review by the Audit Committee of the Company.
2	Mr. Sandeep Jajodia, Exec Vice Chairman & Managing Director has been Appointed as Chairman and Managing Director of the company.
3	The Board of Directors have appointed Mr. Amit Dixit and Mr. Vikram S Deswal as additional directors of the company.
4	The Board took on record the progress of steel project at Raigarh
5	Previous figures have been regrouped/rearranged, wherever necessary.

3.1.12 Significant Accounting Policies as on March 31, 2011

1. **Basis of Accounting**
   The Company has prepared its financial statements in accordance with generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 1956.

2. **Income and Expenditure**
   Accounting of Income & Expenditure is done on accrual basis except interest on late payment received from debtors which is accounted for on receipt basis.

3. **Sales**

   a) Sales are shown inclusive of excise duty and net of sales tax, rebates and discounts etc.

b) The Company has reduced interdivision sales from gross turnover as required by AS-9 of ICAI.

c) Sale of Certified Emission Reduction (CER) is recognized as income on the delivery of the CER to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

4. **Claims**

Revenue in respect of claims is recognised only when the same is reasonably ascertained.

5. **Fixed Assets & Depreciation**

a) Fixed assets are stated at their original cost of acquisition inclusive of inward freight, duties and expenditure incurred in the acquisition, construction and installation.

b) Cenvat credit availed on capital equipments is accounted for by credit to respective fixed assets.

c) Incidental expenditure on Modifications, Expansions/New Projects (including interest and commitment charges on loans obtained for acquisition of capital assets) has been allocated to assets on pro-rata basis on completion of the Project.

d) Depreciation on fixed assets is provided on Straight Line Method (SLM) on pro-rata basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except on some Plant & Machinery of Sponge Iron Division, Unit-I, on which depreciation is being provided since commissioning of the unit on Written Down Value (WDV) method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on improvement to leasehold premises is provided based on tenure of lease.

6. **Inventories**

Inventories are valued on the following basis using FIFO method:

a) Finished Goods - at lower of cost or estimated realisable value.
b) Semi Finished Goods - at lower of cost or estimated realisable value.
c) Work-in-Process - at lower of cost or estimated realisable value
d) Raw Materials - at cost. However, in cases where the realizable value of the finished product falls below cost, materials are written down to net realizable value.
e) Stores and Spares - at cost
f) Finished Goods At Depot – at lower of cost or estimated realisable value (including excise duty & freight)

7. **Excise Duty**

- Cenvat credit, to the extent availed, is adjusted towards cost of materials.
- Custom duty is accounted for at the time of clearance of goods.

8. **Retirement Benefits**

Gratuity is accounted for on the basis of actuarial valuation as on the closing date.

9. **Contingent Liabilities**

Contingent Liabilities are determined on the basis of available information and are disclosed by way of notes to the accounts.

10. **Sundry Debtors**

Sundry Debtors are shown net of bills discounted. Interest on overdue bills is accounted for on receipt basis.

11. **Investments**

Long Term Investments are stated at cost. Provision for diminution is made only if such a decline is other than temporary. Short term investments are carried at lower of cost or quoted / fair value.

12. **Foreign Currency Transactions**

a) Monetary Assets and liabilities in foreign currency are revalued at the year end exchange rates. Exchange differences arising on such revaluation are recognized in Profit & Loss Account.

b) In case of forward exchange contracts, the difference between the forward rate and the exchange rate at the date of transaction is recognized as income or expense over the life of the contract.

c) Exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs are capitalized in the respective qualifying assets.

13. Dividend is accounted for as per the date of declaration.

14. Unless specifically stated to be otherwise, these policies are consistently followed.

3.1.13 Mergers, demergers and / or spin-offs involving MIEL during the last three years

Scheme of Arrangement of Merger of Mounteverest Trading & Investment Ltd. into Monnet Ispat & Energy Ltd. (MIEL).

On March 16, 2010 Vide Corporate Announcement made to stock exchanges, Monnet Ispat Ltd. informed the Exchange that the Board of Directors in their meeting held on March 15, 2010 has approved the merger of Mounteverest Trading & Investment Ltd., a company listed on Bombay Stock Exchange Ltd. into the Company. The Swap ratio for the proposed merger shall be two equity shares of Monnet Ispat & Energy Limited for every five equity shares of Mounteverest Trading & Investment Ltd.

The justification of the proposed amalgamation was as below: —

The managements of both Mounteverest Trading & Investment Ltd. and Monnet Ispat & Energy Ltd. feel desirable to amalgamate the entities and consolidate the resources and businesses of the companies. The proposed amalgamation, as envisaged in this Scheme, is driven by the motive of consolidation of businesses under one entity. Further, Mounteverest Trading & Investment Ltd. has made investment in a Company which has similar line of activity as of Monnet Ispat & Energy Ltd. Therefore, it was thought prudent from the point of view of the interest of various stakeholders and in compliance with the best practices of Corporate Governance to bring the investment under the Balance Sheet of Monnet Ispat & Energy Ltd. In view of the constraints in the resources of Mounteverest Trading & Investment Ltd., this merger will open the opportunity of augmenting the investment of that company in future for consolidation of stake and potential takeover of the control of management of the company. The other benefits likely to arise through the proposed amalgamation are as follows:

1. Optimum and efficient utilization of capital, resources, assets and facilities;
2. Enhancement of competitive strengths including financial resources;
3. Consolidation of businesses and enhancement of economic value addition and shareholder value; and
4. Better management and focus on growing the businesses.

The appointed date of the Scheme was 1st April, 2009 being the date with effect from which the Scheme shall be applicable.

The effective date of the Scheme is November 23, 2010, the date on which certified copy of the order of the Hon'ble High Court under Sections 391 and 394 of the Act sanctioning the Scheme is approved by the Registrar of Companies of Relevant Jurisdiction after obtaining the sanctions, orders or approvals.

The transfer & vesting of the Undertaking was as mentioned in Part-II of The Scheme of Merger.

Reorganization of Capital was as proposed in Part-III of The Scheme of Merger: —

MIEL issued and allotted to each of the shareholders of MTIL, equity shares in proportion of 40 (Forty) equity shares of Rs.10/- (Rupees Ten) each in MIEL for every 100 (Hundred) Equity shares of Rs.10/- (Rupees Ten) each held by them in MTIL pursuant to the Amalgamation. The holders of outstanding Fully Convertible Warrants and Fully Convertible Debentures (including their bonus entitlements) have vested rights to receive equal number of equity shares in MTIL hence they would have pari passu rights with the existing equity shareholders of MTIL under the scheme, subject to payments, if any under the terms of their allotment.

For arriving at the share exchange ratio, the Companies have considered the Valuation Report submitted by an independent professional firm, M/s Rakesh Raj & Associates, Chartered Accountants. Joint Fairness Opinion of Merchant Bankers, M/s Corporate Professionals Capital Pvt. Ltd has also been obtained by the Companies.

The Hon'ble High Court of Chhattisgarh vide its order passed on November 09, 2010, has confirmed the Scheme of Amalgamation of Mounteverest Trading & Investment Limited with Monnet Ispat & Energy Limited. Pursuant to Para 12 of the Order, the Scheme of Amalgamation came into effect on November 23, 2010 (effective date) upon filing of certified copy of the order with the Registrar of Companies, Madhya Pradesh & Chhattisgarh. Subsequently, the Acquirer obtained in-principal approvals from the National Stock Exchange of India and Bombay Stock Exchange Ltd. and on December 20, 2010, allotment of 4,722,539 equity shares was made to the shareholders of Mounteverest Trading & Investment Limited in the approved ratio of 40 equity shares of Monnet Ispat & Energy Ltd. for every 100 equity shares of Mounteverest Trading & Investment Limited. Upon completion of listing formalities, these exchanges granted trading permission in respect of 4,722,539 equity shares w.e.f. February 08, 2011. Pursuant to Para 3 of Part III of the Scheme of Amalgamation, Mounteverest Trading & Investment Limited stood dissolved from the effective date without winding up.

3.1.14 Status of Corporate Governance & Pending Litigation

Corporate Governance

The Company has duly complied with all the provisions under Clause 49 of the Listing Agreement relating to Corporate Governance.

Pending Litigations:

S. No.	Party details	Case No.	Court/Authority before which pending	Subject matter of Litigation	Amount under dispute / Pecuniary Value of Litigation (Rs. In Lacs)	Status/Next Date of Hearing
1	State. Vs Mahavir	393/08	Session Court-Gharghora	Monnet Ispat has filed complaint against Mr. Mahavir on account of physical abusement of its staff by Mr. Mahavir	Amount not ascertainable	On Charge. Last Date Of Hearing (LDOH) is 20-09-2012.
2	State. Vs Jiwardhan	493/06	Session Court-Gharghora	Monnet Ispat has filed complaint against Mr. Jiwardhan on account of theft of its material by Mr. Jiwardhan	Amount not ascertainable	On evidence. Next Date Of Hearing (NDOH) is 21-09-2012.
3	Monnet Ispat Vs. Bholaram & Othrs	1A6/08-09	SDM-Gharghora	Monnet Ispat has filed case against Bholaram on account of illegal possession of its land thru wrong demarcation	Amount not ascertainable	On Argument. LDOH is 09-07-2012.
4	Gangawati Vs Putribai & Othrs	22A/09	SDM-Gharghora	Gangawati has filed case against Putribai and Monnet vide which she has challenged sale of land in favour of Monnet.	Amount not ascertainable	On Evidence. Next Date Of Hearing is 06-07-2012.
5	State Vs Monnet & Amar Singh & Othrs	13A23/01-02	SDM-Gharghora	On account of alleged purchase and use of Adivasi land.	Amount not ascertainable	On Notice. Next Date Of Hearing is 04-07-2012

6	State Vs. Comfort Zone Air Conditioners Pvt. Ltd.	70/11	Bhudevpur Police Station, Tehsil Kharsia	Monnet has filed criminal Complaint against Comfort Zone Air Conditioning pvt Ltd.	17.17	Under investigation.
7	Regional Officer, Central Environment Conservation Board Vs. Monnet Ispat & Energy Ltd & Othrs	43/08	C.J.M.Raigarh	Regional Officer has filed case against Monnet on allegation of non-compliance of provisions of Air Pollution Act.	Amount not ascertainable	For Evidence Of Regional Officer. Next Date Of Hearing 16-08-2012.
8	Regional Officer, Central Environment Conservation Board Vs. Monnet Ispat & Energy Ltd & Othrs	44/08	C.J.M.Raigarh	Regional Officer has filed case against Monnet on allegation of non-compliance of provisions of Air Pollution Act.	Amount not ascertainable	For Evidence Of Regional Officer. Next Date Of Hearing 16-8-2012.
9	Regional Officer, Central Environment Conservation Board Vs. Monnet Ispat & Energy Ltd & Othrs	29/08	II A.D.J. Raigarh	Shri J P Lath has impleaded as occupier of the company & the CJM Court has waved off the name of Shri J. P. Lath, President of Monnet Ispat as occupier, against which Regional Office has filed appeal.	Amount not ascertainable	Argurments. Next date of hearing is 12-7-2012.
10	State Vs L.K. Joshi & others	1567/09	J.M.F.C. Kharsia	Monnet has filed criminal Complaint against Mr. L.K. Joshi & Others on account of Fraud bill raised & pass by them of Rs 64 Lakhs)	Amount not ascertainable	On Charge. Next Date Of Hearing 20-06-2012.
11	Net Ram Rathia & Others Vs. State of Chattishgarh & Othrs	2261/2008	Bilaspur High Court	For quashing the entire land Acquisition proceeding No. 57/A82/03-04/ Village Singhanpur Tehsil Kharsia, Raigarh	Amount not ascertainable	Last date of hearing was 11-04-2012.
12	Monnet Ispat & Energy Ltd Vs. S.K.IYER & OTHERS	65/05	COURT OF 5TH CIVIL JUDGE, Class II, Raipur	Monnet has filed application for seeking injunction against illegal possession	Amount not ascertainable	For Applicant Evidence. Next Date Of Hearing 27-06-2012
13	SHREE RAM CHANDRA Nargisdas (Trust) Vs. Monnet Ispat & Energy Ltd	4A/03	COURT OF 9TH CIVIL JUDGE, Class II, Raipur	For possession of land of about 1.787 acre at mandir Hasaud, Raipur	Rs.15000/- p.m as damages w.e.f 10-02-03 till possession	For Argument, Next Date Of Hearing is 05-07-2012.
14	DEENDAYAL SAHU Vs. Uttam Das Manikpur & Others	02/2009	11th ADDL.MOTOR ACCIDENT Claim Trmbunal DURG, Chattisgarh	Deendayal Sahu has filed its claim on account of its accident from Monnet's Vechicle and sough compensation	. 4.42,plus 9% Interest p.a	For written statement of Defendant. Next Date Of Hearing 26-6-2012.
15	Chattisgarh Environment Pollution Board Vs. Monnet Ispat & Energy Ltd	1235/2011	CHIEF JUDICIAL MAGISTRATE, Raipur	Alleged violation of provision of Air (Prevention and control of Polluction) Act, 1981	Amount not ascertainable	for Appearance. Next Date Of Hearing is 06-08-2012.

16	P K PANDA Vs. Monnet Ispat & Eerngy Ltd & Others	1205 / 2011	7TH ADDL. DISTT. JUDGE Court, Raipur	Recovery suit has been filed by Mr. P.K.Panda against Monnet Ispat.	0.97	for Documents & Issue. Next Date Of Hearing is 02-07-2012.
17	Nagendra Singh Vs Monnet Istat & Energy Ltd	88/09	LABOUR COURT RAIPUR	Nagendra Singh has filed case for seeking compensation on account of its accident during employment.	4.42 with 12% Interest p.a w.e.f 24.01.09	For Evidence. Next Date Of Hearing 18-06-2012.
18	STATE Vs. Monnet Ispat & Energy Ltd Unit III	679/FA/09	LABOUR COURT RAIPUR	On account of alleged violation of provisions of Factories Act by Monnet Ispat.	Amount not ascertainable	Matter transferred in Labour Court No.2. Next Date is not fixed.
19	STATE Vs. Monnet Ispat & Energy Ltd Unit I	680/FA/09	LABOUR COURT RAIPUR	On account of alleged violation of provisions of Factories Act by Monnet Ispat.	Amount not ascertainable	Matter transferred in Labour Court No.2. Next Date is not fixed.
20	STATE Vs. Monnet Ispat & Energy Ltd Unit II	681/FA/09	LABOUR COURT RAIPUR	On account of alleged violation of provisions of Factories Act by Monnet Ispat.	Amount not ascertainable	Matter transferred in Labour Court No.2. Next Date is not fixed.
21	TIRATH RAM VERMA Vs. Monnet Ispat & Energy Ltd	21/CGIR/2011	LABOUR COURT RAIPUR	Tirth Ram has filed case against Monnet vide which it has sought its reinstatemetn into services.	Amount not ascertainable	for Applicant's evidence. Next Date Of Hearing 22-06-2012
22	Amit Sharma & Othrs Vs. Monnet Ispat & Energy ltd & Others	A 16(A)S-2010-11	NAYAB TEHSILDAR COURT	Applicant has filed case for correction in the land record in respect of the land as sold by it to Monnet Ispat.	Amount not ascertainable	for Documents. Next Date Of Hearing 13-07-2012.
23	Punoram Sahu Vs. Monnet Ispat & Energy Ltd	57/2012	DISTRICT CONSUMER forum, Raipur	Application for compensation under Consumer Protection Act for Insurance CLAIM	.5.50 with 12% w.e.f 05-12-09	for Reply. Next Date Of Hearing is 20-6-2012.
24	Production Manager (P.K.Tewary,Monnet Ispat & Energy Ltd) Vs Bharat Yadav	3/CGIR/2012	INDUSTRIAL COURT, RAIPUR	Application u/s. 65, CGIR Act against order dated 13.03.12 of Labour Court	To quash the order of Labour Court for re-instatement.	For argument. Next Date Of Hearing is 18.06.12
25	Bharat Yadav Vs Monnet Ispat & Energy Ltd CMD Delhi & CEO,Raipur through Production Manager, MIEL,Raipur	4/CGIR/2012	INDUSTRIAL COURT, RAIPUR	Application u/s. 65, CGIR Act against order dated 13.03.12 of Labour Court for back wages as per application dated 31.05.2011 and for certificate	For back wages Rs.16,31,000 as per application dt.31.05.12	for argument. Next Date Of Hearing is 18.06.12
26	Excise & Custom -Raipur	SCN V (CH.72) 15-430/ADC/RPR/2009/Adj2563/dtd.22.02.2011	Show cause notice by Add. Commissioner, Central Excise , Raipur	Alleged wrong availment of Cenvat Credit	6.70	Order-in original no.144/ADC/RPR/2012/ dtd./02/03/2012, where in Additional Commissioner, Central Excise, Raipur has disallowed entire Cenvat Credit amounting to Rs. 6,69,874/- plus penalty 6,69,874/- plus interest. Appeal filled before Commisioner (Appeal),

						Central Excise & Customs, Raipur (CG) to set aside the Impugned Order imposing liability of duty, penalty and interest. Personal hearing awaited.
27	Excise & Custom -Raipur	SCN V (ST) 15-128/ADC/RPR/2010/Adj7867/dtd.02.09.2011	Show cause notice by Add.Commissioner, Central Excise , Raipur	Alleged non payment of service Tax	5.14	SCN Reply submitted on 24.10.2011. Personal Hearing held on 30-04-2012.Now order is awaited.
28	Excise & Custom -Raipur	SCN V (ST) 15-309/Commr/RPR/2011/Adj/9159/dtd.18.02.2011	Show cause notice by Commissioner, Central Excise	Alleged Demand of Excise Duty against export of Iron Ore & GTA.	115.97	SCN Reply submitted on 06.02.2012, personal hearing not yet fixed.
29	Excise & Custom -Raipur	SCN V (72) 4-272/MIEL/RPR/2011/6202/dtd.29.11.2011	Show cause notice by Asst Commissioner, Central Excise	Alleged Demand of Excise duty on production of Char	2.31	SCN Reply submitted on 13.03.2012, personal hearing not yet fixed.
30	Excise & Custom -Raipur	SCN V (CH.72) 15-134/ADC/RPR/2011/Adj10580/dtd. 05.12.2011	Show Cause Notice by Add Commissioner, Central Excise	Disallowance of Cenvat credit on Tengible Services (Unit -1)	20.92	SCN Reply submitted on 13.02.2012, personal hearing not yet fixed.
31	Monnet Ispat & Energy Ltd. Vs. Commisioner (Appeals) Custom & Central Excise, (Raipur) C.G.	SCN No. V (CH-72) 15-256/ADC/RPR/2008/Adj/5606/dated 09.02.2008 and Appeal no. E/535/2010-SM	Matter remanded back by CESTAT to adjudicating authority. Monnet has filed application.before Commissioner (Apeal) Order on application is awaited.		5.33	Order is awaited
32	Monnet Ispat & Energy Ltd. Vs. Commisioner (Appeals) Custom & Central Excise, (Raipur) C.G.	SCN No. V(CH.72)15-70/Commr/RPR/2009/Adj/2522 dtd.09.03.09	CESTAT	Demanding reversal of Service Tax against removal of Goods.	42.54	Review petition filed by department, against the order of Commissioner ,CCE ,Raipur. Demanding reversal Service Tax credit of Rs. 42.54 lacs. Personal hearing fixed on 22.02.2010. The matter was referred to Larger Bench vide order no. E/2976/2009-EX (DB) dtd. 16.04.2010. Hearing fixed by larger bench on 22.06.2010. Order awaited.
33	Monnet Ispat & Energy Ltd. Vs. Commisioner (Appeals)	SCN No. V(CH.72)15-256/ADC/R	CESTAT	Disallowance of Service Tax on outwards freight of GTO	20.74	Review petition filled by department, against the order of Commissioner (Appeal), Raipur.

	Custom & Central Excise, (Raipur) C.G.	PR/2008/Adj/5606 dtd. 09.09.08				Demanding reversal of Cenvat credit taken on GTA against removal of finished goods outside. A letter received from CESTAT , New Delhi. Hearing will be fixed on due course.
34	Monnet Ispat & Energy Ltd. Vs. Commisioner (Appeals) Customs & Central Excise, (Raipur) C.G.	SCN No. V(CH.72)15-271/ADC/RPR/2009/Adj/14605 dtd./13.08.2009	CESTAT	Disallowance of Cenvat Credit on supply made to SEZ (Unit-II)\	8.84	Appeal filled before CESTAT , Personal hearing not yet fixed
35	Monnet Ispat & Energy Ltd. Vs. Asst.Commisioner CCE , Bilaspur	Appeal no. E/1275/08/dtd. 19.06.2008	CESTAT	Rejection of refund claim against Cenvat.	19.22	Additional duty deposited to Department. Refund application filled by MIEL. The date of personnel hearing to be fixed on due course.
36	Commissioner, CCE , Raipur VS Monnet Ispat & Energy Limited.	Central Excise Appeal no. E/145/2009-EX (DB)/dtd. 19.01.2009	CESTAT	Alleged wrong availment of Cenvat Credit on Iron & Steel	34.86	Stay granted vide stay order no. 209/09/EX/dated 23.02.2009.
37	Monnet Ispat & Energy Ltd. Vs. Commisioner (Appeals) Customs & Central Excise, (Raipur) C.G.	Appeal no. E/842/2009-EX (DB) dtd. 31.03.2009	CESTAT	Alleged wrong availment of Cenvat Credit on Input Iron & steel	541.71	Stay of recovery granted by CESTAT vide order no. 583/09/EX-22.06.2009. Duty and penalty waived off. Further application filled for extension of stay. Stay confirmed vide Misc order no. 272 of 2010 Ex-dated 12.03.2010.
38	Monnet Ispat & Energy Ltd. Vs. CCE , Raipur	Appeal no. E/135/2010 EX-(DB) dtd. 19.01.2010	CESTAT	Alleged wrong availment of Cenvat Credit on Iron & Steel	77.30	Stay of recovery granted by CESTAT on 10.01.2011, subject to make predeposit 30% of duty demand, which has already be reversed in excess of 30% of the same. Date of personnel hearing will be fixed in due course.
39	Monnet Ispat & Energy Ltd. Vs. CCE , Raipur	Appeal no. E/136/2010 EX-(DB) dtd. 19.01.2010	CESTAT	Alleged wrong availment of Cenvat Credit on Iron Steel.	139.13	Stay of recovery granted by CESTAT on 10.01.2011, subject to duty deposit 30% of duty demand, which has been deposited on 05.02.2011. Date of personnel hearing will be fixed in due course.
40	Central Excise - Bilaspur	Show Cause notice no. F.No.V (Ch.72) 15-	Show cause notice by Add.Commissioner, Central	Alleged wrong availment of Cenvat Credit on Structural Steel	7.68	Personal hearing held on 21.09.2010. Decision awaited.

		412/Commr/ADC/Bill/2009/adj/22809/dtd.21.12.2009	Excise , Raipur			
41	Central Excise .Raipur	Show Cause notice no. C.No.V (Ch.72) 15-354/Commr/Bill/2010/adj/8495/dtd. 04.11.2010	Show cause notice by Commissioner, Central Excise , Raipur	Alleged wrong Cenvat Credit on Iron & steel	124.15	Reply filled, personal hearing was fixed on 20.03.2012. Arguments done by Mr. L.P. Asthana (Advocate) and Mr. K.K. Gupta (Advocate) on 20.03.2012. Order awaited.
42	Excise & Custom -Raipur	Show Cause notice no. F.No.DGCEI/PRU/I & S"D"/30-46/2008/710/dtd. 31.01.2011	Show Cause Notice by Add DGCIE, Mumbai	Disallowance of Cenval credit on Iron & Steel	389.41	Reply filled, personal hearing was fixed on 20.03.2012. Arguments done by Mr. L.P. Asthana (Advocate) and Mr. K.K. Gupta (Advocate) on 20.03.2012. Order awaited. Additional submissions made on 09.04.2012
43	Excise & Custom -Raipur	Show Cause notice no. F.No.V (Ch.73) 15-406/ADC/BIL/2011/Adj/10193/dtd 29.11.2011	Show Cause Notice by Add. Commissioner, Central Excise,Raipur	Alleged wrong availment of CENVAT Credit on supporting steel	19.43	Reply to SCN to be filed.
44	Excise & Custom -Raipur	Show Cause notice no. F.No.V (Ch.72) 15-323/ADC/BIL/2011/Adj/312/dtd 03.01.2012	Show Cause Notice by Add. Commissioner, Central Excise,Raipur	Alleged non payment of Interest, CENVAT Credit on account of sale of electricity	24.30	Reply to SCN to be filed. Extension of time given up 15.07.2012
45	Excise & Custom -Raipur	SCN No. C.No. V (Ch.72) 15-221/ADC/BIL/2011/Adj/2229/dtd. 28.02.2012	Show Cause Notice by Add. Commissioner, Central Excise,Raipur	Alleged availment of wrong service tax relating to construction of housing, hospital and school during 2008-09	11.23	Reply to SCN to be filed. Extension of time given up 07.06.2012
	Excise & Customs, Raipur	SCN No. V (ST) Monnet/01 Adj/12-13/1187 dated 20-04-2012	Show cause Notice by Asstt. Commissioner (S.Tax) Central Excise, Raipur.	Alleged Availment of wrong Service Tax relating to GTA.	0.81	Reply filed on 12-06-2012
46	ACC Cement & Others Vs. State of Chhattisgarh	Civil Appeal No. 5172 of 2007	Supreme Court	Cess on Generation of Power challanged	As on March 31, 2012, Rs. 2732.93 Lacs	Leave granted. No date has been fixed as yet.
47	M/s. Monnet Ispat & Energy Limited VS. State of Chhattisgarh	-	Before Sole Arbitrator Justice Shri. V.K. Agrawal (Retired)	Water Charges demanded under wrong tarrif	As on March 31, 2012, Rs. 419.79 lacs	Claimant has to file its claim before Arbitrator upto 22-06-12.

48	In the matter of ACB India & others (Suo Motu Petition)	Suo Motu Petition no. 32/2011	Chhattisgarh State Electricity Regulatory Commission	Suo Motu Petition challenging the captive status of power plant for 2009-2010	Amount not ascertainable	. Next Date Of Hearing 23-06-2012.
50	Bajranglal B. Agrawal vs. Monnet Ispat Ltd. and Others	CMA No. 737/ 2007	Court of the City Civil Judge, Ahmedabad	Application u/s 19 of the Contempt of Court Act, 1971	Amount not ascertainable	Transfer of shares allegedly under stay
51	Monnet Ispat and Energy Ltd. Vs. Jagrut Nagrik & Others	CMA No. 41/2009	Consumer Disputes Redressal Commission	Compensation for non-transfer of 500 shares allegedly purchased by the Respondent	Rs. 1,32,500 + interest + Rs.4,500	Appeal against the order of Consumer Disputes Redressal Forum, Vadodara in Complaint No. 763 of 2007
52	STEEL AUTHORITY OF INDIA LIMITED VS. M/s. Monnet Ispat & Energy Limited	1/2008	Arbitration Tribunal Calcutta	SAIL has filed claim against alleged risk purchase and for non supply of materials	1800	Next Date not yet fixed.
53	M/s. Monnet Ispat & Energy Limited VS. STEEL AUTHORITY OF INDIA LIMITED	Arbitration Case No. 15/2008	Chhattisgarh High Court at Bilaspur	Petition filed for appointment of Arbitrator u/s 11 of Arbitration & Conciliation Act	Amount not ascertainable	No Date has been fixed by the High Court
54	Monnet Ispat & Energy Ltd Vs. Rashtriya Ispat Ngam Ltd	Arbitration Case No. 1643/08	Arbitration Tribunal, Vizag	RINL has allegedly done risk purchase against short supply of material for a sum of Rs. 298.50 lacs. MIEL has filed claim against RINL before Arbitral Tribunal.	143.1	Cross Examination of witness. Next Date of Hearing is 09-07-2012.
55	Monnet Ispat & Energy Ltd Vs. Rashtriya Ispat Ngam Ltd	Arbitration Case No. 16443/08	Arbitration Tribunal, Vizag	RINL has allegedly done risk purchase against short supply of material for a sum of Rs. 448.65 lacs. MIEL has filed claim against RINL before Arbitral Tribunal. RINL has filed a counter claim of Rs 152.10 lacs.	1565.16	Cross Examination of witness. Next Date of Hearing is 09-07-2012.
56	VESUVIUS VS. Monnet Ispat & Energy Ltd	CS No. 239/07	Calcutta High Court	Recovery Suit	45.01	No Date has been fixed as yet.
57	SYNERGY MINING CORP. v Monnet Ispat & Energy Ltd.	SCS/112/2007	CIVIL JUDGE SR. DIVISION GOA	Recovery Suit	14	Next date of hearing 10.07.2012. Matter listed for further proceedings.
58	Monnet Ispat & Energy Ltd Vs. Union of India & Others	W.P (C) No. 556/07	Delhi High Court	Monnet filled case against State Govt. of Chhattisgarh for non allotment of Iron ore mine to the company. Rowghat Mines.	Amount not ascertainable	Fixed for Argument. Next Date of Hearing is 26-07-2012.
59	Monnet Ispat & Energy Ltd Vs. Orissa Manganese and Mineral Pvt. Ltd.	Arbitration Petition No. 01/08	Arbitral Tribunal Cuttack, Orissa	Monnet has filed its claim for loss suffered on account of non supply of material.	55	Monnet has filed application for replacement of its appointed Arbitration, stay on Arbitration Proceedings has granted on Monnet Application by Orissa High Court.

60	In the matter of ACB India & others (Suo Motu Petition)	Suo Motu Petition no. 12/2012	Chhattisgarh State Electricity Regulatory Commission	Suo Motu Petition challenging the captive status of power plants in Raipur and Raigarh for 2010-11	Amount not ascertainable	Preliminary Reply filed. Next Date not fixed.
61	Criminal Complaint against unknown person by Monnet Ispat & Energy Ltd. on account of theft of material	FIR No. 101/11 dated 2-9-2011	Bhupdeopur Police Station, Tehsil Kharsia, Raigarh.	Criminal Complaint against unknown person by Monnet Ispat & Energy Ltd. on account of theft of material	20.00	Under investigation
62	Monnet Ispat & Energy Ltd Vs. Bihar State Menral Development Corporation	CWJC-9625/2010	Patna High court	MIEL prayed for directions to issue LOI in its favour for the Sariya Koiyatand Coal Block.Stay has been granted against Union of India and state Government.	Interim stay granted in favour of Monnet.	Argument concluded. Order is awaited.
63	Ramesh Kumar Agrawal & Othrs v Monnet Ispat & Energy Ltd	CS 30A/2011	ADJ, Raigarh	Petitioner Challanged project expansion work at Raigarh.	Amount not ascertainable	Next date of hearing 27-6-2012
64	Monnet Ispat & Energy Ltd v Shree Bihari Forgings	CS (OS) 2289/2011	Delhi High court	recovery suit. Evidence on affidavit has been filed.	40.26	Next date of hearing 23-7-2012
65	Shiv Dutt Sharma Vs. Monnet Ispat & Energy ltd	Arbitration Petition No.01/10	Sole Arbitrator, justice D.P.Mohapatra (Retd Supreme Court Judge)	Monnet has paid advance of Rs. 4 Crore to S.D. Sharma under selling Agreement for purchase of Iron ore and Magnese Ore.	400	Pending for Cross Examination of CLAIMANT. Next date of hearing 14-7-2012.
66	Monnet Ispat & Energy ltd Vs. Aneja Construction (I) Ltd.	Nil	Arbitral Tribunal at New Delhi	Sub standard work carried out by Aneja at MIEL's plant in Raigarh, resulting in loss to MIEL , hence MIEL has filed claim against Aneja. Aneja also has filed counter claim.	MIEL claim is Rs. 2015 lacs and Aneja has filed its counter claim of Rs. 650 lacs.	Pending for cross examination of Respondent. Next date of hearing is 11-07-2012.
67	Monnet Ispat & energy Ltd. v Kamakhya Steel	CC No. 68/2011	Metropolitan Magistrate, Saket courts	cheque bouncing complaint under section 138 of Negotiable Instruments Act	19.89	Fresh Summons issued to accused. Next date of hearing 27-07-2012
68	Monnet Ispat & Energy Ltd VS. Reema Impex Limited	C.S.No. 123/09	District Court Patiala House, Delhi	MIEL has filed recovery suit against non supply of material.	10.16	For evidence. Next date of hearing 17-09-2012
69	Monnet Ispat & Energy Ltd VS. Shaifali Steel Ltd	C.S.No.424/09	Delhi High Court	MIEL has filed recovery suit on account of defective supply	29.04	For evidence Next date of hearing 20-07-2012
70	Monnet Ispat & Energy Ltd VS. Megee Re Rolling	CS/800/08	Dist. Court, Tis Hazari, Delhi	MIEL has filed recovery suit on account of non payment of goods supplied	17.54	For evidence. Next date of hearing 22-08-2012
71	Monnet Ispat & Energy Ltd VS. Shiv Kripa	Cs/1169/08	Dist. Court, Tis Hazari, Delhi	MIEL has filed recovery suit for non payment of goods supplied	8.66	For evidence. Next date of hearing 13-7-2012

72	. Monnet Ispat & Energy Ltd VS. Vijay Ispat	9265/01	Dist. Court, Patiala House, Delhi	MIEL has filed complaint u/s 138 of NI Act filed for dishonored cheque	21.08	For Service. Next date of hearing is yet to be communicated.
73	Monnet Ispat & Energy Ltd VS. Vijay Ispat	9566/01	Dist. Court, Patiala House, Delhi	MIEL has filed complaint u/s 138 of NI Act filed for dishonored cheque	15.89	For Service. Next date of hearing is yet to be communicated.
74	Monnet Ispat & Energy Ltd VS.Vijay Ispat	9567/01	Dist. Court, Patiala House, Delhi	MIEL has filed complaint u/s 138 of NI Act filed for dishonored cheque	19.67	For Service. Next date of hearing is yet to be communicated.
75	Monnet Ispat & Energy Ltd Vijay Ispat	9568/01	Dist. Court, Patiala House, Delhi	MIEL has filed complaint u/s 138 of NI Act filed for dishonored cheque	14.17	For Service. Next date of hearing is yet to be communicated.
76	Monnet Ispat & Energy Ltd VS. Vijay Ispat	9569/01	Dist. Court, Patiala House, Delhi	A case Under Section 138 of NI Act filed for dishonored cheque	16.8	For Service. Next date of hearing is yet to be communicated.
78	Monnet Ispat & Energy Ltd VS. Wings Commercial Co. Ltd.	2258/1/10	Dist. Court, Patiala House, Delhi	MIEL has filed complaint u/s 138 of NI Act filed for dishonored cheque	20.28	For further proceedings. Next date of hearing 04-09-2012
79	Monnet Ispat & Energy Ltd Vs.Orissa Magnese & Minerals Private Ltd	61/2010	Orissa High Court	MIEL has filed application for replacement of Arbitrator	Amount not ascertainable	Argument concluded. Order Awaited
80	Khasjamda Mininig Co. & Anr. VS. Singhbhum Mineral Co. & Anr.	C.S No. 12/2008	Sub Judge-1, District Court, Chaibasa, Jharkhand	A Civil Suit by MIEL for Injunction filed against Singhbhum Mineral Co and Shri Ram Mineral Co. to protect the right of mines at Chaibasa.	Amount not ascertainable	For issue of fresh notice to accused. Next date of hearing 27-7-2012
81	State Vs.Shiv Dutt Sharma	29209/2010	Orissa High Court at Cuttack	On Complaint of Monnet FIR has registered at Barbil P.S against S.D.Sharma and court has framed charges against S.D. Sharma . Against framing of charge S.D.Sharma has filed quashing petition.	400	Argument. Next Date still not decided.
82	Mittal Investment Vs. Monnet Ispat & Energy Ltd	Company Appeal No. 2 of 2010	Bilaspur High Court	Mittal Investment had filed petition before CLB, New Delhi for seeking direction to MIEL for issue of Shares in its favour. CLB, Mumabi had rejected the petition of MIEL vide its order dated 18-09-10 and against the said order Mittal Investment has filed appeal before Bilaspur High Court.	Amount not ascertainable	Monnet has filed its reply to appeal. Next date still not communicated.
83	Monnet Ispat & Energy Ltd v Manu Rerolling Mills(P) Ltd.	Suit No. 787/2010	Dist. Court, Saket, New Delhi	MIEL has filed recovery suit due to non supply of BC form and tax implication due to that.	2.23	For return of summons already issued. Next date of hearing 10-07-2012

84	Monnet Ispat & Energy Ltd v Digganth Steel Industries & Engineering Works	CS 05/2010	Dist. Court, Saket, New Delhi	MIEL has filed recovery suit on account of non supply of BC form and tax implication due to that.	16.27	Monnet has filed its reply to leave to defend. Matter is to proceed for evidence. Next date of hearing 13-07-2012.
85	Monnet Ispat & Energy Ltd VS. Manokamna Steels Pvt. Ltd.	Complaint No.2281/1/10	Dist. Court, Patiala House, New Delhi	MIEL has filed complaint u/s 138 of NI Act due to dishonored cheque	21.66	For Notice to respondent. Next date of hearing 17-09-2012
86	Monnet Ispat & Energy Ltd Vs. Rohan Sanghvi, Sole Propreitor, Calcutta, Conveyar Beld	CS OS No. 2147/11	Delhi High Court	MIEL has filed suit under order 37 of CPC for recovery of its amount.	22.47	Pending for completion of pleadings. Next date of hearing 27-07-2012.
87	Monnet Ispat & Energy Ltd VS. Sunshine Industries Ltd.	647/10	Dist. Court, Patiala House, New Delhi	MIEL has filed complaint u/s 138 of NI Act filed due to dishonored cheque	15	For evidence. Next date of hearing 03-07-2012
88	Monnet Ispat & Energy Ltd VS. Sant Steel and Alloys Pvt Ltd & Others	C.C No. 264/1/10	Dist. Court, Patiala House, New Delhi	MIEL has filed complaint u/s 138 of NI Act filed due to dishonored cheque	2.52	For settlement. Next date of hearing 27-07-2012
89	Monnet Ispat & Energy Ltd VS. Union of India & ors.	CA no. 3285/09	Supreme Court of India	Monnet filed case against State Govt. of Jharkhand for non-allotment of Iron ore mine.	Amount not ascertainable	Order Reserved
90	Monnet Ispat & Energy Ltd Vs. Union of India	3140/2011	High Court of Chattishgarh, Bilaspur	Monnet has filed petition against CSERC on account of changing its captive status	Amount not ascertainable	24-07-12
91	Monnet Ispat & Energy Ltd Vs Shah Alloys Ltd	174 of 2009	Winding up Petition	Ahmedabad High Court.	1387.	Date not fixed yet
92	Monnet Ispat & Energy Ltd and anothers VS. Union Of India and others	19062/11	High Court of Calcutta	Gagnaposh Railway Siding License fee. MIEL has filed this petition for getting the demand of the railway authorities quashed and resumption of commissioning of the siding.	1000	No date has been fixed as yet.
93	Monnet Ispat & Energy Ltd v Union of India and others	WP 4481/2011	High Court of Chattishgarh,	Monnet has filed petition against CSPDCL on account of cross subsidy surcharge and notice of discconection of supply of power to its Raipur Plant	906.27	Next Date Of Hearing 24.07.2012. Final arguments
94	Monnet Ispat & Energy Ltd v Union of India and others	WP 6104/2008	High Court of Chattishgarh, Bilaspue	Exemption from Electricity Duty department is claiming given only for 5 years for 7.5 MW TG, While Monnet is claiming it for 15 years.	801.42	date awaited. Pleadings not yet complete.
95	Monnet Ispat & Energy Ltd v Union of India and others	WP 2222/2008	High Court of Chattishgarh, Bilaspur	Exemption from Electricity Duty department is claiming to given for only 5 years for 37 MW TG, while Monnet is claiming it for 15 years.	315.4	date awaited. Pleadings not yet complete.

96	Monnet Ispat & Energy Ltd v Union of India and others	WP 1421/2011	High Court of Chattishgarh, Bilaspur	Department is claiming that no exemption from Electricity duty is given for 15 MW TG while Monnet is claiming it for 15 years.	927.81	Date awaited. Pleadings not yet complete.
97	Monnet Ispat & Energy Ltd VS. State of Chattisgarh & Oths	SLP No. 11325/12	Supreme court of India	Monnet has filed SLP against Order Dated 05-03-12 passed by Hon'ble High Court at Bilaspur in Arbitration Appeal No. 07/2011	188	Notice issued. Next date of hearing 17-07-2012
98	Monnet Ispat & Energy Ltd VS. Union of India	OA/3GZB/2011/001	Railways Claim Tribunal, Ghaziabad	Monnet has filed claim against Railway on account of overcharging by Railway due to wrong weighment	33.61	Last date was 23-05-2012. No next date has been given in the matter as yet.
99	Sanchita Mukherjee v N. K. Yadav & others	31/2006	MACT Tribunal, Raigarh	In the ongoing Execution proceedings before MACT, MIEL has submitted an application for refund of Rs. 10,25,000/- deposited earlier by MIEL pursuant to order of Bilaspur High Court	10.25	Next date of hearing 18-06-12
100	Central Excise, Bilaspur	Show Cause notice no. F.No.V (Ch.72) 4-47/DSCN-AC /Monnet/Rgh/BIL/2012/ dtd 24.04.2012	Show Cause Notice by Astt. Commissioner, Central Excise, Bilaspur	Alleged non-inclusion of insurance charges in the transaction value and non-payment of duty thereon based on Audit memo issued by the HQ Audit	3.93	Extension of time given up 07.07.2012
101	Central Excise Bilaspur	Show Cause Notice No. F.No.V(72) 4-49/DSCN/AC/Monnet/Rgh/BIL/2012/5343 dtd 02.05.12	Show Cause Notice by Astt. Commissioner, Central Excise, Bilaspur	Alleged non-payment of interest of on account of wrong availment of Cenvat credit on Capital goods treating the same as Input based on Audit memo issued by the HQ Audit	0.61	Extension of time for filing reply taken upto Aug,12
102	State. Vs Lakeshwar	298/09	Session Court-Gharghora	Monnet Ispat has filed complaint against Mr. Mahavir on account of physical abusement of its staff by Mr. Mahavir	Amount not ascertainable	On Evidence. Next Date Of Hearing 26.07.2012
103	State Vs Sunil Mahato & others	1507/09	J.M.F.C. Kharsia	Fatal Accident of Mr. Mohit Ram Sidar (Contract Labour) near RMHS area, on dated 28/04/09	Amount not ascertainable	On Evidence Next Date Of Hearing 07-07-2012.

STATEMENT SHOWING THE CONTINGENT LIABILITIES AS ON 31.03.12 IN RESPECT TO MONNET ISPAT & ENERGY LTD

R.C.NO. C.G.S.T.- 059/RYP/IV/RYP/2524/1

(A) IN RESPECT TO ENTRY TAX **R.C.NO. C.S.T. -059/RYP/IV/RYP/1878-C**

A.) IN RESPECT OF DISPUTED ENTRY TAX DEMAND

UNIT - I

SL NO	YEAR	PARTICULAR	DEMAND DATE	DEMAND AMOUNT CONTINGENT LIABILITY	AMOUNT PAID	AMOUNT PENDING TAKEN IN CONTINGENT LIABILITY	DESCRIPTION	REMARK	Assessing Authority
1)	1994-95	APPEAL ENTRY TAX	17.04.98	46024	**4700**	41324	Entry Tax charged on incidental goods on the ground that these are not used in manufacturing of finished goods.However,as per Honble High Court decision in VIPPY SOLVEX goods which are used FOR manufacture are not lible to Entry Tax up to 30.04.97 as, the Act was amended w.e.f.01.05.97 taxing both whether Used In or Used For		Deputy Commissioner Appeal
2)	2004-05	ASSESSMENT RE-OPEENED For Entry Tax	31.08.09	8569036	857000	7712036	Assessment Order in respect to Entry Tax for the year **2004-2005** was re-opened by the Department and subsequently Order was passed on **31.08.2009** charging entry for @ 6% on Iron Ore against Sponge Iron Transferred to Unit II for manufacturing Billets. Total amount of Entry Tax was demanded for **Rs. 85,69,036/- .** In the Original Assessment, we have paid Entry Tax @ 6% against Iron Ore consumed for manufacturing of Sponge Iron stock transferred. Appeal was filed on 27.10.09 by Paying 10% of the demanded amount i.e. **Rs. 8,57,000/-.** Order against above appeal was passed on **23.12.2010** where in the appellete Authority passed the order holding the previous order. Revision filed on 23.06.2011	Revision filed on 23.06.2011 Hearing yet to be fixed	Addl. Commissioner
3)	2005-06	APPEAL ENTRY TAX	28.02.09	14686567	1468700	13217867	Assessment Order towards entry tax for the year 2005-2006 was passed on 28.02.2009 wherein department demanded entry Tax on Coal fines transferred to Unit III Ferro Division & Unit III Power Division. Besides, entry tax was also taxed @ 6% on Iron Ore against Sponge Iron taken from Unit II for manufacture of Ingot which has been stock transferred. Total demand was raised for Rs. 1,46,86,567/-. We filed our appeal on 08.06.2009 by paying Rs. 14,68,700/-. Order of appeal has been passed on 23.12.2010 reducing the demand from 1,46,86,567/- to Rs. 1,46,26,557/-. We shall go for 2nd appeal/revision. Revision filed on 23.06.2011	Revision filed on 23.06.2011 Hearing yet to be fixed	Addl. Commissioner
4)	2008-09	APPEAL ENTRY TAX	13.12.11	146558	15000	131558	Assessment Order has been passed. As pur us a refund of Rs.17 Lacs was to be taken where as Mr. Jharia Dy.Commissioner has knowingly made wrong calculation resulting with a demand of Rs.1.46 lacs.Appeal filed on dt 21.02.12	Appeal filed on dt 21.02.12.Hearing yet to be fixed	Deputy Commissioner Appeal

				23448185	**2345400**	**21102785**			

UNIT -II

	YEAR	PARTICULAR	DEMAND	DEMAND	AMOUNT	AMOUNT PENDING			
			DATE	AMOUNT	PAID	TAKEN IN CONTINGENT	DESCRIPTION	REMARK	Assessing
						LIABILITY			Authority
1)	**2005-06**	APPEAL ENTRY TAX	**28.02.09**	**23771122**	**2377200**	21393922	Assessment Order towards Entry Tax for the Year 2005-2006 was passed on **28.02.2009** demanding **Rs. 2,37,71,122.00**. Considering our Eligibility period from **31.03.2002 to 30.03.2005.** Besides wrongly demand was raised in levying Entry Tax on fixed assets for **Rs. 40,294.00.** Appeal was filed on **08.06.2009** & Order has been passed on **23.12.2010** holding the Original assessment Order as we failed to produce ammended Entry Tax Eligibility Certificate for the period from **31.03.2001 to 30.03.2006.** Now, we have received ammended Entry Tax Eligibility Certificate having Eligibility period from **31.03.2001 to 30.03.2006** Revision filed on 05.05.2011 total liability will be set aside.	Revision filed on 05.05.2011. Hearing yet to be fixed	Addl. Commissioner
2)	2007-08	APPEAL ENTRY TAX	30.08.11	33418		33418	Assessment order towards Entry Tax for the year **2007-2008** was passed on 30**.08.2011.** Total demand was raised for **Rs**. **33,418/-.** The assessing authority has wrongly considered the amount of Rs.**4,61,08,462** on a/c of iron ore used for stock transfered in place of Rs**.61,08,462** actually used for stock transfered.This was a typographical error resulted in 5% excess entry tax charged on amount of 4 crore. i.e. tax impact of Rs. **20,00,000/-,** Interest wrongly charged for Rs. **2,10,407/-** & 4% extra entry tax charged on dolomitre.ie Rs **10662/-.Revision filed & order passed on 21.03.12 remanding the case for re-assessment.**	Re-assessment to be done	Deputy Commissioner Appeal
			0	**23804540**	**2377200**	**21427340**			

UNIT -III

	YEAR	PARTICULAR	DEMAND	DEMAND	AMOUNT	AMOUNT PENDING			
			DATE	AMOUNT	PAID	TAKEN IN CONTINGENT	DESCRIPTION	REMARK	Assessing
						LIABILITY			Authority

1)	2005-06	APPEAL ENTRY TAX	28.02.09	2469535	247000	2222535	Entry Tax Assessment for the year 2005-2006 was made and Assessement Order was passed on 28.02.2009 demanding Entry Tax basing on Eligibility Certificate having Exemption period 02.12.1999 to 01.12.2004. Although we were to get exemption for the period 09.10.2000 to 08.10.2005. We filed appeal on 08.06.2009. Due to non producing the Revised Eligibility Certificate Order was passed on 22.12.2010. Confirming the original demand of Rs. 24,69,535.00. Now the Ammended Eligibility Certificate is available for the period 09.10.2000 to 08.10.2005. Revision filed on dt.	Hearing yet to be fixed	Addl. Commissioner
			0	**2469535**	**247000**	**2222535**			
		GRAND TOTAL		**41797480 0**	**4969600**	**44752660**			

STATEMENT SHOWING THE CONTINGENT LIABILITIES AS ON 31.03.11 IN RESPECT TO MONNET ISPAT & ENERGY LTD

(B) IN RESPECT TO SALES TAX

UNIT -I

	YEAR	PARTICULAR	DEMAND DATE	DEMAND AMOUNT	AMOUNT PAID	AMOUNT PENDING TAKEN IN CONTINGENT LIABILITY	DESCRIPTION	REMARK	Assessing Authority
1)	2002-03	ASSESSMENT RE-OPEENED(STATE)	06.08.09	242202	24300	217902	Tax demanded on the ground that the previous assessment was done wrongly. Purchase Tax charged on captive consumption & inter unit transferred. Appeal filed on Dt 22.10.09. Appeal Order passed on 23.12.10 holding the previous order. We shall go for revision.	Reision filed on dt 04.06.11 Hearing yet to be fixed	Deputy Commissioner Appeal
				242202	**24300**	**217902**			
2)	2004-05	ASSESSMENT RE-OPENED	31.08.09			0	Sale of M.S.Ingots without "F" Forms tax charged @ 4% instead -of 8% . Appeal filed on Dt 27.10.09	Hearing yet to be fixed	Deputy Commissioner Appeal
							1) Beharilal Ispat Pvt.Ltd,Mandigovindgarh - **44,19,613/-** Consignment Sales		
							2) New Cawnpore Flour Mills Pvt.Ltd, Kanpur **- 990363/-** Consignment Sales		
							Order Passed on 23.12.2010 to pay **Rs. 1,94,699/-** but we have to recover from Consignment Agents.		
							Respective Forms submited. We shall get refund of Rs.432798/-		
				0	**0**	**0**			

DEPOT									
3)	1997 -98	SALES TAX (BARBIL)		348339	120000	228339	Tribunal dismissed our Appeal, Revision filed before the Govt. of Orissa. We have no details of present status.Mr.SUSHIL JAJODIA is looking this case.		Deputy Commissioner Appeal
4)	1998 -99	APPEAL SALES TAX (BARBIL)		2680674	1350000	1330674	On the basis of stay given by High Court of Orissa ,The Matter has been referred to Tribunal Mr.SUSHIL JAJODIA Is looking this case.		Deputy Commissioner Appeal
5)	2000 -01	APPEAL SALES TAX (NAGPUR DEPOT)		781172	**21000**	760172	Local Declaration "BC" Form not receied from party at The time of Assessment Appeal filed. Any Liability which. Will be recoered from agents	Hearing yet to be fixed	Deputy Commissioner Appeal
6)	2001 -02	APPEAL SALES TAX (NAGPUR DEPOT)		371278	0	371278	Local Declaration "BC" Form not receied from party at The time of Assessment Appeal filed. Any Liability comes.Will be recoered from agents	Hearing yet to be fixed	Deputy Commissioner Appeal
7)	2000 -01	APPEAL SALES TAX (BHIWADI)		479605	**100000**	379605	Tax Charged on Sale of Sponge Iron since Deptt not.Considered Sponge Iron covered in " IRON & STEEL"Category	The details of these cases are not available with us.	Deputy Commissioner Appeal
				4661068	**1591000**	**3070068**			

DETAIL OF CONTINGENT LIABILITIES AS ON 31.03.11 IN RESPECT TO MONNET ISPAT & ENERGY LTD

R.C.NO. C.G.S.T.- 10/04/7930/5/S

R.C.NO. C.S.T. -10/05/3300 - C

TIN NO. 2 2 6 6 1 3 0 1 1 6 5

B.) IN RESPECT TO SALES TAX

UNIT -II

	YEAR	**PARTICULAR**	**DEMAND**	**DEMAND**	**AMOUNT**	**AMOUNT PENDING**			
			DATE	**AMOUNT**	**PAID**	**TAKEN IN CONTINGENT**	**DESCRIPTION**	**REMARK**	**Assessing**
						LIABILITY			**Authority**
1)	2005 -06	APPEAL SALES TAX (STATE)	28.02.09	3018925	2297100	721825	The demand is reised by Re-Opening the Assessment for the Year 05-06 Billets is a product which was not inclued in the.eligilibity certificate. Certificate of eligilibity for exemmption.of seles Tax has been received vide ammenment certificate issued by industries commissioner order No. 462 Dt.09.09.2009 in which Billets has been inclued as a producte.Appendix declaration and C Forms are to be submited against sale of Billets. Appeal filed on Dt 08.06.09 Order passed on 23.12.2010 relief passed for Rs.**1,88,01,355/-** Revision filed on 04.06.2011. Declaration of Rs.**177337640** to be filed.	revision filed on dt.04.06.11 Hearing yet to be fixed	Deputy Commissioner Appeal

2)	2007-08	APPEAL SALES TAX (STATE)	30.08.11	10034144	0	10034144	Assessment order towards Sales Tax for the year **2007-2008** was passed on 30**.08.2011.** Total demand was raised for **Rs. 1,00,34,144/-.** Demand raised on sales of Rolled product due to non submission of eligibility certificate e.i.Rs.**1,88,39,629/-** & ITR wrongly disallowed @ 10% on Raw Material e.i.Rs **9,57,611/- Revision filed & order passed on 21.03.12 remanding the case for re- assessment.**	Hearing yet to be fixed	Deputy Commissioner
3)	2007-08	APPEAL SALES TAX (CENTRAL)	30.08.11	51900858	0	51900858	Assessment order towards C.S.T for the year **2007-2008** was passed on 30**.08.2011.** Total demand was raised for **Rs. 5,19,00,858/-.** Demand raised on sales of Rolled product due to non submission of eligibility certificate e.i.Rs**.5,18,69,121/-** & demand raised on non submission of "C" form of M.S.Billets was supposed to be reduced from eligibility amount e.i.Rs**.30737/-** Penalty of Rs **1000/-.Revision filed & order passed on 21.03.12 remanding the case for re- assessment.**	Hearing yet to be fixed	Deputy Commissioner
				64953927	**2297100**	**62656827**			

DETAIL OF CONTINGENT LIABILITIES AS ON 31.03.11 IN RESPECT TO MONNET ISPAT & ENERGY LTD

R.C.NO. C.G.S.T.- 10/04/7793/7/S

R.C.NO. C.S.T. -10/05/3267 - C

TIN NO. 2 2 5 7 1 3 0 1 1 6 6

B.) IN RESPECT TO SALES TAX

UNIT -III

	YEAR	PARTICULAR	DEMAND DATE	DEMAND AMOUNT	AMOUNT PAID	AMOUNT PENDING TAKEN IN CONTINGENT LIABILITY	DESCRIPTION	REMARK	Assessing Authority
1)	2003-04	ASSESSMENT RE-OPEENED	11.08.09	485440	67500	417940	Assessment Re-Opened & Demand raised against no submission of "C" Form for UNIT-III & UNIT-IV (URLA). Appeal filled on DT 27.10.09.Appeal order passed Rs 186766/-relief allowed and adjusted against in eligible quantum on M.H.a/c."C" forms pending on Urla a/c as following parties 1) Essar Steel Ltd. 994728/- Tax Amt. 79578/- 2) Global Ispat Ltd 2283800/- Tax Amt. 182704/- 3)Keshar Alloys & Metal P.Ltd 165967/- Tax Amt. 13277/-	Hearing yet to be fixed	Deputy Commissioner

							4) Puneet Steel & Alloys P.Ltd 860024/- Tax Amt. 68802/- 5) Shivam Ispat P.Ltd 684400/- Tax Amt. 54752/- 6) Sigma Casting Ltd 688019/- Tax Amt. 55042/- Application for grant of relief for Secretary Govt.of Chhattisgarh.Application filed on dt.28.06.2011.Order passed by Govt.to re Considering.		
2)	2005-06	APPEAL SALES TAX (CENTRAL)	28.02.09	687676	273000	414676	Assessment order passed demand raised against non-submission.of "C" Forms 2,03,98,782 on A/c of Mandir Hasaud & RS 87,70,375/-on A/c of Urla. Actual tax liability 20,39,878 on A/c M.H, 6,87,276 /-on A/c Urla & fine of Rs.400/-. Appeal filed on Dt 08.06.09. Appeal order passe on Dt 22.12.10 relief allowed Rs 20,39,878 on A/c of Mandir Hasaud & tax demanded due to non -submission of "C" Forms on A/c of Urla .'C" Forms received. We have filed revision on 05.05.2011. **1) ARTI STEEL LTD - 26,89,951/-** **2) ADHUNIK METALIKS LTD - 5,21,760/-** **3) MUKUND LTD - 54,63,998/-**	revision filed on 05.05.2011. Hearing yet to be fixed	Addl. Commissioner
				1173116	**340500**	**832616**			

	YEAR	PARTICULAR	DEMAND DATE	DEMAND AMOUNT	AMOUNT PAID	AMOUNT PENDING TAKEN IN CONTINGENT LIABILITY	DESCRIPTION	REMARK	Assessing Authority
1)	2003	APPEAL SALES TAX (VSKP)		7150	7150		Shipyard Steel Plant towards demand	AS PER MKTG SH. S.MITTAL IS TO	
2)	2004-05	APPEAL SALES TAX (VSKP)		9754	9754		Shipyard Steel Plant towards demand	PROVIDE THE STATUS	
				16904	**16904**				
		GRAND TOTAL		71047217	4269804	**66777413**			

Details of Outstanding Cases(Income Tax)- Monnet Ispat& Energy Limited (MIEL)						
S.No.	**Particulars**	**Assessment u/s 143(3)- A.Y. 2005-06**	**Assessment u/s 143(3)- A.Y. 2006-07**	**Assessment u/s 143(3)- A.Y. 2007-08**	**Intimation u/s 143(1)- A.Y. 2010-11**	**A.Y. 2005-06 to A.Y. 2011-12 (7 years)**
1	Authority before which it is pending	Appeal Pending before Commissioner of Income Tax - (Appeals)	Appeal Pending before Commissioner of Income Tax - (Appeals)	Appeal Pending before Commissioner of Income Tax - (Appeals)	a. Demand challenged by way of Rectification and is pending with Assessing officer. b. Appeal also filed against demand and is Pending before Commissioner of Income Tax - (Appeals)	Assessment/reassessment proceedings are pending before Assessing Officer pursuant to search operations conducted on company on 19.11.2010.
2	The brief but clearly explained subject matter of litigation	Disallowance of the following:- a) Depreciation b) Notional c) 80I on misc income.	Disallowance of the following:- a) Depreciation b) Disallowance u/s 14A.	Disallowance of the following:- a) Depreciation b) Disallowance u/s 14A c) Disallowance u/s 80IA	Disallowance of deduction claimed u/s 80IA	N.A.
3	Demand Raised	Rs. 1.72 Crores	Rs.81.01 Lacs	Rs. 27.83 Crores	Rs. 66.90 Crores	N.A.
4	Demand outstanding	NIL	NIL	Rs. 19.83 Crores	Rs. 66.90 Crores	N.A.
5	The stage at which the case is as on date	Pending before 1st appellate stage.	Pending before 1st appellate stage.	Pending before 1st appellate stage.	Pending before Assessing officer/1st appellate stage.	Pending before Assessing officer

Details of Outstanding Cases(Income Tax) - Mounteverest Trading & Investment Limited (MTIL*) [*MTIL has been merged with Monnet Ispat & Energy Limited effective from 01.04.2009]				
S.No.	**Particulars**	**Assessment- A.Y. 2006-07**	**AIR - A.Y. 2009-10**	**AIR- A.Y. 2010-11**
1	Authority before which it is pending	Appeal Pending before Commissioner of Income Tax - (Appeals)	Appeal Pending before Commissioner of Income Tax - (Appeals)	Appeal Pending before Commissioner of Income Tax - (Appeals)
2	The brief but clearly explained subject matter of litigation	Disallowances of the following:- a). Disallowance u/s 14A	Annual Information Return not filed	Annual Information Return not filed
3	Demand Raised	Rs. 10,05,690/-	Rs.69,600/-	Rs.33,100/-
4	Demand outstanding	Rs. 10,05,690/-	Rs.69,600/-	Rs.33,100/-
5	The stage at which the case is as on date	Pending before 1st appellate stage.	Pending before 1st appellate stage.	Pending before 1st appellate stage.

3.1.15 Major contingent liabilities

Contingent Liabilities* not provided for as on March 31, 2011

S. No.	Claims	Rs. In lacs
1	In respect of disputed Excise Demands	815.33
2	In respect of disputed Sales Tax Demands	95.14
3	In respect of disputed Entry Tax Demands	642.33
4	In respect of disputed Income Tax Demands	2,952.00
5	In respect of disputed Demands for water charges by Water Resources Division	402.44
6	Other claims against the Company not acknowledged as debt	336.10
7	In respect of electricity Duty on generation of power	1,870.58

** Does not include matters dealt with in the Notes on Accounts forming part of the Annual Report for FY 2010-2011 of MIEL.*

Extracts from such Notes to Accounts pertaining to Contingent Liabilities of MIEL are reproduced below:

No provision has been made for Cess on Power Generation levied by the State of Chhattisgarh amounting to Rs. 2364.99 lacs upto March 31, 2011 (Rs. 1969.42 lacs upto March 31, 2010). The High Court of Chhattisgarh, in its order dated December 15, 2006 has set aside the demand of the State of Chhattisgarh, terming the levy as 'unconstitutional'. However, the State Government has gone in appeal against the order of the High Court and the matter is pending before the Supreme Court.

MIEL had received risk purchase claims aggregating to Rs.3505.90 Lacs during earlier years. MIEL has disputed the claims and believes that the claims are untenable. The matter has been referred to arbitration. Necessary adjustment, if any, shall be made on finalization of the matter.

3.1.16 Details of Subsidiaries promoted by MIEL

The following information in respect of the companies promoted by MIEL for the last three years based on the audited statements.

Subsidiary Companies

(Rs. in lacs)

	Name	Monnet Overseas Limited			
1.	Date of incorporation	June 26, 2005			
2.	Nature of Business	Acquisition of Assets overseas and Investment			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)	5.12	49.68	272.39	428.82
4.	Total Income	0	-	-	-
5.	Profit After Tax (PAT)	0	-	-	-
6.	Earnings Per Shares (EPS)	0	-	-	-
7.	Net Asset Value (NAV)	5.12	49.68	272.39	428.82
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	Monnet Global Limited			
1.	Date of incorporation	September 17, 2005			
2.	Nature of Business	Acquisition of Assets overseas and Investment			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding	2,459.10	1,805.10	1,803.71	2,151.76

	revaluation reserves)				
4.	Total Income	89.33	64.80	63.71	58.85
5.	Profit After Tax (PAT)	(76.31)	(79.80)	(259.95)	(403.52)
6.	Earnings Per Shares (EPS)	(0.04)	(0.04)	(0.14)	(0.22)
7.	Net Asset Value (NAV)	2,459.10	1,805.10	1,803.71	2,151.76
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**PT. Monnet Global**			
1.	Date of incorporation	**1/19/2009**			
2.	Nature of Business	General Mining Operations, Import, Export and Trading			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)	51.16	45.44	45.01	53.81
4.	Total Income	0.22	0.49	0.15	0.12
5.	Profit After Tax (PAT)	0.21	0.12	0.06	0.12
6.	Earnings Per Shares (EPS)	2.10	1.16	0.57	1.17
7.	Net Asset Value (NAV)	51.16	45.44	45.01	53.81
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**PT. Serwa Sembada Karya Bhumi**			
1.	Date of incorporation	**June 5, 1997**			
2.	Nature of Business	Acquisition of Mining Assets and running mining operations			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)			46.08	54.97
4.	Total Income			-	-
5.	Profit After Tax (PAT)			-	-
6.	Earnings Per Shares (EPS)			0.00	0.00
7.	Net Asset Value (NAV)			46.08	54.97
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**Monnet Enterprises DMCC**			
1.	Date of incorporation	**February 14, 2010**			
2.	Nature of Business	Trading of Goods			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)		(39.81)	(177.09)	(321.39)
4.	Total Income		-		
5.	Profit After Tax (PAT)		(64.26)	(138.49)	(110.45)
6.	Earnings Per Shares (EPS)		-32,128.24	-69,243.02	-55,226.62
7.	Net Asset Value (NAV)		(39.81)	(177.09)	(321.39)
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**Monnet Enterprises PTE Ltd**			
1.	Date of incorporation	**March 14, 2011**			
2.	Nature of Business	Investment Business and Holding Company			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)			0.00	0.00
4.	Total Income				
5.	Profit After Tax (PAT)				
6.	Earnings Per Shares (EPS)			0.00	0.00
7.	Net Asset Value (NAV)			(4.26)	(5.08)
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**Monnet Daniels Coal Washeries Private Limited**			
1.	Date of incorporation	**28/05/2002**			
2.	Nature of Business	Washing of Coal for supply to and use by Thermal Power Plants			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)	2,076.00	1,922.25	2,129.49	4,008.59
4.	Total Income	0.28745	1,172.66	4,220.32	5,946.91
5.	Profit After Tax (PAT)	(27.28)	(126.46)	207.23	1,879.10
6.	Earnings Per Shares (EPS)	(0.13)	(0.61)	1.00	9.05
7.	Net Asset Value (NAV)	2,028.44	1,907.04	2,119.35	4,002.25
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**Monnet Power Company Limited**			
1.	Date of incorporation	**29/01/2007**			
2.	Nature of Business	Generation and Sale of Power			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)	4,111.26	30,355.83	40,348.44	58,328.76
4.	Total Income	-	13.29	252.92	405.69
5.	Profit After Tax (PAT)	-	(472.93)	(7.39)	88.82
6.	Earnings Per Shares (EPS)	-	(1.13)	(0.00)	0.02
7.	Net Asset Value (NAV)	4,110.90	30,355.83	40,348.44	58,328.76
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**Monnet Cement Limited**			
1.	Date of incorporation	**29/11/2007**			
2.	Nature of Business	Production of Cement			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)	125.00	119.63	119.24	118.91
4.	Total Income	-	-	-	-
5.	Profit After Tax (PAT)	-	(4.97)	(0.39)	(0.33)
6.	Earnings Per Shares (EPS)	-	(0.40)	(0.03)	(0.00)
7.	Net Asset Value (NAV)	120.52	119.63	119.63	118.91
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	Rameshwaram Steel & Power Limited			
1.	Date of incorporation	**18/05/2004**			
2.	Nature of Business	Manufacture of Sponge Iron, Steel and Power Generation			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)	1,953.45	1,513.54	1,366.78	1,326.43
4.	Total Income	2,825.40	5,181.82	1,843.16	1,150.98
5.	Profit After Tax (PAT)	(254.05)	4.49	(146.76)	(40.34)
6.	Earnings Per Shares(EPS)	(5.93)	0.10	(3.43)	(0.94)
7.	Net Asset Value (NAV)	1,509.05	1,513.54	1,366.78	1,326.43
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	Chomel Export Pvt. Ltd.			
1.	Date of incorporation	**11/23/1990**			
2.	Nature of Business	Consultancy			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)			21.05	21.30
4.	Total Income			4.10	1.80
5.	Profit After Tax (PAT)			0.12	0.24
6.	Earnings Per Shares(EPS)			0.12	0.25
7.	Net Asset Value (NAV)			21.05	21.30
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

Companies promoted by Monnet Ispat & Energy Ltd. / Joint Ventures with MIEL:

(Rs. in lacs)

	Name	Mandakini Coal Company Limited			
1.	Date of incorporation	**14/03/2008**			
2.	Nature of Business	Acquisition of coal mines, Exploration and exploitation of coal			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3.	Equity capital, Reserves (excluding revaluation reserves)	1,425.00	1,519.67	9,893.46	10,151.50
4.	Total Income	-	6.45	10.79	10.13
5.	Profit After Tax (PAT)	-	(40.33)	(56.21)	(41.97)
6.	Earnings Per Shares(EPS)	-	(0.30)	(0.25)	(0.04)
7.	Net Asset Value (NAV)	1,419.61	1,479.35	9,893.46	10,151.50
8.	Whether it is a sick industrial company	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	M P Monnet Mining co Ltd			
1	Date of incorporation,	**11/16/2009**			
2	Nature of Business,	Acquisition of coal mines, Exploration and exploitation of coal			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3	Equity capital, Reserves (excluding revaluation reserves),		200.00	200.00	200.00
4	Total Income,	-	-	-	
5	Profit After Tax (PAT),	-	-	-	

6	Earnings Per Shares(EPS),	-	-	-	
7	Net Asset Value (NAV).		165.85	166.90	166.90
8	Whether it is a sick industrial company.	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**Urthan North Mining Company Ltd**			
1	Date of incorporation,	**3/4/2010**			
2	Nature of Business,	Acquisition of coal mines, Exploration and exploitation of coal			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3	Equity capital, Reserves (excluding revaluation reserves),			859.18	874.14
4	Total Income (Turnover),		-	-	-
5	Profit After Tax (PAT),		-	-	-
6	Earnings Per Shares(EPS) in Rs,		-	-	-
7	Net Asset Value (NAV).			857.34	872.20
8	Whether it is a sick industrial company.	No			
9.	Whether it is listed or not?	No			

(Rs. in lacs)

	Name	**Monnet Ecomaister Enviro Pvt Ltd**			
1	Date of incorporation,	**29/3/2011**			
2	Nature of Business,	Handling and re-cycling of Slag (a waste product) extraction of iron therefrom and from the residue, manufacture of PS Balls for its sale and subsequent export to Korean JV Partner			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3	Equity capital, Reserves (excluding revaluation reserves),	-	-	-	1,200.66
4	Total Income (Turnover),	-	-	-	11.96
5	Profit After Tax (PAT),	-	-	-	8.26
6	Earnings Per Shares(EPS) in Rs,	-	-	-	0.07
7	Net Asset Value (NAV).	-	-	-	1,200.66
8	Whether it is a sick industrial company.	No			
9.	Whether it is listed or not?	No			

	Name	**Chattel Construction Pvt. Ltd.**			
1	Date of incorporation,	**22/6/2010**			
2	Nature of Business,	Solar Power Generation			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3	Equity capital, Reserves (excluding revaluation reserves),	N.A.	N.A.	N.A.	N.A.
4	Total Income (Turnover),	N.A.	N.A.	N.A.	N.A.

5	Profit After Tax (PAT),	N.A.	N.A.	N.A.	N.A.
6	Earnings Per Shares(EPS) in Rs,	N.A.	N.A.	N.A.	N.A.
7	Net Asset Value (NAV).	N.A.	N.A.	N.A.	N.A.
8	Whether it is a sick industrial company.	N.A.			
9.	Whether it is listed or not?	No			

	Name	**Monnet Global Liberia Limited**			
1	Date of incorporation,	July 22, 2011			
2	Nature of Business,	Acquisition of Overseas Assets			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3	Equity capital, Reserves (excluding revaluation reserves),	N.A.	N.A.	N.A.	N.A.
4	Total Income (Turnover),	N.A.	N.A.	N.A.	N.A.
5	Profit After Tax (PAT),	N.A.	N.A.	N.A.	N.A.
6	Earnings Per Shares(EPS) in Rs,	N.A.	N.A.	N.A.	N.A.
7	Net Asset Value (NAV).	N.A.	N.A.	N.A.	N.A.
8	Whether it is a sick industrial company.	N.A.			
9.	Whether it is listed or not?	No			

	Name	**Monnet Global Guinea SA**			
1	Date of incorporation,	November 03, 2011			
2	Nature of Business,	Acquisition of Overseas Assets			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3	Equity capital, Reserves (excluding revaluation reserves),	N.A.	N.A.	N.A.	N.A.
4	Total Income (Turnover),	N.A.	N.A.	N.A.	N.A.
5	Profit After Tax (PAT),	N.A.	N.A.	N.A.	N.A.
6	Earnings Per Shares(EPS) in Rs,	N.A.	N.A.	N.A.	N.A.
7	Net Asset Value (NAV).	N.A.	N.A.	N.A.	N.A.
8	Whether it is a sick industrial company.	N.A.			
9.	Whether it is listed or not?	No			

	Name	**Monnet Global Mali SA**			
1	Date of incorporation,	March 03, 2012			
2	Nature of Business,	Acquisition of Overseas Assets			
		As at 31.03.2009	**As at 31.03.2010**	**As at 31.03.2011**	**As at 31.12.2011**
3	Equity capital, Reserves (excluding revaluation reserves),	N.A.	N.A.	N.A.	N.A.
4	Total Income (Turnover),	N.A.	N.A.	N.A.	N.A.
5	Profit After Tax (PAT),	N.A.	N.A.	N.A.	N.A.
6	Earnings Per Shares(EPS) in Rs,	N.A.	N.A.	N.A.	N.A.

7	Net Asset Value (NAV).	N.A.	N.A.	N.A.	N.A.
8	Whether it is a sick industrial company.	N.A.			
9.	Whether it is listed or not?	No			

However, in this Letter of Offer, the above-mentioned financial information for one Indian subsidiary of MIEL viz. Chattel Construction Private Limited and three overseas subsidiaries of MIEL viz. Monnet Global Liberia Ltd., Monnet Global Guinea S.A. and Monnet Global Mali S.A. has not been included.

3.1.17 Compliance Officer of MIEL

Mr. M.P. Kharbanda, Company Secretary of MIEL, is the compliance officer. The correspondence address is mentioned below:

Mr. M.P. Kharbanda
Company Secretary
Monnet Ispat & Energy Limited
Monnet House, 11 Masjid Moth,
Greater Kailash-II,
New Delhi-110048
Tel: +91 011 2921 8542 - 46
Fax: +91 011 2921 8541
Email ID: mpk@monnetgroup.com

3.2 Torsteel Research Foundation in India

3.2.1 TRF is a Trust which is registered with the Registrar of Assurances, Calcutta in August 1, 1973 with the registered office at Delta House, 4 Govt. Place North, 7th Floor, Kolkata - 700001. Since January 01, 2004, the registered office of the Trust was shifted to Chaterjee International Centre, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata – 700071. Tel: 033 22883910-16/ 033 22263114/6442, Fax: 033 22267470/ 033 22272511

3.2.2 TRF is exclusively involved in development and consultancy activities especially for advance technology in Iron & Steel Industry. TRF also renders consultancy & supervisory services on structural evaluation of old & new structures, restoration, quality control and audit of construction, soil investigation & foundation designs, non-destructive testing, laboratory & field testing of materials & components etc. TRF has its branches at Bangalore, Mumbai, New Delhi and Kolkata. Dr. P.K. Mohanty is the Trustee of TRF.

3.2.3 TRF is not listed on any of the stock exchanges.

3.2.4 Being a Trust, 100% Stake in Trust Fund is held by the Trustee Dr. P.K. Mohanty. Since the trust itself is its beneficiary, trust profits cannot be distributed. Objects of the trust is to review, study and develop technology, products, system and comments on the results of such research and development, invest in shares in India etc.

3.2.5 TRF forms part of promoter and promoter group of the Target Company and also provides technical services to the Target Company on a regular basis.

3.2.6 TRF currently holds 3,150,589 (including 1,29,000 equity share pledged) equity shares of the Target Company constituting 11.67% of the current equity share capital of the Target Company. Of these total of 3,150,589 shares, 1,38,500 shares are held by TRF directly while 3,012,089 shares are held in the name of the Trustee of TRF i.e. Dr. P.K. Mohanty for the beneficial interest of the Trust. This represents 10.33% of the Emerging Voting Capital of the Target Company. The details of shares pledged, revoked and invoked are as follows:

Sl. No.	Name of the Entity	Date of Transaction	No. of Shares pledged	Pledge / Revoke / Invoke	Date of Reporting as per Reg 8A and 31(1)*
1.	Torsteel Research Foundation in India	10th Feb, 2009	33,500	Pledge	26th March, 2009
		28th August, 2009	14,760	Pledge	2nd September, 2009
		24th September, 2009	40,000	Pledge	1st October, 2009
		18th November, 2009	6,000	Pledge	23rd November, 2009
		15th December, 2009	17,000	Pledge	18th December, 2009
		8th January, 2010	4,000	Pledge	14th January, 2010
		12th January, 2010	23,000	Pledge	14th January, 2010
		24th March 2010	(40,000)	Revoke	29th March 2010
		31st March 2010	(17,000)	Revoke	2nd April, 2010
		13th April, 2010	(6,000)	Revoke	15th April, 2010
		5th May, 2010	(23,000)	Revoke	7th May, 2010
		23rd June, 2010	80,000	Pledge	28th June, 2010
		10th July, 2010	(4,000)	Revoke	12th July, 2010
		25th January, 2011	10,000	Pledge	13th April, 2011
		15th September, 2011	(17,500)	Revoke	20th January, 2012
		21st September, 2011	(97,060)	Revoke	15th October, 2012
		3rd November 2011	(7,700)	Revoke	20th January, 2012
		11th January, 2012	80,000	Pledge	20th March, 2012
		31st January, 2012	25,000	Pledge	20th March, 2012
		2nd February, 2012	8,000	Pledge	20th March, 2012
Total shares Pledged			**1,29,000**		

It is hereby disclosed that there have been instances of delay in compliances of Regulation 8A under Chapter II of the Takeover Regulations and under Regulation 31(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 by TRF. SEBI may initiate action against the promoter at later stage in terms of the regulations and provisions of the SEBI Act for delayed compliance of the Takeover Regulations.

** As per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011*

3.2.7 None of the Trustees of TRF have acquired any shares of Orissa Sponge during the 12-month period prior to the date of the PA. Further, none of the Trustees of TRF have acquired any equity shares of the Target Company since the date of the Public Announcement and upto the date of this Letter of Offer.

3.2.8 TRF has not been prohibited by Securities and Exchange Board of India from dealing in securities in terms of directions issued under section 11B of the SEBI Act.

3.2.9 TRF has complied with the provisions of Chapter II of the SEBI (SAST) Regulations. The details of TRF's compliance to the provisions of Chapter II of the SEBI (SAST) Regulations are attached in **Annexure I**.

3.2.10 As on the date of PA, the Trustee(s) of TRF is as follows:

Name of Trustee	**Position**	**Experience**	**Qualifications**	**Date of Appointment**	**Address**
Dr. P.K. Mohanty	Trustee	Set-up TRF for scientific development of various iron and steel products; pioneered the development of Sponge iron technology in India	Ph.D. (Civil Engg.)	01/08/1973	3B, Monalisa, 17, Camac Street, Kolkata - 700 017

We confirm that there is no change in the above as on the date of Letter of Offer.

3.2.11 TRF is represented by Dr. P.K. Mohanty as Vice Chairman & Managing Director, Mr. Munir Mohanty as Whole Time Director and Mr. M.A. Khan as Director on the Board of the Target Company. Further, between the date of the Public Announcement and the date of this Letter of Offer, no directors representing the Acquirers have been appointed on the Board of Directors of the Target Company and the Acquirers are in compliance with Regulation 22(7) of the SEBI (SAST) Regulations. It is hereby confirmed that Dr. P.K. Mohanty, Trustee of TRF, Mr. Munir Mohanty and Mr. M.A. Khan representative of TRF in the Board of Directors of the Target Company has complied with Regulation 22(9) of the SEBI (SAST) Regulations and is not participating in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer.

3.2.12 The audited financial information* of TRF is given below:

(Amount Rs. In lacs)

Profit & Loss Statement	**FY 2009**	**FY 2010**	**FY 2011**	**Nine Month Ended Dec 2011**
	Audited	Audited	Audited	Un-Audited
Income from operations	177.77	88.68	39.67	20.89
Other Income	4,601.97	2.12	0.87	2.61
Total Income	4,779.74	90.80	40.54	23.50
Total Expenditure.	243.31	182.74	177.70	116.48
Profit / (Loss) Before Extraordinary Items, Depreciation, Interest and Tax	4,536.43	(91.94)	(137.16)	(92.98)
Depreciation	2.00	1.91	2.63	1.68
Interest	77.12	90.28	156.55	96.76
Profit / (Loss) Before Extraordinary Items, Tax and Adjustments	4457.31	(184.13)	(296.34)	(191.42)
Adjustment for provision for diminution in value of investments	-	-	(281.46)	-
Bad Debts / Advances written off	(23.59)	-	(9.43)	-
Profit / (Loss) Before Extraordinary Items, Tax	4433.72	(184.13)	(587.23)	(191.42)
Extraordinary Items: Penalty Charges	-	-	(20.00)	-
Profit Before Tax	4,433.72	(184.13)	(607.23)	(191.42)
Provision for Tax	(10.01)	(0.43)	0.00	0.00
Deferred Tax Assets	17.93	(48.42)	0.00	0.00
Profit After Tax	4,441.64	(232.98)	(607.23)	(191.42)

Balance Sheet Statement	As at 31st March,2009	As at 31st March, 2010	As at 31st March, 2011	As at 31st Dec, 2011
	Audited	Audited	Audited	Un-Audited
Trust Fund	5,122.21	4,889.23	4,281.99	4,090.57
Net Worth	5,122.21	4,889.23	4,281.99	4,090.57
Secured loans	25.00	545.00	643.95	193.62
Advance against sale / transfer of shares	3,100.00	3,100.00	3,100.00	3,100.00
Unsecured loans	325.88	309.02	362.30	249.13
Total	**8,573.09**	**8,843.25**	**8388.24**	**7,633.32**
Uses of funds				
Net Fixed Assets	53.32	52.38	53.28	52.19
Investments	2,387.01	2,430.35	2,153.89	2,153.89
Advance against shares	-	-	-	-
Net current assets	6,084.33	6,360.52	6,181.07	5,427.24
Deferred Tax Assets	48.43	-	-	-
Total miscellaneous expenditure not written off	-	-	-	-
Total	**8,573.09**	**8,843.25**	**8,388.24**	**7,633.32**

*These financial information of TRF are based on the audited financial report for the year ended March 31, 2009, March 31, 2010 and March 31, 2011. And the unaudited financial statements for the nine months period ended 31st Dec, 2011 has been subjected to a limited review by the statutory auditor. Auditor has reviewed the Un-Audited Financial Statements for the nine months period ended 31st Dec, 2011 in accordance with the Standard on review Engagement (SRE) 2400, "Engagement to Review Financial Statements" issued by Institute of Chartered Accountants of India (ICAI). The review is limited to inquiries of trust personnel and analytical procedures applied and financial data and thus provides less assurance than an audit. Auditor has not performed an audit and accordingly, they do not express an audit opinion on the financial statement for the nine months period ended 31st December, 2011.

Since TRF is a trust, earnings per share (EPS), book value and price-to-earnings multiple are not calculated. Return on Net Worth was 86.72% as at March 31, 2009, negative as at March 31, 2010, negative as at March 31, 2011 and negative as at December 31, 2011.

TRF is engaged in promotion of industries and also provides consultancy and technology development services to various industries particularly for iron and steel sector. It is not a manufacturing company and therefore does not have customary current assets like inventory and book debts. Net Current Assets in FY 05-06, FY 06-07, FY 07-08 and 9 months period ended 31.12.08 was negative as current liabilities increased beyond the Current Assets.

Profit for the year ended March 31, 2009 has increased mainly because of profit on sale of investment. TRF has suffered a loss for the year ended March 31, 2010, March 31, 2011 and 9 months period ended Dec 2011 due to reduction in income, consequent to drop in the business volume.

In the un-audited financial statement for the nine months ended 31st December, 2011, Auditor has noted the following points:

"Mounteverest Trading & Investment Limited (since merged with Monnet Ispat & Energy Limited) paid Rs. 31,00,00,000 (previous year Rs. 31,00,00,000) to the Trust as advance towards sale / transfer of shares of Orissa Sponge Iron & Steel Limited in pursuance to contract of "Share Purchase cum Shareholders Agreement" dated 24th February, 2009 entered into among TRFI Investment Private Limited, Torsteel Research Foundation in India (both parties are seller) and Mounteverest Trading & Investment Limited. Amount so received is shown as advance against sale/transfer of shares of Orissa Sponge.

The sale of shares of Orissa Sponge require compliance of various regulations of the Securities and Exchange Board of India and the acquirer and seller are responsible for compliances with the requirements of the applicable law including making an open offer to public shareholders of the Company. The compliances are in process.

Penalty of Rs. 20,00,000 paid u/s 15A(B) and 15H of SEBI Act as per order dated 21st June, 2011 of the Adjudicating Officer of SEBI has been shown as extraordinary item in the financial statement for the year ended 31st March, 2011."

Auditor has further reported that in the Audited Financial statement for the year ended 31st March, 2009 and 31st March, 2010 of the trust, the auditor has qualified Audited Reports for non provisions/non-adjustments of the following shown under "A" below.:

<table>
<tr><td rowspan="5">**(A)** Adjustments/rectification for all incorrect accounting policies or failures to make provisions or other adjustments which resulted in audit qualification;</td><td>**<u>Audit Qualification in FY-2009</u>**
I. Diminution in value of investment in Bilati (Orissa) Ltd. Rs. 251.32 lacs, and other associated/promoted Companies Rs. 65.21 lacs have not been ascertained and provided for.</td><td>**<u>Management Response</u>**
Diminution in the value of investment in Bilati (Orissa) Ltd. has been provided in 2010 - 2011</td></tr>
<tr><td>II. Leave Encashment liability on accrual basis has not been ascertained.</td><td>Accounted for on cash basis.</td></tr>
<tr><td>III. Interest, penalties on Service Tax payable amounting Rs. 43.72 lacs have not been ascertained/provided for.</td><td>Estimated liability for interest penalty have been ascertained and provided in 2009-10 accounts</td></tr>
<tr><td>**<u>Audit Qualification in FY-2010</u>**
I. Diminution in value of investment in associated/ promoted Companies have not been ascertained in accordance with Accounting Standard 13</td><td>Necessary provision has been made in the financial year 2010-2011</td></tr>
<tr></tr>
<tr><td colspan="2">**(B)** Material amounts relating to adjustments for last three years shall be identified and adjusted in arriving at the profits of the years to which they relate;</td><td>Nil</td></tr>
<tr><td colspan="2">**(C)** Where there has been a change in accounting policy during the last three years, the profits or losses of those years shall be re-computed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years. However, if an incorrect accounting policy is being followed, the re-computation of the financial statements would be in accordance with correct accounting policies;</td><td>Nil</td></tr>
<tr><td colspan="2">**(D)** Statement of profit of loss shall disclose both the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.</td><td>Extraordinary items have been disclosed</td></tr>
<tr><td colspan="2">**(E)** The statement of assets and liabilities shall be prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.</td><td>There is no revaluation reserve</td></tr>
<tr><td colspan="2">**(F)** Major contingent liabilities and reasons for fall/rise in total income and PAT in the relevant years.</td><td>The Trust has given guarantee to Indian Renewal Energy Development Agency Ltd. for guarantee loan to Orissa Sponge Iron & Steel Ltd. guarantee sum of Rs. 1106.81 lacs. There has been no impact in the total income disclosed in the Financial Statement.</td></tr>
</table>

3.2.13 Significant Accounting Policies as on March 31, 2011

I. Basis of preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). Financial statements comply with the applicable Accounting Standards (AS) issued by Institute of Chartered Accountants of India except in valuing the investments in promoted/ co-promoted companies.

II. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the result of operations during the year. Differences between actual results and estimates are recognized in the year in which the results are known or materialized. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

III. Fixed Assets and Depreciation

- Fixed Assets are stated at cost less accumulated depreciation. Cost of fixed assets includes all incidental expenses and interest costs on borrowings, attributable to the acquisition of the assets, upto the date of commissioning of the assets.

- Fixed assets are depreciated on reducing balance mentioned at the rates prescribed in the Income Tax Act, 1961 and rules thereon.

- Fixed assets are reviewed for impairment on each Balance Sheet date, in accordance with AS 28 "Impairment of Assets".

IV. Revenue Recognition:

Revenue from Technical and quality control services is recognized as and when rendering of services are completed in accordance with terms of the contract.

V. Taxation

Income tax expenses comprise current tax, deferred tax charged or credited. Current year's provision is made based on tax liability computed after tax allowances and exemptions under the Income Tax Act.

Deferred tax assets, net off deferred tax liability due to timing difference, arising from unabsorbed depreciation and carried forward losses are recognized if there is virtual certainty in realization of such amount. Other Deferred Tax Assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred Tax Assets are reviewed at each Balance Sheet date to reassess their recoverability.

VI. Provisions and Contingent Liability

A provision is recognized when it is more likely that an obligation will result in an outflow of resources. Provisions are not discounted at their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.

A disclosure for a contingent liability is made where it is more likely than a present obligation or possible obligation would not result in or involve an outflow of resources

3.2.14 Major Contingent Liabilities

Major Contingent Liability of TRF as on March 31, 2011 is as follows: (Rs. in lacs)

Guarantee given to IREDA for granting loans to Orissa Sponge	1,106.81
Income Tax Demand (for the Assessment Year 2006-07 under appeal)	82.38

3.2.15 Status of Corporate Governance and pending Litigation matters

TRF complies with all applicable corporate governance legislation to which it is subject to.

Pending litigations against TRF as on the date of this Letter of Offer are as follows:

S. No.	Petition	Forum	Case Particulars	Present Status
1.	SLP (C) 27811/2009	Supreme Court of India	IPICOL against the order dated 12.08.09 passed by Hon'ble Orissa High Court in W.P. No. 4155/09, filed this SLP before Supreme court.	Matter is still pending. Next date of hearing yet to be fixed.
2.	Civil Appeal No. 6314-15/2011	Supreme Court of India	BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd and Bhushan Energy Ltd has filed petition before CLB, New Delhi vide which it has been alleged the certain shares of Orissa Sponge has been issued in favour of TRF (Torsteel Research Foundation in India) in violation of Section 77 of Companies Act, 1956. The said contention of the petitioner was rejected by CLB vide its order dated 06-10-09. Against the Order of CLB, Appeal has been filed by the BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd which was also rejected by Hon'ble Orissa High court vide its order dated 22-02-2011 in COPET no. 40 & 41 of 2009. Against the order dated 22-02-2011 of Orissa High Court, Appellant has filed SLP which has been admitted and now it is to be heard as Civil Appeal. Total 23,88,916 equity shares of Orissa Sponge are subject matter of this Civil Appeal. Next date of hearing is yet to be fixed.	Matter is still pending. Next date of hearing yet to be fixed.

3.2.16 Mergers, demergers and / or spin-offs involving TRF during the last three years

TRF has not been involved in any mergers / demergers, spin-offs, acquisitions in the last three years.

3.2.17 Details of Subsidiaries / Companies promoted by TRF as on March 31, 2011 are as follows:

(Except EPS being in Rs, all amount In Rs. lacs)

Name of the Company	**Orissa Sponge Iron & Steel Ltd.**	**Torsteel Services Pvt. Ltd.**	**Bilati (Orissa) Ltd.**	**TRFI Investment Pvt. Ltd.**	**Torsteel Ltd.**	**OSIL-TRFI Community Services**	**Torcomm Ltd.**
Date of Incorporation	04/09/1979	22/02/1985	01/09/1994	11/03/1993	04/08/2004	18/08/1993	16/10/2003
Nature of Business	Manufacturing	Technical & Consultancy Services	Manufacturing	Investing & Trading of various types of securities	Trading	Community Services	Hardware & Software Designer Developer
Equity Capital	2,700.00	60.00	817.00	200.00	5.00	1.00	480.96
Reserves	23,109.00	Nil	Nil	(3.00)	Nil	Nil	Nil
Total Income	15,197.00	32.00	Nil	22.00	0.36	0.11	Nil
Profit after tax	(5286.00)	3.00	(23.00)	(86.00)	(189.00)	N.A.	N.A.
Earning Per Share (EPS) (in Rs.)	(19.58)	0.50	(0.27)	(4.30)	(377.26)	N.A.	N.A.
Net Asset Value	26,986.00	0.44	1,436.00	9.00	8.00	0.24	Nil
Whether a Sick Company	No	No	Yes	No	No	No	No
% stake held by TRF	11.67%	99.10%	34.67%	99.99%	98.80%	50.00%	98.96%

Note: OSIL-TRFI Community Services is a Section 25 Company, which spends its receipts and income on community development. Hence information relating to PAT & EPS is not applicable.

Note: Torcomm Ltd. has not commenced its operations. Hence information relating to PAT & EPS is not applicable

3.3 TRFI Investment Private Ltd.

3.3.1 TRFI is a private limited company incorporated on March 11, 1993 with registered office located at 4th Govt. Place, Kolkata – 700001. Since February 28, 2004, the registered office was shifted to Chaterjee International Centre, 11th Floor, 33A, J.L. Nehru Road, Kolkata – 700071. On Jan 1, 2010 the registered office was shifted to 12 Lee Road, Kolkata - 700020. Tel: 033 2289 2841 - 50

3.3.2 The current issued and paid up equity share capital of TRFI consists of 2,000,000 equity shares of Rs. 10 each aggregating to Rs. 20,000,000.

3.3.3 The Shares of TRFI are not listed on any Stock Exchange.

3.3.4 TRFI is an investment company which is engaged in the business of investing in, acquiring, selling, transferring, subscribing for, holding or otherwise dealing in and investing in any shares, stocks, units, debentures, debenture stocks, bonds, etc.

3.3.5 TRFI is 100% subsidiary of TRF. Out of a total of 2,000,000 paid-up equity shares of TRFI (representing 100% of the equity capital), Mr. Munir Mohanty holds 10 equity shares while Dr. P.K. Mohanty holds a total of 1,999,990 equity shares (10 equity shares for which he is the sole beneficiary and 1,999,980 equity shares held by him for the beneficial interest of TRF, a Registered Trust).

3.3.6 TRFI currently holds 8,502,190 equity shares of the Target Company constituting 31.49% and 27.88% of the current equity share capital and Emerging Voting Capital respectively of the Target Company as on the date of this Letter of Offer for which relevant disclosures have been made under Chapter II of the SEBI (SAST) Regulations, as applicable.

The details of TRFI compliance with the provisions of Chapter II of the SEBI (SAST) Regulations are attached as **Annexure I**.

3.3.7 Except for the 200 equity shares, all equity shares of Orissa Sponge Iron & Steel Limited were purchased from the market @ 98.24 per equity share on 29/12/2008 during the 12-month period prior to the date of the Public Announcement. Further, none of the directors of TRFI have acquired any equity shares of the Target Company since the date of the Public Announcement and upto the date of this Letter of Offer.

3.3.8 As on the date of PA, the Board of Directors of TRFI is as follows:

Name of Director	Position	Experience	Qualifications	Date of Appoint ment	Address
Dr. P.K. Mohanty DIN: 00238329	Director	Set-up TRF for scientific development of various iron and steel products; pioneered the development of Sponge iron technology in India	Ph.D. (Civil Engg.)	01/08/1973	3B, Monalisa, 17, Camac Street, Kolkata - 700 017
Munir Mohanty DIN: 00264239	Director	Began his career with TRF and worked in various capacities for promotion of company and related industries	B.Sc., MBA	30/12/1998	3B, Monalisa, 17, Camac Street, Kolkata - 700 017
S. Sen DIN: 00264190	Director	Experienced Accountant and served M/s. Indian Iron& Steel Co. Ltd. For 10 years	B.Com (Hons,), ACA, AICWA	30/12/1998	32B Sarat Bose Road, Kolkata- 20

We confirm that there are no changes to the above as on the date of Letter of Offer.

3.3.9 Dr. P.K. Mohanty and Mr. Munir Mohanty are also directors on the Board of the Target Company. It is hereby confirmed that Dr. P.K. Mohanty and Mr. Munir Mohanty, Directors of TRFI has complied with Regulation 22(9) of the SEBI (SAST) Regulations and is not participating in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer.

3.3.10 TRFI has not been prohibited by Securities and Exchange Board of India from dealing in securities in terms of directions issued under section 11B of the SEBI Act.

3.3.11 The Financial information of TRFI is given under:

(Amount Rs. In lacs)

Profit & Loss Statement	FY 2009	FY 2010	FY 2011	Nine month ended Dec 31, 2011
	Aud	Audited	Audited	Un-audited
Income from operations	-	4.29	(0.20)	(3.33)
Other Income	337.61	2.70	4.70	35.24
Total Income	337.61	6.99	4.50	31.91
Total Expenditure.	10.47	40.65	1.04	1.58
Profit/(Loss) Before Extraordinary Items, Depreciation, Interest and Tax	327.14	(33.66)	3.46	30.33
Depreciation	0.43	0.43	0.37	0.28
Interest	418.03	5.36	0.09	-
Profit/(Loss) Before Extraordinary Items,Tax and adjustment	(91.32)	(39.45)	3.00	30.05
Adjustment for interest provision	-	311.43		-
Bad debts / Advances written off	(0.20)	-	(0.93)	-
Profit before extraordinary items and tax	(91.52)	271.98	2.07	30.05
Extraordinary items (Legal fees and expenses for court cases)	-	(42.62)	(88.14)	(17.49)
Provision for Tax	(38.29)	-	-	(3.80)
Deferred Tax Assets	4.69	(34.35)	-	-
Profit/(Loss) After Tax	125.12)	195.01	(86.07)	8.76

Balance Sheet statement	As at 31st March,2009	As at 31st March, 2010	As at 31st March, 2011	As at 31st Dec, 2011
	Audited	Audited	Audited	Un-audited
Paid up share capital	200.00	200.00	200.00	200.00
Reserves and Surplus (excluding revaluation reserves)	(112.43)	82.58	(3.49)	5.27
Networth	87.57	282.58	196.51	205.27
Secured loans	-	-	-	-
Advance against sale / transfer of shares of Orissa Sponge Iron & Steel Ltd.	5,852.87	6,052.87	6,352.87	8,352.87
Unsecured loans	6,287.27	981.22	981.22	981.22
Total	**12,227.71**	**7,316.67**	**7,530.60**	**9,539.36**
Uses of funds				
Net fixed assets	10.13	9.70	9.32	9.04
Investments	12,218.65	12,179.36	12,179.36	12,179.36
Net current assets	(35.42)	(4,872.39)	(4,658.08)	(2,649.04)
Deferred Tax Assets	34.35	-	-	-
Total miscellaneous expenditure not written off	-	-	-	-
Total	**12,227.71**	**7,316.67**	**7,530.60**	**9,539.36**

Other Financial Data	FY 2009	FY 2010	FY2011	FY 2011 (up to 31st Dec, 2011)
Dividend (%)	**NIL**	**NIL**	**NIL**	**NIL**
Earnings Per Share	**-ve**	**9.75**	**-ve**	**0.44**
Return on Networth	**-ve**	**69%**	**-ve**	**4.27%**
Book Value Per Share	**4.38**	**14.13**	**9.83**	**10.26**

TRFI, a subsidiary of TRF is holding shares in companies promoted by TRF and also invests in shares. Since the shares invested remained intact, it had no income from operations in FY 06, FY 07, FY 08 and 9 months period ended 31.12.08.

In the last quarter of FY 09 TRFI disinvested part of its investment in shares and earned profit. Income in FY 11 was largely attributable to write back of provisions which were no longer required. Due to drop in business activity in FY 11 TRFI suffered loss. For the 9 months period ended December 2011, TRFI earned profit due to interest income.

*These financial information of TRFI are based on the audited financial report for the year ended March 31, 2009, March 31, 2010 and March 31, 2011. And the unaudited financial report for the nine months ended Dec 31, 2011 has been subjected to a limited review by the statutory auditor. Auditor has reviewed the Un-Audited Financial Statements for the nine months ended 31st December, 2011 in accordance with the Standard on review Engagement (SRE) 2400, "Engagement to Review Financial Statements" issued by Institute of Chartered Accountants of India (ICAI). The review is limited to inquiries of company personnel and analytical procedures applied and financial data and thus provides less assurance than an audit. Auditor has not performed an audit and accordingly, auditor has not expressed an audit opinion on the financial statement for the nine months ended 31st December, 2011.

In the un-audited financial statement for the nine months ended 31st December, 2011, Auditor has noted the following points:

TRFI has received advance against sale/transfer of shares of Orissa Sponge from Mounteverest Trading and Investment Limited (since merged with Monnet Ispat and Energy Ltd.). The sale/transfer of the aforesaid shares in pending.

TRFI had borrowed Rs. 900 lacs from Unitech Holding Ltd., the repayment of which was due on 19th June 2008. Due to financial difficulties, TRFI could not repay the loan. Interest and penal interest has not been provided in the financial statement after the due date of repayment.

In settlement of a loan of Rs. 310 lacs along with interest, borrowed by the TRFI pledging 30 lac share warrants of Orissa Sponge convertible into equal number of equity shares of Rs. 10 each, Rs. 374 lacs paid by the TRFI was returned by the lender party. Lender party transferred the share warrants to another party. TRFI has filed a case in the High Court challenging such transfer and the matter is under subjudice. Amount returned by the lender party was deposited in a bank account in the name of Advocate as per direction of the court. Subsequently as per direction of the court, the said deposit amount of Rs. 374 lacs and interest accrued thereon amounting of Rs. 37,87,692.00 has been returned to TRFI on 23rd September, 2011. This interest income has not been recognised as income of TRFI in the financial statement.

TRFI has paid Rs. 6 lacs in excess of due amount in settlement of the loan of Rs. 310 lacs, stated in above para, and excess payment is shown as recoverable, the recoverability of this advance is dependent on outcome of the legal case.

Auditors have further reported that in the audited financial statements for the year ended 31st March 2009 and 31st March 2010 and 31st March 2011 of the company they have qualified the Audit Report for non-provision /non-adjustment of the followings shown under 'A' below.

A **Adjustments/rectification for all incorrect accounting policies or failures to make provisions or other adjustments which resulted in audit qualification;**	Audit qualification in FY 2008-09		Management Response
	(i)	No provision has been made for diminution in value of shares amounted to Rs.34.29 lac held in Bilati Orissa Limited (BOL), a BIFR Company.	At that time Management considered that Bilati Orissa Limited (BOL) will be a viable Company and hence not provided. However, provision has been made in financial year 2009-2010.
	Audit qualification in FY 2009-2010		Management Response

<table>
<tr><td rowspan="3"></td><td>(ii)</td><td colspan="2">Interest and penalty on over due loan of Rs. 900 lac taken from a company has neither been provided nor ascertained from the due date of re-payment, i.e. 19th June 2008.</td><td>The Management considered that as there is no demand for interest from the lender, the interest and penalty will not be payable and hence no provision is required.</td></tr>
<tr><td colspan="3">Audit qualification in FY 2010-2011</td><td>Management Response</td></tr>
<tr><td>(iii)</td><td colspan="2">Interest and penalty on over due loan of Rs. 900 lac taken from a company has neither been provided nor ascertained from the due date of re-payment i.e. 19th June 2008

Recoverability of advances Rs. 600234 is dependent on the outcome of pending court case for which no provision has been made</td><td>The Management considered that as there is no demand for interest from the lender, the interest and penalty will not be payable and hence no provision is required.

Provision has not been made as the management expects to recover from the deposit lying with bank account in the name of the solicitor</td></tr>
<tr><td colspan="3">B. Material amounts relating to adjustments for last three years shall be identified and adjusted in arriving at the profits of the years to which they relate.</td><td colspan="2">There are no material amount requiring adjustments.</td></tr>
<tr><td colspan="3">C. Where there has been a change in accounting policy during the last three years, the profits or losses of those years shall be re-computed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years. However, if an incorrect accounting policy is being followed, the re-computation of the financial statements would be in accordance with correct accounting policies;</td><td colspan="2">There has been no change in the accounting policy during last three years.</td></tr>
<tr><td colspan="3">D. Statement of profit of loss shall disclose both the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.</td><td colspan="2">I) In the financial statement of 2008-09, there was profit on sale of investment.
II) In the financial statement of 2009-10 and 2010-11 and unaudited financial statement for nine months ending 31st December 2011, the following legal fees and expenditures for court cases have been considered as extraordinary items:
2009-10: Rs. 42.62 lacs
2010-11: Rs. 88.14 lacs
31st December 2011: Rs. 17.49 lacs</td></tr>
<tr><td colspan="3">E. The statement of assets and liabilities shall be prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.</td><td colspan="2">There is no Revaluation Reserve</td></tr>
<tr><td colspan="3">F. Major contingent liabilities and reasons for fall/rise in total income and PAT in the relevant years.</td><td colspan="2">The Company has mortgaged one flat located at New Delhi, to State Bank of India, Commercial Branch for granting loan of Rs. 450 lacs to the promoter i.e. Torsteel Research Foundation in India (Outstanding as on 31st March 2011 is Rs. 396 lacs.) There are no other contingent liabilities which have impact in the income and PAT in the relevant years.</td></tr>
</table>

3.3.12 Significant Accounting Policies as on March 31, 2011

I. Basis of Preparation of Financial Statements

The financial statements are prepared on accrual basis under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAAP). Financial statements comply with the applicable Accounting Standard (AS) specified in Companies (Accounting Standard) Rules, 2006 and presentational requirement of the Companies Act, 1956 .

II. Fixed Assets and Depreciation

- Fixed assets are stated at cost less sales/discarded and accumulated depreciation. Cost comprises of the expenditure incurred for construction, acquisition, installation or purchase price and any other cost attributable for bringing the assets into working condition for its intended use.

- Depreciation is provided on straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956. Such depreciation is computed on prorata basis on assets acquired or disposed off during the year except for assets costing not more than Rs.5000/-, which are depreciated at 100% irrespective of period of usage.

III. Revenue Recognition

- Sale of shares is recognised on transfer of shares
- Dividend income is recognised on receipt basis
- Income from interest on loan is recognised as per terms of contract of loan with the party

IV. Stock of Shares

Stocks of Shares are stated at lower of average cost and market value.

V. Accounting for taxes on Income

Income tax expense comprises of current tax, deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income Tax Act, 1961. During the current financial year, as there is no taxable income, no provision has been made for taxation.

Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are reorganized only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be set off. Such assets are reviewed at each balance sheet date to reassess realisibility thereof.

VI. Investments

Investments are stated at cost less amount written off/provided where there is permanent diminution in value.

VII. Provisions and Contingent Liabilities

A provision is recognised when it is more likely than not that an obligation will result in an outflow of resources. Provisions are not discounted at their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimate.

A disclosure for a contingent liability is made where it is more likely than a present obligation or possible obligation would not result in or involve an outflow of resources.

3.3.13 Major Contingent Liabilities

Company has given a corporate guarantee for a term loan of Rs. 150 lacs and working capital loan of Rs. 300 lacs taken by TRF from State Bank of India, Commercial Branch, Bhubaneswar. Term loan and working capital loan outstanding as on 31st March, 2011 is Rs. 123 lacs and Rs. 273 lacs respectively.

3.3.14 Mergers, demergers and / or spin-offs involving TRFI during the last three years

There were no Mergers, demergers and / or spin-offs involving TRFI during the last three years

3.3.15 Status of Corporate Governance and pending Litigation matters

TRFI has complied with all applicable corporate governance legislation to which it is subject to.

Pending Litigation matters:

S No.	Petition	Forum	Case Particulars	Present Status
1.	CS (OS) No. 85/2012	High Court of Delhi	TRFI Investment Pvt. Ltd filed suit for declaration and permanent injunction against Pisces Portfolio(s) Pvt. Ltd and Moonstar Securities Trading & Finance Co. Pvt. Ltd in respect of alleged sale/assignment of 30 lacs warrants.	Written Statement by Defendant No. 2 i.e. Moonstar Securities Trading & Finance Company Pvt. Ltd has been filed. Further pleadings to be completed and now listed for admission/denial of documents. Next date of hearing is September 20, 2012
2.	CS(OS) No. 424/2009	High Court of Delhi	Moonstar Securities Trading and Finance Company Pvt Ltd. filed a Suit in High Court in respect of 30 lacs warrants of Orissa Sponge Iron & Steel Limited assigned / sold to it by Pisces Portfolio (p) Ltd. 30 Lac warrants were allotted to TRFI and the same were converted into equal number of equity shares in the Board meeting of the Company held on March 4, 2009	Hon'ble High Court of Delhi vide its order dated March 3, 2009 (communicated on March 5, 2009) & March 6, 2009 stated that none of the parties shall exercise any right attached to 30 lacs warrants and/or equity shares in question till the next date of hearing, which is currently operative Matter is pending before Delhi High Court. Next date of hearing is 31/07/2012
3.	Civil Appeal No. 6314-15/2011	Supreme Court of India	BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd and Bhushan Energy Ltd has filed petition before CLB, New Delhi vide which it has been alleged the certain shares of Orissa Sponge has been issued in favour of TRF (Torsteel Research Foundation in India) in violation of Section 77 of Companies Act, 1956. The said contention of the petitioner was rejected by CLB vide its order dated 06-10-09. Against the Order of CLB, Appeal has been filed by the BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd which was also rejected by Hon'ble Orissa High court vide its order dated 22-02-2011 in COPET no. 40 & 41 of 2009. Against the order dated 22-02-2011 of Orissa High Court, Appellant has filed SLP which has been admitted and now it is to be heard as Civil Appeal. Total 23,88,916 equity shares of Orissa Sponge are subject	Matter is still pending. Next date of hearing is yet to be fixed.

			matter of this Civil Appeal. Next date of hearing is yet to be fixed.	

3.3.16 Details of Subsidiaries / Companies promoted by TRFI

Details of subsidiary of TRFI as on March 31, 2011 are mentioned below:

(Rs. in lacs)

Name of the Company	**Bamra Sponge Iron & Steel Limited**
Date of Incorporation	02/08/2001
Nature of Business	Manufacturing and trading of iron and steel products
Equity Capital	5.00
Reserves	Nil
Total Income	NIL
Profit after tax	N.A.
Earning Per Share (in Rs.)	N.A.
Net Asset Value	1.47
Whether a Sick Company	No
% stake held by TRF	99.88%

Note: Bamra Sponge Iron & Steel Limited has not commenced its operations. Hence information relating to PAT and EPS is not applicable

3.4 Disclosure in terms of Regulation 16(ix)

3.4.1 On February 24, 2009, the Acquirer has entered into a SPSA with a) TRF and b) TRFI (collectively referred to as 'Sellers') for purchase of 5,420,000 equity shares of Rs.10 each ('Sale shares') which represents 20.07 % of the current equity share capital of the Target Company at a price of Rs. 283 ('Negotiated Price') per equity share in cash (the 'Purchase Consideration'). The total consideration payable for the sale shares is Rs. 1,533,860,000 (One Thousand Five Hundred Thirty Three Million Eight Hundred and Sixty Thousand only.) As per the stock exchange filings done by Orissa Sponge, the Sellers belong to the promoter group of the Target Company. No other monetary consideration, whether by way of any non-compete fees or otherwise, is payable by the Acquirer to the Sellers for the Acquisition.

3.4.2 The Acquirers do not intend to dispose of or otherwise encumber any assets of the Target Company, except to the extent that may be required (i) in the ordinary course of business of the Target Company and/or (ii) for the purposes of restructuring, rationalising and/or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws at the relevant time. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of Orissa Sponge, except with the prior approval of shareholders of Orissa Sponge.

3.5 Future plans/strategies of the Acquirers with regard to the Target Company

The transactions as contemplated vide the SPSA would lead to the joint control of the Target Company by the Acquirer with the existing promoters of the Target Company. The Acquirer is part of Monnet Group which is engaged in similar line of business as that of Target Company hence, the Acquirers would be able to share its experience and resources for the expansion of the business of the Target Company.

4. BACKGROUND OF ORISSA SPONGE IRON & STEEL LIMITED

4.1 Orissa Sponge is a public limited company with its registered office at OSIL House, Gangadhar Meher Marg, Bhubaneshwar 751024, Orissa, India (Tel: 0674 3016500, Fax: 0674 3016535). The corporate office of the company is located at Chaterjee International Centre, 11th Floor, 33A, Jawaharlal Nehru Road, Kolkata – 700071, India (Tel: 033 22263114, 2226 6442; Fax: 033 2226 7470). The company was incorporated on April 9, 1979. The name of the Company was changed from Orissa Sponge Iron Limited to Orissa Sponge Iron & Steel Limited w.e.f. November 18, 2005. This is a joint venture company promoted by Industrial Promotion & Investment Corporation of Orissa Limited ('IPICOL') and State Government of Orissa and Torsteel Research Foundation in India (TRF).

4.2 Orissa Sponge manufactures sponge iron and has a project consultancy division which provides technical consultancy and project engineering services to sponge iron plants. The location of the plant is Palasponga, Dist; Keonjhar Orissa – 758031, where Sponge Iron & Steel Billets is manufactured by utilising Power produced out of Waste Gas of the Sponge Iron Unit.

4.3 As on December 31, 2008, the subscribed and paid-up equity share capital of the Orissa Sponge consists of 20,000,000 equity shares of Rs. 10/- each aggregating Rs. 200,000,000/- and as on March 31, 2011 the subscribed and paid-up equity share capital of the Orissa Sponge consists of 27,000,000 equity shares of Rs. 10/- each aggregating Rs. 270,000,000/- due to conversion of 70,00,000 warrants.

The equity shares of Target Company are listed on Bombay Stock Exchange (BSE), Calcutta Stock Exchange (CSE) and on Bhubaneshwar Stock Exchange (BhSE). The equity shares of Target Company are frequently traded on BSE and are infrequently traded on BhSE and on CSE. The Board of Directors of the Target Company has approved the listing of equity share on the National Stock Exchange of India Limited ("NSE"). Further, shareholders of the Target Company at the Annual General Meeting of the Target Company have approved delisting of equity shares from CSE. Listing at NSE is pending and application for delisting has been sent to CSE and the same is pending at CSE

4.4 As on March 31, 2011, Orissa Sponge does not have any outstanding partly-paid up shares.

4.5 The Emerging Voting Capital of the Target Company is calculated as follows:

Particulars	**No. of equity shares**
Total current equity shares issued (A)	27,000,000
Warrants in dispute as on date of Letter of Offer (B)	3,500,000
Emerging Voting Capital (C) = (A) + (B)	30,500,000

Note: 7,000,000 warrants have been converted to equal number of equity shares post PA, but prior to date of the Letter of Offer. In respect of 30,00,000 warrants which have been converted into equity shares, Delhi High Court vide its order dated 03-03-09 and 06-03-09 has restrained parties to exercise any right attached to the said 30,00,000 warrants / shares. In addition to the 70,00,000 warrants which were converted to equal number of shares, there are 3,500,000 convertible warrants in dispute, which together with the current equity shares of 27,000,000 constitute the Emerging Voting Capital of the Target Company. The 3,500,000 convertible warrants in dispute are pending before the Securities and Exchange Board of India.

Details of Warrants Issued, Converted and Pending for conversion are as follows:

No. of Warrants	**Converted/ Pending**	**Entity to whom allotted**
40,00,000	Converted	TRFI Investment Pvt. Ltd.
30,00,000	Converted	TRFI Investment Pvt. Ltd
15,00,000	Pending (in dispute)	Prakausauli Investments (India) Pvt. Ltd
20,00,000	Pending (in dispute)	Prakausauli Investments (India) Pvt. Ltd

Details of litigations pending for the above mentioned warrants are as under:

S No.	**Petition**	**Forum**	**Case Particulars**	**Present Status**

1.	CS (OS) No. 85/2012	High Court of Delhi	TRFI Investment Pvt. Ltd filed suit for declaration and permanent injunction against Pisces Portfolio(s) Pvt. Ltd and Moonstar Securities Trading & Finance Co. Pvt. Ltd in respect of alleged sale/assignment of 30 lacs warrants.	Written Statement by Defendant No.2 i.e Moonstar Securities Trading & Finance Company Pvt. Ltd. has been filed. Further pleadings to be completed and now Listed for admission/denial of documents. Next date of hearing is September 20, ,2012.
2.	CS(OS) No. 424/2009	High Court of Delhi	Moonstar Securities Trading and Finance Company Pvt. Ltd. filed a Suit in High Court in respect of 30 lacs warrants of Orissa Sponge Iron & Steel Limited assigned / sold to it by Pisces Portfolio (P) Ltd. 30 Lac warrants were allotted to TRFI and the same were converted into equal number of equity shares in the Board meeting of the Company held on March 4, 2009	Hon'ble High Court of Delhi vide its order dated March 3, 2009 (communicated on March 5, 2009) & March 6, 2009 stated that none of the parties shall exercise any right attached to 30 lacs warrants and/or equity shares in question till the next date of hearing, which is currently operative Matter is pending before Delhi High Court. Next date of hearing is 31/07/2012
3.	Application Filed by Bhushan Energy Ltd	Securities and Exchange Board of India	Bhushan Energy Ltd has filed petition before Supreme court of India in respect of 35 lacs warrants. Vide its order dated May 7, 2012 in SLP no. 14740/2011, Supreme court of India has made direction to Securities and Exchange Board of India to decide the matter, after taking into consideration the submission and contention advanced by both sides.	On June 15, 2012, the Target Company has received letter no.CFD/DCR/TO/RM/12855 /12, Dated June 12, 2012 from the Securities and Exchange Board of India (SEBI) vide which target company has been directed by SEBI to make its submissions on or before June 27, 2012.

4.6 The shareholding pattern of Orissa Sponge as on March 31, 2012 was as follows:

Shareholder	**No. of shares**	**% holding**
Total Promoters' shareholding	13,262,933	49.122
Total non-promoter shareholding	13,737,067	50.878
Total	27,000,000	100.00

4.7 The following table provides capital build-up of Orissa Sponge since inception:

Date of allotment	**No and % of shares issued**	**Cumulative paid up capital (Rs.)**	**Mode of allotment**	**Identity of allottees (Promoters / ex.**	**Status of compliance**
09.04.1979	1,720,070	17,200,700	Formation period	Promoters	All formalities complied
23.06.1980	4,279,930	60,000,000	First Public Offer	Public	All formalities complied
09.07.1993	1,237,958	72,379,580	Conversion of loan in to equity	Promoters & others	All formalities complied
26.04.1995	3,583,004	108,209,620	Rights Issue	All shareholders	All formalities complied
31.10.2003	1,080,122	119,010,840	Bonus	All shareholders	All formalities complied
30.09.2004	15,100	118,859,840	Forfeiture	N/A	All formalities complied
31.05.2005	15,100	119,010,840	Re-issue	Torsteel Research	All formalities

				Foundation in India	complied
31.01.2006	1,188,916	130,900,000	Conversion of warrants	Torsteel Research Foundation in India	All formalities complied
28.08.2006	1,410,000	145,000,000	Conversion of warrants	Torsteel Research Foundation in India	All formalities complied
19.12.2007	5,500,000	200,000,000	Conversion of warrants	1500000 to existing shareholders & 4000000 to FII	All formalities complied
28.02.2009	4,000,000	240,000,000	Conversion of warrants	TRFI Investment Pvt. Ltd.	All formalities complied
04.03.2009	3,000,000	270,000,000	Conversion of warrants	TRFI Investment Pvt. Ltd.	All formalities complied

Allotment of abovementioned warrants / shares is a subject matter of ongoing litigation. The details of which are as follows:

S No.	Petition	Forum	Case Particulars	Present Status
1.	CS (OS) No. 85/2012	High Court of Delhi	TRFI Investment Pvt. Ltd filed suit for declaration and permanent injunction against Pisces Portfolio(s) Pvt. Ltd and Moonstar Securities Trading & Finance Co. Pvt. Ltd in respect of alleged sale/assignment of 30 lacs warrants.	Written Statement by Defendant No.2 i.e. Moonstar Securities Trading & Finance Company Pvt. Ltd has been filed. Further pleadings to be completed and now Listed for admission/denial of documents. Next date of hearing is September 20, 2012.
2.	CS(OS) No. 424/2009	High Court of Delhi	Moonstar Securities Trading and Finance Company Pvt. Ltd. filed a Suit in High Court in respect of 30 Lacs warrants of Orissa Sponge Iron & Steel Limited assigned / sold to it by Pisces Portfolio (P) Ltd. 30 Lac warrants were allotted to TRFI and the same were converted into equal number of equity shares in the Board meeting of the Company held on March 4, 2009	Hon'ble High Court of Delhi vide its order dated March 3, 2009 (communicated on March 5, 2009) & March 6, 2009 stated that none of the parties shall exercise any right attached to 30 lacs warrants and/or equity shares in question till the next date of hearing which is currently operative Matter is pending before Delhi High Court. Next date of hearing is 31/07/2012
3.	Civil Appeal No. 6314-15/2011	Supreme Court of India	BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd and Bhushan Energy Ltd has filed petition before CLB, New Delhi vide which it has been alleged the certain shares of Orissa Sponge has been issued in favour of TRF (Torsteel Research Foundation in India) in violation of Section 77 of Companies Act, 1956. The said contention of the petitioner was rejected by CLB vide its order dated 06-10-09. Against the Order of CLB, Appeal has been filed by the BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd which was also rejected by Hon'ble Orissa High court vide its order dated 22-02-2011 in COPET no. 40	Matter is still pending.

			& 41 of 2009. Against the order dated 22-02-2011 of Orissa High Court, Appellant has filed SLP which has been admitted and now it is to be heard as Civil Appeal. Total 23,88,916 equity shares of Orissa Sponge are subject matter of this Civil Appeal. Next date of hearing is yet to be fixed.	

4.8 The Board of Directors of Orissa Sponge (as on the date of Letter of Offer) comprised of the following:

Name of the Director	Designation	Experience	Qualification	Date of Appointment	Address
Mr. C. J. Venugopal, DIN: 01755962	Chairman	Served and serving Govt. of Orissa in various capacities	IAS	09.07.2010	Industrial Promotion & Investment Corporation, of Orissa Limited, IPICOL House Janpath, Shahidnagar, Bhubaneswar 751 007.
Mr. S.K. Khetan DIN: 01297082	Director	Practicing Chartered Accountant for last 24 years and 7 years of experience as Promoters and Developers in Real Estate. He is also an expert analyst and consultant in the financial and share market.	FCA, B.Com (H)	06.06.2009	46, B.B. Ganguly Street, 1st Floor, Room No.4, Kolkata-700012
Mr. B. K. Sarkar DIN: 00670952	Director	Corporate Finance, Project Management, Financial restructuring, appraisal of new projects.	Bachelor of Engineering (Chemical)	10.05.2010	S-435 Greater Kailash, Part-II, New Delhi 110048
Mr. M.A. Khan DIN: 00264308	Director	Head of Project Engineering, Orissa Sponge	B.Sc. (Engg.)	30.07.2004	Plot No.251/3301, Tapaswini,Gangadhar Meher Marg,KIIT Bhubaneswar-751024
Dr. P.K. Mohanty DIN: 00238329	Vice Chairman & Managing Director	Founder of TRFI / Orissa Sponge	Ph.D. (Engg)	23.06.2005	3B, Monalisa 17, Camac Street Kolkata 700 017.
Mr. Munir Mohanty DIN: 00264239	Director	Wholetime Director since 30.04.2007 and looking after the overall management of the Company.	B.Sc., MBA	30.04.2007	3B, Monalisa 17, Camac Street Kolkata 700 017.
Mr. S.N. Nayak DIN: 03542632	Director	Working with Industrial Promotion and Investment Corporation of Orissa Ltd., a Govt of Orissa Undertaking, (IPICOL) since 1977 and presently a "Manager"	B.Com	26.02.2011	Plot No.24(P) & 25(P) C.S. Pur, Bhubaneswar-751022
Mr. P.C. Mohanty DIN: 05211242	Director	Working with Govt. of Orissa in various capacities since 1989 and presently General Manager (P&A) of Industrial Promotion and Investment Corporation	MA	23.11.2011	Qtr No. 3R 162 Road No.1, Unit IX, Bhubaneswar-751022

		of Orissa Ltd., a Govt of Orissa undertaking, (IPICOL)			

4.9 The financial details* of Orissa Sponge are as under, in compliance with the provisions of Clause 6.14 to the standard letter of offer format as prescribed by SEBI:

(Amount in Rs. lacs)

Profit & Loss Statement	**FY 2009**	**FY 2010**	**FY 2011**	**Nine month ended Dec 2011**
	Audited	Audited	Audited	Unaudited
Income from operations	18,883.16	17,577.20	14,560.67	6,062.28
Other Income	76.81	672.38	636.42	176.44
Total Income	18,959.97	18,249.58	15,197.09	6,238.72
Total Expenditure.	18,830.64	18,195.58	18,962.82	8,332.79
Profit Before Depreciation Interest and Tax	129.33	54.00	(3,765.73)	(2,094.07)
Depreciation	958.17	1,163.21	1,436.63	1,078.20
Interest	2,484.45	2,447.37	3,101.23	2,215.99
Profit Before Tax	(3,313.29)	(3,556.58)	(8,303.59)	(5,388.26)
Provision for Tax	39.66	-	-	-
Deferred Tax Assets	632.75	1,220.08	3,017.23	-
Profit After Tax	(2,720.20)	(2,336.50)	(5,286.36)	(5,388.26)

(Amount in Rs. lacs)

Balance Sheet Statement	**As at 31st March,2009**	**As at 31st March, 2010**	**As at 31st March, 2011**	**As at 31st Dec 2011**
	Audited	Audited	Audited	Unaudited
Paid up share capital	2,700.00	2,700.00	2,700.00	2,700.00
Equity share warrants	601.50	601.50	601.50	601.50
Reserves and Surplus (excluding revaluation reserve and after adjustment of accumulated losses)	19,691.23	17,354.73	12,068.37	6,680.12
Net worth	22,992.73	20,656.23	15,369.87	9,981.62
Secured loans	20,719.58	20,137.62	21,617.36	20,726.40
Unsecured loans	25.00	40.00	-	-
Deferred Tax Liability	-	-	-	-
Total	**43,737.31**	**40,833.85**	**36,987.23**	**30,708.02**
Application of funds				
Net fixed assets (At cost less depreciation)	15,726.08	23,696.18	22,377.11	21,735.41
Capital work in progress	12,260.18	3,546.50	4,130.23	4,368.72
Investments	232.09	639.46	496.39	496.39
Net current assets	15,081.68	11,294.35	5,308.91	(567.09)
Deferred Tax Assets	437.28	1,657.36	4,674.59	4,674.59*
Total miscellaneous expenditure not written off	-	-	-	-
Total	**43,737.31**	**40,833.85**	**36,987.23**	**30,708.02**

* Note: Provisions for deferred tax, if any, for the year shall be made at the end of the year. As such, there is no change in deferred tax assets.

Other Financial Data	FY 2009	FY 2010	FY2011
Dividend (%)	Nil	Nil	Nil
Earning Per Share	-ve	-ve	-ve
Return on Net worth	-ve	-ve	-ve
Book Value Per Share	85.16	76.50	56.93

*These financial information of Orissa Sponge are based on the audited financial report for the year ended March 31, 2009, March 31, 2010 and March 31, 2011. And the unaudited financial report for the nine months ended December 31, 2011 has been subjected to a limited review by the statutory auditor. Auditor has reviewed the Unaudited Financial Statements for the nine month ended 31st December 2011 in accordance with the Standard on review Engagement (SRE) 2400, "Engagement to Review Financial Statements" issued by the Institute of Chartered Accountants of India. The review is limited to inquiries of company personnel and analytical procedures applied and financial data thus provides less assurance than an audit. Auditor has not performed an audit and accordingly, they do not express an audit opinion on the financial statement for the nine month ended 31st December 2011.

Auditor has further reported that, in the Audited financial statements for the year ended 31st March 2009 and 31st March 2010 of the Company, they have qualified the Audit Reports for not considering the following adjustments:

Adjustments/rectification for all incorrect accounting policies or failures to make provisions or other adjustments which resulted in audit qualification;	**Audit qualification in FY 2008-09**		**Management Response**
	(i)	Non provision of old receivables from a party – Rs.274 lacs	The Management considers that the amount is recoverable and adequate steps are being taken for recovery. Hence No adjustment has been made.
	(ii)	Non provision of investment in and advances given to an associate company – Rs.1,843 lacs	The Management considers that the associate company is potentially viable and will generate revenue in future for repayment of advances. Hence no adjustments have been made.
	Audit qualification in 2009-10		**Management Response**
	(i)	Non provision of old receivables from a party – Rs.274 lacs	The Management considers that the amount is recoverable and adequate steps are being taken for recovery. Hence No adjustment has been made.
	(ii)	Non provision of investment in and advances given to an associate company – Rs.1,931 lacs	The Management considers that the associate company is potentially viable and will generate revenue in future for repayment of advances. Hence no adjustments have been made.
Material amounts relating to adjustments for last three years shall be identified and adjusted in arriving at the profits of the years to which they relate;	There are no material amounts requiring adjustments.		
Where there has been a change in accounting policy during the last three years, the profits or losses of those years shall be re-computed to reflect what the profits or losses of those years would have been if a uniform	There has been no change in the accounting policy during last three years.		

accounting policy was followed in each of these years. However, if an incorrect accounting policy is being followed, the re-computation of the financial statements would be in accordance with correct accounting policies;	
Statement of profit of loss shall disclose both the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.	There were no extra-ordinary items requiring disclosure/adjustments.
The statement of assets and liabilities shall be prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.	Statement of Assets and Liabilities have been prepared after deducting revaluation reserve from fixed assets and net worth.
Major contingent liabilities and reasons for fall/rise in total income and PAT in the relevant years.	There had been no impact in the total income disclosed in the financial statements for major contingent liabilities.

Reason for change in income from operation of FY10 vis-a vis FY09

Loss before tax in FY 10 has increased marginally due to lower capacity utilisation. However loss after tax has gone down due to impact of deferred tax amount.

Reason for change in income from operation of FY11 vis-a vis FY10

The company incurred substantial losses during the year mainly due to lower capacity utilisation, non availability of the required quantity and quality of basic raw materials viz. iron ore & coal, higher price of raw materials and un-remunerative selling price which is determined by the international price of scrap.

Reason for change in Book value:

Change in the book value is due to reduction in net worth consequently to the losses suffered by the company.

4.10 Major contingent liabilities which are not provided for are as follows: (Rs. In lacs)

	FY 2010-11
i) For Letters of Credit and for Counter Guarantees to the Banks for guarantees given by them.	811.28
ii) Disputed Sales Tax (under appeal) (Includes Rs. 1,175.80 lacs towards disallowance of branch transfer and consignment transfer of finished goods)	3403.36
iii) Disputed Central Excise (under appeal)	49.17
iv) Income Tax Demand (under appeal)	393.49
v) For guarantee given to Keonjhar Central Co-Operative Bank Ltd. for cash credit facilities obtained by Bilati (Orissa) Ltd.	126.93
vi) Joint Undertaking given for “over-run / shortfall and Guarantee –cum-Undertaking” , in debt service account and debt repayment, in the event of default, in connection with term loan of Rs. 58 crores, granted by State Bank of India to Keonjhar Infrastructure Development Company Ltd. (KIDCO). KIDCO has been floated by mine owners and industries of the localities including Orissa Sponge Iron & Steel Limited for development of Palaspanga –Bamebari Road under BOT arrangement.	Not Ascertainable

Recent Update on Orissa Sponge: Financial Results for March 31, 2012

On May 10, 2012, Orissa Sponge has informed the Stock Exchanges viz. BSE and NSE, about its Financial Results for the period ended March 31, 2012 and accordingly a copy of the Limited Review Report for the period ended March 31, 2012 was submitted to BSE and NSE. The same is reproduced below for reference:

STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER AND FOR THE YEAR ENDED ON 31st MARCH, 2012

All amount is in Rs. Lacs except Basic and Diluted EPS

	Particulars	Quarter ended	Year ended
		31.03.2012	**31.03.2012**
		(Un-audited)	**(Un-audited)**
1.	Income from Operations		
	a) Net sales / income from operations	3540.08	9454.70
	Net of excise duty)		
	b) Other operating income	218.88	451.86
	Total income from operations (net)	3758.96	9906.56
2	Expenses		
	a) Cost of materials consumed	3249.91	8053.65
	b) Change in inventories of stock - in trade	249.75	779.90
	c) Employee benefits expenses	581.35	2409.35
	d) Depreciation	130.40	1208.60
	e) Power and fuel	74.81	248.53
	f) Other Expenditure	352.82	1350.00
	g) Total Expenses (a+b+c+d+e +f)	4639.04	14050.03
3	Profit /(Loss) from Operations before Other	(880.08)	(4143.47)
	Income,Interest & Exceptional items (1 - 2)		
4	Other Income	54.66	145.78
5	Operating Profit /(Loss) before Interest &	(825.42)	(3997.69)
	Exceptional items (3 + 4)		
6	Interest & Finance charges	1013.07	3229.06
7	Profit/(Loss) after interest but before Exceptional items (5-6)	(1838.49)	(7226.75)
8	Exceptional items	-	-
9	Profit/(Loss) from ordinary Activities before Tax (7-8)	(1,838.49)	(7,226.75)
10	Tax Expenses:		
	Current Taxes	-	-
	Deferred Taxes	-	-
11	Net Profit(+)/Loss(-) from Ordinary Activities after Tax (7-8)	(1838.49)	(7226.75)
12	Extaordinary items	-	-
13	Net Profit/(Loss) for the period (11-12)	(1838.49)	(7226.75)
14	Paid-up Equity Share Capital (Face value per share Rs.10/-)	2700.00	2700.00
15	Reserves excluding revaluation reserves		
16	Earnings Per Share - Basic & Diluted		
	(Not Annualised)		
	a) Before Extraordinary items - Basic	(6.81)	(26.77)
	b) Before Extraordinary items - Diluted	(6.81)	(26.77)

Notes :

1 As the company's business activity falls within a single primary business segment, viz. "Iron & Steel" the disclosure requirement of AS-17 "Segment Reporting" issued by ICAI are not applicable.

2 These results were taken on record by the Board of Directors in its meeting held on 5th May ,2012 after limited review by the Auditors & review by the Audit Committee of the Company

3 Provisions for deferred tax , if any , shall be made in the audited accounts

4 Previous quarter / period figures have been regrouped and reclassified wherever required

4.11 Significant accounting policy of Orissa Sponge as on March 31, 2011

I. Basis of preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (GAPP). Financial statements comply with the applicable Accounting Standards (AS) specified in Companies (Accounting Standard) Rules, 2006 and presentational requirement of the Companies Act, 1956.

II. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the result of operations during the year. Differences between actual results and estimates are recognized in the year in which the results are known or materialized. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

III. Fixed assets / Depreciation.

Fixed assets are stated at cost or at revalued amounts less accumulated depreciation. Cost of fixed assets includes all incidental expenses and interest costs on borrowings, attributable to the acquisition of the assets, upto the date of commissioning of the assets. Depreciation for the year is computed on the straight line method, as per the rates prescribed in Schedule XIV to the companies Act.1956. Additional charge of depreciation on amount added on revaluation is adjusted against revaluation reserve.
Fixed assets are reviewed for impairment on each Balance Sheet date, in accordance with AS 28 “Impairment of Assets”.

IV. Revenue recognition

Revenue from sale of products is recognized when the products are dispatched against orders from customers in accordance with the contract terms, which coincides with the transfer of risks and rewards. Revenue from services are recognized when services have been rendered in accordance with the contract terms.
Revenue from the sale of power is recognized based on monthly bill raised as per month-end meter reading.
Sales are stated inclusive of excise duty and net of rebates, trade discounts and sales tax.
Dividend income is recognized when the Company’s right to receive dividend is established. Interest income is recognized on accrual basis on implicit interest rates.

V. Carbon Credit

CER credits are accounted for on an accrual basis as estimated / certified by the Accredited Agencies. Year end unsold CER CREDITS is valued at net realizable value.

VI. Investments

Investments held by the company which are long term in nature are stated at cost unless there is any permanent diminution in value, where provision for diminution is made on individual investment basis. Current investments are carried lower of cost and fair value. Earnings on investment are accounted on accrual basis.

VII. Inventories

Finished goods and saleable products are valued at lower of costs, computed on weighted average basis, and net realizable value. Cost includes on appropriate portion of manufacturing and other overheads. Excise duty on finished goods is included in the value of finished goods.

Raw materials are carried at cost computed on a weighted average basis, after providing for obsolescence. In case there is a decline in replacement cost of such material and the net realizable value of finished product in which they will be used is expected to be below cost, the value is appropriately written down.
Stores and Spare parts are valued at cost and are computed on a weighted average basis.

VIII. Retirement Benefits and Employee Benefits Schemes

a) Provident Fund:
Retirement benefit in the form of Provident Fund is a defined benefit obligation of the Company and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. Shortfall in the funds, if any, is adequately provided by the Company.

b) Superannuation Fund:
Superannuation Fund (for certain class of employees) is a defined contribution scheme liability and contribution in respect of Superannuation Fund of the concerned employees is accounted for as per Company's scheme and paid to the Life Insurance Corporation of India (LICI) every year. The contributions to the fund are charged in the Profit & Loss Account of the year. The Company does not have any other obligations to the Fund other than the contribution payable to LICI.

c) Gratuity Fund:
Gratuity Fund is a defined benefit obligation and is provided on the basis of actuarial valuation on project unit credit method at the end of each financial year. The Company has taken a policy with LICI to cover the gratuity liabilities of the employees and contribution paid to LICI is charged to Profit & Loss Account. The difference between the actuarial valuation of gratuity of the employees at the year end and the balance of fund with LICI is recognized as Liability in the Books of Accounts.

d) Leave Encashment:
Short term compensated absence are provided on the basis of actuarial valuation at the year end. The actuarial valuation is as per project unit credit method.
Actuarial gains/losses are recognized immediately in the Profit & Loss Account and are not deferred.

IX. Research and Development

Revenue expenditure on research and development is charged to Profit and Loss Account. Capital expenditure on tangible assets for research and development is shown as additions to Fixed Assets.

X. Foreign Currency Transaction

Transactions in foreign currency are recorded initially at the exchange rate prevailing at the date of transaction. Monetary assets or liability in currencies other than the reporting currency and foreign exchange transactions remaining unsettled at the balance sheet date are valued at the year end exchange rate.

Exchange difference arising on the settlement of monetary items and on the re-settlement of the monetary items are recognized as income or expense in the Profit and Loss Account.

XI. Relining Expenses

Expenditure on relining of kiln and cooler is charged to profit and loss account in the year in which it is incurred.

XII. Taxation

a) Current Taxes:
Provision for current taxes is determined on the basis of taxable income and tax credits as per provision of the Income Tax Act 1961.

b) Deferred Taxes:
Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognized using the tax rates that have been enacted or substantially enacted on the Balance Sheet date.
Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognized only if there is virtual certainty of realization of such amounts.

XIII Lease:

Where the Company is a lessee, financial leases, effectively transferred to the Company substantially, of the risk and benefits incidental to the ownership of the lease item, are capitalized at the lower of the fair value and present value of the minimum lease payment at the inception of the lease starts. Lease payments are apportioned between the finance charge and deduction of the lease liability based on the implicit rate of return. Finance charges are expensed.

XIV Borrowing Cost:

Borrowing Costs that are attributable to the acquisitions, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

XV Provisions and Contingent Liabilities

A provision is recognized when it is more likely that an obligation will result in an outflow of resources. Provisions are not discounted at their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current management estimates.
A disclosure for a contingent liability is made where it is more likely than a present obligation or possible obligation would not result in or involve an outflow of resources.

XVI Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.
For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

4.12 The equity shareholding in Orissa Sponge as on March 31, 2012 before the Offer and after the Offer (assuming full acceptance of the Offer and conversion of all outstanding warrants) is given in the table below:

Shareholders' category	Shareholding / Voting Rights prior to the Offer		Shareholding / Voting Rights to be acquired in the Open Offer (Assuming full acceptances and full conversion of warrants)		Shareholding / Voting Rights after the Offer	
	(A)		(B)		(A)+(B)+(C)	
	No. of shares	%	No. of shares	%	No. of shares	%
(1) Promoter Group						
*TRF	31,50,589	11.67				
TRFI	85,02,190**	31.49				
IPICOL	14,55,999	5.39				
Dr. P.K. Mohanty	1,15,555	0.43				
Mrs. Mohanty	38,600	0.14				
Total 1	1,32,62,933	49.12			1,32,63,933	43.49
(2) Acquirers						
a. Acquirer/ Mounteverest	29,90,000	11.07	6,100,000	22.59	90,90,000	29.80

b. PAC 1 or TRF	31,50,589	11.67				
c. PAC 2 or TRFI	85,02,190	31.49				
Total 2	1,46,42,779	54.23				
3) Parties to agreement other than (1) (a) & (2) above	-					
Total 3	-					
(4) Public (other than parties Agreement, Acquirers)			3,500,000	12.96	35,00,000	11.48
a. FIs / /MFs / FIIs / Banks/ SFIs	17,122	0.06				
b. Others	1,37,19,945	50.82				
Total (4) (a+b)	1,37,37,067	50.88			46,46,067	15.23
GRAND TOTAL (1+2a+3+4)	2,70,00,000	100.00			3,05,00,000	100.00

**Of the total of 3,150,589 shares belonging to TRF, 1,38,500 shares are held by TRF directly while 3,012,089 shares are held in the name of the Trustee of TRF i.e. Dr. P.K. Mohanty.*

***Voting Rights with regard to 30 lacs shares are subject matter of dispute pending before Hon'ble Delhi High Court.*

As on the date of letter of offer details of warrants allotted by Company are as under:

No. of Warrants	Converted/ Pending	Entity to whom allotted
40,00,000	Converted	TRFI Investment Pvt. Ltd.
30,00,000	Converted	TRFI Investment Pvt. Ltd
15,00,000	Pending* (in dispute)	Prakausauli Investments (India) Pvt. Ltd
20,00,000	Pending* (in dispute)	Prakausauli Investments (India) Pvt. Ltd

* Dispute is pending before Securities and Exchange Board of India.

Details of litigation pending against warrants and equity shares allotted to Persons Acting in Concert:

S No.	Petition	Forum	Case Particulars	Present Status
1.	CS (OS) No. 85/2012	High Court of Delhi	TRFI Investment Pvt. Ltd filed suit for declaration and permanent injunction against Pisces Portfolio(s) Pvt. Ltd and Moonstar Securities Trading & Finance Co. Pvt. Ltd. in respect of alleged sale/assignment of 30 lacs warrants.	Written Statement by Defendant No.2 i.e. Moonstar Securities Trading & Finance Company Pvt. Ltd. has been filed. Further pleadings to be completed and now Listed for admission/denial of documents. Next date of hearing is September 20,2012.
2.	CS(OS) No. 424/2009	High Court of Delhi	Moonstar Securities Trading and Finance Company Pvt. Ltd. filed a Suit in High Court in respect of 30 Lacs warrants of Orissa Sponge Iron & Steel Limited assigned / sold to it by Pisces Portfolio (P) Ltd. 30 Lac warrants were allotted to TRFI and the same were converted into equal number of equity shares in the Board meeting of the Company held on March 4, 2009	Hon'ble High Court of Delhi vide its order dated March 3, 2009 (communicated on March 5, 2009) & March 6, 2009 stated that none of the parties shall exercise any right attached to 30 lacs warrants and/or equity shares in question till the next date of hearing which is currently operative Matter is pending before

				Delhi High Court. Next date of hearing is 31/07/2012
3.	Application filed by Bhushan Energy Ltd	Securities and Exchange Board of India	Bhushan Energy Ltd has filed petition before Supreme court of India in respect of 35 lacs warrants. Vide its order dated 7th May, 2012 in SLP no.14740/2011, Supreme court of India has made direction to Securities and Exchange Board of India to decide the matter, after taking into consideration the submission and contention advanced by both sides	On June 15, 2012, the Target Company has received letter no.CFD/DCR/TO/RM/12855 /12, Dated 12, 2012 from Exchange Board of India vide which target company has been directed by SEBI to make its submissions on or before 27th June, 2012.
4.	Civil Appeal No. 6314-15/2011	Supreme Court of India	BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd and Bhushan Energy Ltd has filed petition before CLB, New Delhi vide which it has been alleged the certain shares of Orissa Sponge has been issued in favour of TRF (Torsteel Research Foundation in India) in violation of Section 77 of Companies Act, 1956. The said contention of the petitioner was rejected by CLB vide its order dated 06-10-09. Against the Order of CLB, Appeal has been filed by the BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd which was also rejected by Hon'ble Orissa High court vide its order dated 22-02-2011 in COPET no. 40 & 41 of 2009. Against the order dated 22-02-2011 of Orissa High Court, Appellant has filed SLP which has been admitted and now it is to be heard as Civil Appeal. Total 23,88,916 equity shares of Orissa Sponge are subject matter of this Civil Appeal. Next date of hearing is yet to be fixed.	Matter is still pending. Next date of hearing is yet to be fixed

4.13 Pursuant to Regulation 23(2) of the SEBI (SAST) Regulations, Orissa Sponge will provide the list of shareholders or warrant holders as are eligible for participation on the specified date i.e., February 27, 2009. There were 8,667 shareholders as on the specified date.

4.14 As per the information provided by the Target Company, the trading of its shares has neither been suspended by any stock exchange nor has there been any instance of refusal to list its shares.

4.15 Details of changes in the promoter holding on account of capital issued as and when it has happened in the Target Company are as below. As on date of PA, the promoter shareholding in the Target Company is

Date of allotment	No and % of shares issued	Cumulative promoter holding	Cumulative paid up capital	Mode of allotment	Identity of allottees	Status of compliance
09.04.1979	70	700	700	Formation period	IPICOL & TRFI Group	All formalities complied
23.06.1980	20,80,000	3,66,00,000	6,00,00,000	First Public Offer	IPICOL & TRFI Group	All formalities complied
09.07.1993	18,56,938	3,85,50,880	7,23,79,580	Conversion of loan in to equity	IPICOL & TRFI Group	All formalities complied
26.04.1995	17,81,776	5,34,51,290	10,82,09,620	Rights Issue	IPICOL & TRFI Group	All formalities complied
31.10.2003	5,70,353	63,37,372	11,90,10,840	Bonus	IPICOL & TRFI Group	All formalities complied
31.05.2005	15,100	63,71,752	11,90,10,840	Re-issue of forfeited shares	IPICOL & TRFI Group	All formalities complied
31.01.2006	11,88,916	75,60,668	13,09,00,000	Conversion of warrants	IPICOL & TRFI Group	All formalities complied
28.08.2006	14,10,000	89,70,668	14,50,00,000	Conversion of warrants	IPICOL & TRFI Group	All formalities complied
28.02.2009	4,000,000	1,02,19,333	2,40,00,000	Conversion of warrants	IPICOL & TRFI Group	All formalities complied
04.03.2009	3,000,000	1,32,19,333	2,70,00,000	Conversion of warrants	IPICOL & TRFI Group	All formalities complied

The status of compliance with Chapter II of the Regulations by the Target Company within the time specified in the Regulations and delay if any with regard to the same has been attached in **Annexure I.**

Details of litigations pending against above mentioned warrants and equity shares allotted to Persons Acting in Concert is as follows:

S No.	Petition	Forum	Case Particulars	Present Status
1.	CS (OS) No. 85/2012	High Court of Delhi	TRFI Investment Pvt. Ltd filed suit for declaration and permanent injunction against Pisces Portfolio(s) Pvt. Ltd and Moonstar Securities Trading & Finance Co. Pvt. Ltd. in respect of alleged sale/assignment of 30 lacs warrants.	Written Statement by Defendant No.2 i.e. Moonstar Securities Trading & Finance Company Pvt. Ltd has been filed. Further pleadings to be completed and now Listed for admission/denial of documents. Next date of hearing is September 20, ,2012.
2.	CS(OS) No. 424/2009	High Court of Delhi	Moonstar Securities Trading and Finance Company Pvt. Ltd. filed a Suit in High Court in respect of 30 Lacs warrants of Orissa Sponge Iron & Steel Limited assigned / sold to it by Pisces Portfolio (P) Ltd. 30 Lac warrants were allotted to TRFI and the same were converted into equal number of equity shares in the Board meeting of the Company held on March 4, 2009	Hon'ble High Court of Delhi vide its order dated March 3, 2009 (communicated on March 5, 2009) & March 6, 2009 stated that none of the parties shall exercise any right attached to 30 lacs warrants and/or equity shares in question till the next date of hearing which is currently operative Matter is pending before Delhi High Court. Next date of hearing is 31/07/2012
3.	Civil Appeal No. 6314-	Supreme Court of India	BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd and Bhushan Energy Ltd has filed petition before	Matter is still pending. Next date of hearing is yet to be fixed

	15/2011		CLB, New Delhi vide which it has been alleged the certain shares of Orissa Sponge has been issued in favour of TRF (Torsteel Research Foundation in India) in violation of Section 77 of Companies Act, 1956. The said contention of the petitioner was rejected by CLB vide its order dated 06-10-09. Against the Order of CLB, Appeal has been filed by the BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd which was also rejected by Hon'ble Orissa High court vide its order dated 22-02-2011 in COPET no. 40 & 41 of 2009. Against the order dated 22-02-2011 of Orissa High Court, Appellant has filed SLP which has been admitted and now it is to be heard as Civil Appeal. Total 23,88,916 equity shares of Orissa Sponge are subject matter of this Civil Appeal. Next date of hearing is yet to be fixed.	

It is hereby disclosed that there have been instances of delay in compliances of Chapter II of the Takeover Regulations by the Target Company. SEBI may initiate action against the Target Company at a later stage in terms of the regulations and provisions of the SEBI Act for delayed compliance of the Takeover Regulation

4.16 Status of Corporate Governance & Pending Litigation

Corporate Governance

The Target Company is in the process of filling up the vacancy caused by the expiry of one of its directors by inducting a non-executive independent director who shall be liable to retire by rotation. The Target Company has otherwise duly complied with all the provisions under Clause 49 of the Listing Agreement relating to Corporate Governance.

Pending Litigation

LIST OF CASES PENDING BEFORE DIFFERENT COURTS/FORUMS/TRIBUNAL

1. INCOME TAX ACT

Sl. No.	**TITLE OF THE CASE**	**BRIEF FACTS OF THE CASE**	**COURT/ FORUM**	**EXTENT OF CLAIM**
1	Income Tax Appeal for the Asst. Year 2003-04	Disallowance of Employees' Contribution to Provident Fund	Commissioner of Income Tax (Appeals), Bhubaneswar	Rs.160.31 lacs
2	Income Tax Appeal for the Asst. Year 2004-05	Disallowance of Employees, Contribution to Provident Fund	Commissioner of Income Tax (Appeals), Bhubaneswar	Rs.142.08 lacs
3	Income Tax Tribunal for the Asst. Year 2006-07	Disallowance of Employees, Contribution to Provident Fund	Tribunal, Cuttack	Rs.62.70 lacs

4.	Income Tax Appeal for the Asst Year 2007-08	Disallowance of various expenses.	Commissioner of Income Tax (Appeals), Bhubaneswar	Rs.149.37 lacs
5.	Income Tax Appeal for the Asst. Year 2008-09	Disallowance of various expenses	Commissioner of Income Tax (Appeals), Bhubaneswar	Rs.181.54 lacs
6.	Income Tax Appeal for the Asst. Year 2009-10	Disallowance of various expenses	Commissioner of Income Tax (Appeals), Bhubaneswar	Rs.397.92 lacs

2. EXCISE ACT AND CUSTOM ACT

S. No.	TITLE OF THE CASE	BRIEF FACTS OF THE CASE	COURT/ FORUM	EXTENT OF CLAIM (in Rs.)
1	Differential Excise Duty for movement of sponge Iron to Billet unit for the period from 01.01.1997 to 28.02.1998	Differential Excise Duty on account of cost +115%	CESTAT. Kolkata	20,34,833/-
2	Penalty for Delay Payment of GTA Service Tax for the year 2005-06 & 2006-07	Service Tax paid during 2007 -08	Jt. Commissioner, Bhubaneswar	24,41,366/-
3	Differential Service Tax on Consulting Engineering Services for the year 2004-05	Differential Service Tax on Consulting Engineering Services for the year 2004-05 as per Balance sheet	Commissioner, Appeal Bhubaneswar	4,40,599/-
4	ED on captive consumption of Rolled product during 2005-06 & 2006-07 Ref. C.No V(72)15/Adjn/B-11/13/20105692A Dt.01.04.10	Excise Duty on Captive consumption of Rolled Product.	Addl. Comm, Bhubaneswar-II	17,75,618/-
5	Reversal of Cenvat credit on GTA Service Tax on generation of Iron Ore Fines & Coal Fine During 2005-06,2006-07 & 2007-08. Ref. V(15)65/S.Tax/Adjn/BBSR II/2009/7828 A	Service tax on generation of Iron ore Fines & Coal Fines	Addl. Comm, Bhubaneswar-II	37,08,580/-
6	Excise Duty on lower production of steel billets from Nov 2006 to March 2011. Ref C.No.V(72)15/Adj/Audit/B-II/108/2011/20202 A	Norms as per ER-5 & Periodical Return as per ER-6 & ER-1	Commissioner Bhubaneswar - II	71,66,431/-

3. CENTRAL SALES TAX ACT, LOCAL SALES TAX ACT (VAT)

S. No.	TITLE OF THE CASE	BRIEF FACTS OF THE CASE	COURT/ FORUM	EXTENT OF CLAIM (in Rs.)
1.	Non-deposit of Works Contract Tax in time	Penalty for non-deposit Works Contract Tax deducted from Contractor's bill	ST Deptt Orissa	1,01,98,446/-
2.	Various Routine Appeals	Dispute on branch transfer, Input Tax Credit benefits, non submission of C forms, benefit under IPR & alleged misuse of C Forms	Sales Tax Deptt. Orissa	32,01,42,938/-

4. FACTORIES ACT*

S. No.	TITLE OF THE CASE	BRIEF FACTS OF THE CASE	FORUM/ COURT
1	61 OR68/2008	Under Section 92 of the Factories Act. Fatal accident of late K D Rai, Crane Operator, during course of employment.	SDJM, Keonjhar Orissa
2	2(c)C.C. No-6/2010	Under section 92 of the Factories Act .Fatal accident of late Siba Sankar Patra,Contract Labour of M/s Unique Enterprises during the course of employment.	SDJM, Keonjhar Orissa
3	2(c)C.C. No-11/2010	Under section 92 of the Factories Act .Fatal accident of late Damodar Mahakud, Contract Labour of M/s A.K.Mohanty during the course of employment.	SDJM, Keonjhar Orissa
4	2(c)C.C. No-13/2010	Under section 92 of the Factories Act bodily injury due to accident of Sri Pitei Munda, Contract Labour of M/s P.N.Brahma during course of employment.	SDJM, Keonjhar Orissa

*** Extent of claim is not ascertainable at this stage**

5. INDUSTRIAL DISPUTE ACT

S. No.	TITLE OF THE CASE	BRIEF FACTS OF THE CASE	FORUM/ COURT	EXTENT OF CLAIM
1.	ID Case No.56/1995 Misc. case No.2079/1998	Sri Mangal Mahanta, was dismissed on the ground of misconduct, tried in the Labour Court, Sambalpur which awarded in his favour with reinstatement with back wages. Against above case no.56/1995 a writ petition was filed by the Management in the High Court, Cuttack challenging the Order which stayed by the High Court, Orissa, Cuttack subject to payment of last wages drawn.	Labour Court, Sambalpur High Court of Orissa, Cuttack	Reinstatement with back wages. Payment of back wages till disposal of the case.
2.	ID Case No. 14 of 2010	Some employees who were retrenched from the Company's services have filled a suit challenging before the Presiding Officer, Industrial Tribunal, Bhubaneswar against their retrenchment.	Presiding Officer, Industrial Tribunal, Bhubaneswar	Reinstatement in the Company

6. CONTRACT LABOUR (REGULATION AND ABOLITION) ACT*

S. No.	TITLE OF THE CASE	BRIEF FACTS OF THE CASE	FORUM/ COURT
1.	No. 5406(20)/DLO. Dated 18th Sept., 2007	On 03/9/2007, the contract workers sat on strike without notice which lasted nearly three months. The dispute was held for conciliation which ultimately failed. The matter has been referred by the LC, BBSR for adjudication with an order for prohibition of strike U/S 10(3) of ID Act. Referred to Labour Court, Sambalpur for adjudication & Strike prohibited by an order by the Labour Commissioner	DLO, Keonjhar LC, BBSR Referred to Labour Court, Sambalpur for adjudication
2.	Case No.2(c) C.C No-142/ 98	Labour Enforcement Officer (Central) Barbil filled a case for Lifting of Iron Ore through the Transporter from OMC's stacking ground outside the Mines premises under Sec.-23/24 of CL (R&A) Act.	JMFC, Barbil

*** Extent of claim is not ascertainable at this stage**

7. NEGOTIABLE INSTRUMENTS ACT

S. No.	TITLE OF THE CASE	BRIEF FACTS OF THE CASE	FORUM/ COURT	EXTENT OF CLAIM
1	U/s 138 Dishonour of Cheque	We have supplied the finished goods against PDC which was later dishonoured.	Magistrate	Rs.30,97,640

8. OTHER ACTS

S. No.	TITLE OF THE CASE	BRIEF FACTS OF THE CASE	FORUM/ COURT	EXTENT OF CLAIM
1.	GR Case No.130	Under Section 379/39 IPC Theft of one 15 H.P.ABB make Motor Material recovered by Police. Trial under progress.	JMFC-Keonjhar	Not Quantifiable
2.	GR Case No.161/2007	U/s 143/341/323/294/506/149 IPC. Commotion by Contract Workers. Trial under progress.	SDGM	Not Quantifiable
3.	ABB-NCJ No.1 of 2001	ABB not fulfilled the commitment as per our Agreement done	Arbitration Case	Rs. 12,14,02,099
4.	CS(OS) No. 424/2009	Moonstar Securities Trading & Finance Co Pvt. Ltd filed a Suit in High Court in respect of 30 Lacs warrants of Orissa Sponge Iron & Steel Limited assigned/sold to it by Pisces Portfolio. Delhi High Court vide its order dated 03-03-09 and 06-03-09 has restrained parties to exercise any rights attached to said 30 lacs warrants / shares.	High Court of Delhi	Not Quantifiable

		Next date of hearing is 31/07/2012		
5.	SLP (C) 27811/2009	Torsteel Research Foundation in India has filed W.P No 4155/09 before Orissa High Court vide which it had sought direction against IPICOL to first offer the share it propose to disinvest in Orissa Sponge to it in terms of Article of Association of Orissa Sponge. On 12-08-09 Writ Petition was decided in favour of Torsteel Research Foundation in India. Against the order dated 12.08.09 passed by Hon'ble Orissa High Court in W.P. No. 4155/09, IPICOL filed this SLP before supreme court which is pending	Supreme Court	Not Quantifiable
6.	ARBP 14/2009; M/s SAN Engineers vs Orissa Sponge Iron & Steel Ltd.	An application under section 11 of the Arbitration & Conciliation Act has been made, which is pending and next date of hearing is yet to be fixed.	High Court of Orissa, Cuttack	Rs. 21,84,171 (approx)
7.	Civil Appeal No. 6314-15 of 2011	BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd and Bhushan Energy Ltd has filed petition before CLB, New Delhi vide which it has been alleged the certain shares of Orissa Sponge has been issued in favour of TRF (Torsteel Research Foundation in India) Investment Pvt. Ltd in violation of Section 77 of Companies Act, 1956. The said contention of the petitioner was rejected by CLB vide its order dated 06-10-09. Against the Order of CLB, Appeal has been filed by the BNS Steel Trading Pvt. Ltd & BBN Transportation Pvt. Ltd which was also rejected by Hon’ble Orissa High court vide its order dated 22-02-2011 in COPET no. 40 & 41 of 2009. Against the order dated 22-02-2011 of Orissa High Court, Appellant has filed SLP which has	Supreme Court of India	Not Quantifiable

		been admitted and now it is to be heard as Civil Appeal. Total 23,88,916 equity shares of Orissa Sponge are subject matter of this Civil Appeal. Next date of hearing is yet to be fixed.		
8.	W.P. [c] no. 8145 of 2011	A writ petition has been filed by Orissa Sponge against Keonjhar Central Co-Operative Bank Ltd. who was approaching Orissa Sponge as a guarantor for payment of dues of Bilati (Orissa) Ltd.	High Court of Orissa, Cuttack	Not Quantifiable
9.	Application Filed by Bhushan Energy Ltd	Bhushan Energy Ltd has filed petition before Supreme court of India in respect of 35 lacs warrants. Vide its order dated 7th May, 2012 in SLP no.14740/2011, Supreme court of India has made direction to Securities and Exchange Board of India to decide the matter, after taking into consideration the submission and contention advanced by both sides SEBI has directed target company to file its submissions on or before 27th June, 2012.	Securities and Exchange Board of India	Not Quantifiable
10.	Rabo India Finance Ltd & Anr Vs. Orissa Sponge Iron & Steel Ltd	Rabo India Finance Ltd & Rabo India Securities Pvt. Ltd. has raised claim on alleged non payment of fee towards advisory services to Orissa Sponge Iron & Steel Ltd. The said claim has been denied by Orissa Sponge Iron & Steel Ltd. Next date of hearing is April 13, 2012	Conciliation Proceedings	Rs. 6,88,24,165 (approx)
11.	Civil Suit RFA No-27/2008 (arising out of CS No-183/2003.	Sree Jagannath Trading Co. (SJT) transported coal to Orissa Sponge through Shri. Antaryami Biswal (AB). AB made a claim for fuel price hike & also vehicle accident to SJT & Orissa Sponge in 2003. Sr. Judge passed decree in favour of AB for Rs. 83,262.70 in 2008. SJT preferred appeal against the impugned order for decree passed by the Learned Civil Judge, Sr.Divn., Talcher in	Addl. District Session Judge, Talcher.	No. claim has been made by appellants against the Company. As such no financial burden to the Company.

		C.S.No-183/2003. Since Orissa Sponge was named in the Original Case 183/2003, Orissa Sponge name was also mentioned in the Appeal by SJT.		
12.	ARBP No. 28 of 2011	Application under Section 11(6) of the Arbitration and Conciliation Act 1996 for appointment of Arbitrator	High court of Orissa, cuttack (Civil Appellate Jurisdiction)	Rs. 22,10,509/- + Interest @ 18% p.a. from due date to settlement date.
13.	Civil Suit No. 117 of 2011	Application for Decree for recovery of outstanding amount of Rs. 32,73,184.82 in connection with supply of silico manganese.	High Court of Calcutta (Ordinary Original Civil Jurisdiction)	Rs. 32,73,184.82 + Interest upon Judgement

4.17 Information about the Compliance Officer of the Target Company

Mr. Dileep K. Singh, former Company Secretary and Compliance Officer resigned with effect from June 30, 2009. Subsequently Mr. Munir Mohanty, Director, was appointed as Compliance Officer. Later Ms. Shikha Ruia took over as Compliance Officer. Since November, 2010 Mr. S. Ramakrishnan is appointed as the Compliance Officer. The correspondence address is as below:

Mr. S. Ramakrishnan
General Manager (F&A) & Company Secretary
Orissa Sponge Iron & Steel Limited
Address: 33A J L Nehru Road, CIC, 11th Floor, Kolkata-700071
Tel: +91 33 2288 3910 to 16
Fax: +91 33 2226 7470
Email ID: calosil@cal.vsnl.net.in

4.18 Orissa Sponge has not been involved in any mergers / demergers, spin-offs, acquisitions in the last three years.

5. OPTIONS IN TERMS OF REGULATION 21(2)

As per the listing agreement ("Listing Agreement") with the BSE and BhSE, the Target Company is required to maintain at least 25% public shareholding on a continuous basis. In the event that the acquisition made in pursuance to the Offer results in the public shareholding of the Target Company falling below the minimum level required as per the Listing Agreement, the Acquirer and the PAC undertake to comply with the requirements of the Listing Agreement, by adopting one of the methods specified therein.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1.1 Justification of Offer Price

The equity shares of Target Company are listed on The Bombay Stock Exchange Limited (BSE), The Calcutta Stock Exchange Association Limited (CSE) and Bhubaneshwar Stock Exchange (BhSE). The equity shares do not trade frequently either on BhSE or on CSE and there is hardly any trading that takes place either on BhSE or on CSE. The Public Announcement by the Acquirers, pursuant to Regulation 10 and 12 and other applicable provisions of Chapter III of, and in compliance with, the Regulations was made on February 25, 2009. The annualised trading turnover during the six calendar months ended January 31, 2009 preceding the Competitive Bid PA on BSE, CSE & BhSE is detailed in the table below.

Name(s) of stock exchange(s)	Total number of shares traded during six calendar months ended January 31, 2009	Total No. of listed Shares	Annualised trading turnover (in terms % of total listed shares)
BSE	3,747,202	#20,000,000	18.74%
BhSE	Nil	20,000,000	Nil
CSE	Nil	*14,500,000	Nil

Source: www.bseindia.com / letter from BSE, letter from BhSE, letter from CSE and reports from Target Company

Target Company has applied to the BSE vide its letter dated March 2, 2009, seeking approval for listing of 4,000,000 equity shares allotted (on account of conversion of warrants approved in the meeting held by Board of Directors of the Target Company on February 28, 2009). The listing approval has been received from Bombay Stock Exchange for the 40,00,000 shares (on account of conversion of warrants approved in the Meeting held by Board of Directors on 28th February, 2009) on June 22, 2009 and from Bhubaneswar Stock Exchange on April 13, 2009. The application for delisting of shares from Calcutta Stock Exchange was sent on 25th of March, 2009. Additionally, the Board of Directors of the Target Company in their meeting held on March 4, 2009 have approved the allotment of 3,000,000 equity shares (on account of conversion of 3,000,000 warrants) for which the Target Company could not complete the process of seeking listing approvals from Stock exchanges due to restrain order passed by Hon'ble High Court of Delhi.

*Note: As per Secretarial Audit Report of the Target Company dated 31 December 2008, the listed capital on CSE is 14,500,000 equity shares. While the Target Company vide their letter dated February 8, 2008 to the CSE had made an application for listing of 5,500,000 equity shares, the listing for these shares is pending approval from CSE. The shareholders of the Target Company at the Annual General Meeting of the Target Company have approved delisting of equity shares from CSE. Consequently, the Target Company vide its letter dated November 8, 2008 had made an application for delisting the equity shares listed on CSE.

The Shares of Target Company are frequently traded on BSE, infrequently traded on CSE and on BhSE within the meaning of explanation (i) to regulation 20(5) of the Regulations.

Adjudication Proceeding was held against TRF vide Notice dated 31st August, 2009 under Rule 4 of SEBI (Procedure for Holding Enquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 regarding purported violation of SEBI (SAST) Regulations. TRF had vide its letter dated 29th December, 2009 has filed Consent Application against the said Adjudication and has taken the necessary actions. The proceeding is closed as on the date of the Letter of Offer

6.1.2 The Competitive Bid Price of Rs. 310/- per share is justified in terms of Regulation 20 of the SEBI (SAST) Regulations, being not lower than, the highest of the following:-

(a) The negotiated price as per the SPSA	Rs. 283.00
(b) The highest price paid by the Acquirers for acquisition of equity shares of the Target Company during the 26-week period prior to the date of the Public Announcement	Rs. 269.04
(c) The average of the weekly high and low of closing prices of the equity shares of the Target Company on BSE for the 26 weeks preceding the date of the Public Announcement	Rs. 136.46
(d) The average of the daily high and low prices of the equity shares of the Target Company on BSE for the two weeks preceding the date of the Public Announcement	Rs. 217.95

The details of the price and volume data on the BSE are as under:

26-week Weekly High / Low

		CLOSING PRICE AT BSE			
Week Number	Week Ending	High (Rs)	Low (Rs)	Average (Rs)	Volume (Number of Shares)
1	24/02/2009	268.70	232.20	250.45	206,926
2	17/02/2009	221.15	182.00	201.58	6,758
3	10/02/2009	173.35	142.70	158.03	14,320
4	03/02/2009	135.95	111.95	123.95	2,445,138
5	27/01/2009	106.65	92.30	99.48	31,429
6	20/01/2009	87.95	76.00	81.98	8,855
7	13/01/2009	84.00	75.65	79.83	14,458
8	06/01/2009	96.75	88.40	92.58	35,398
9	30/12/2008	100.50	91.35	95.93	24,380
10	23/12/2008	93.35	76.95	85.15	30,376
11	16/12/2008	73.30	60.40	66.85	5,704
12	08/12/2008	60.60	57.55	59.08	19,440
13	02/12/2008	70.00	63.70	66.85	39,482
14	25/11/2008	70.05	66.00	68.03	25,434
15	18/11/2008	82.45	71.90	77.18	9,444
16	11/11/2008	88.85	82.95	85.90	494,989
17	04/11/2008	89.85	81.55	85.70	32,944
18	28/10/2008	97.40	83.60	90.50	12,611
19	21/10/2008	125.70	102.50	114.10	4,806
20	14/10/2008	154.25	132.30	143.28	13,744
21	07/10/2008	186.95	162.35	174.65	13,324
22	30/09/2008	227.95	193.75	210.85	11,655
23	23/09/2008	240.00	217.10	228.55	24,254
24	16/09/2008	270.00	238.55	254.28	34,162
25	09/09/2008	273.30	262.45	267.88	31,561
26	02/09/2008	291.30	279.50	285.40	62,377

Source: www.bseindia.com

2-week Daily High / Low

		INTRA-DAY PRICE AT BSE			
Day Number	Date	High (Rs)	Low (Rs)	Average (Rs)	Volume (Number of Shares)
1	24/02/2009	268.70	268.70	268.70	2,061,938.00
2	20/02/2009	255.95	255.95	255.95	3,312.00
3	19/02/2009	243.80	243.80	243.80	2,550.00
4	18/02/2009	232.20	232.20	232.20	1,826.00
5	17/02/2009	221.15	221.15	221.15	1,678.00
6	16/02/2009	210.65	210.65	210.65	1,597.00
7	13/02/2009	200.65	200.65	200.65	1,231.00
8	12/02/2009	191.10	191.10	191.10	1,126.00
9	11/02/2009	182.00	182.00	182.00	1,126.00
10	10/02/2009	173.35	173.35	173.35	2,489.00

Source: www.bseindia.com

In the opinion of the Manager to the Offer, the Acquirers, the Offer Price is justified in terms of Regulation 20 of the SEBI (SAST) Regulations.

6.1.3 There was no non-compete fee paid by the Acquirer for acquisition of Sale shares.

6.1.4 The Acquirer is permitted to revise the Offer Price upward up to 7 (seven) working days prior to the date of closure of the Offer. In the event of such a revision, an announcement would be made in the same newspapers in which the PA had appeared and the revised Offer Price would be paid for all Shares accepted under the Offer.

6.2 Financial Arrangement for the Offer

6.2.1 The total funds required for implementation of the Offer at Rs. 310/- per share is Rs. 189.10 Crores (Rupees One Hundred and Eighty Nine Crores and Ten Lacs only) assuming that full acceptance for the Offer is received.

6.2.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirer has created a lien of 17.97% of the Offer size of Rs. 189.10 Crores in favour of ICICI Securities Ltd. against a fixed deposit of Rs. 34 Crores standing in the name of MIEL with ICICI Bank Limited. The fixed deposit receipt is duly discharged in favour of ICICI Securities Ltd, the Manager to the Competitive Bid.

6.2.3 M/s. O. P. Bagla & Co. Chartered Accountants, vide its letter dated April 20, 2012 has certified that Acquirer has adequate resources to meet the financial obligations under this Offer. M/s. O. P. Bagla & Co. Chartered Accountants (Membership No. 91885, FRN: 000018N) is located at 8/12, Kalkaji, New Delhi – 110 019, Tel. No. 011 2641 2939, 2643 6190, Fax No. 011 2623 9912. Further, the Acquirer confirms that it has adequate working capital provision to meet the obligation of the payments towards the Public Offer of Orissa Sponge Iron & Steel Limited which aggregates to approximately Rs. 189.10 crores. As per the latest financial statements, the Acquirer had a total cash and balance in current account of Rs. 317.11 crores. M/S. O.P Bagla, the Statutory Auditor of the Acquirer has confirmed the same vide their certificate dated June 04, 2012. It is further clarified by the Acquirer that the funding for payment of public offer is not being met from the Persons Acting in Concert (PACs) and any subsidiary companies of the Acquirer.

6.2.4 Based on the above, the Manager to the Competitive Bid confirms that it is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Competitive Bid obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 The Offer to the shareholders of Orissa Sponge to acquire up to 6,100,000 fully paid-up equity shares of Rs. 10 each representing in aggregate 20% of the Emerging Voting Capital of the Target Company at Rs. 310 per Share is being made pursuant to and in compliance with Regulations 10, 11 (1), 12, 25 (1) and 25 (3) and other applicable provisions of the SEBI SAST Regulations.

7.2 A Letter of Offer specifying the detailed terms and conditions of the Competitive Bid, together with a Form of Acceptance-cum-Acknowledgement will be mailed on or before June 23, 2012 to the shareholders of Orissa Sponge whose names appear on the Register of Members of Orissa Sponge and to the owners of the shares of Orissa Sponge whose names appear as beneficiaries on the records of the respective Depositories (except to the parties to the Share Purchase cum Shareholders' Agreement and MIEL), at the close of business hours on February 27, 2009 (the 'Specified Date for the Competitive Bid'). Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Competitive Bid in any way.

7.3 Equity shares of Orissa Sponge that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholder(s) of Orissa Sponge may be precluded from transferring the shares during pendency of the said litigation are liable to be rejected in case directions / orders releasing these shares are not received together with the shares tendered under the Competitive Bid prior to the date of closure of the Competitive Bid. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

7.4 The shares will be acquired by the Acquirers, free from all liens, charges and encumbrances of any kind whatsoever and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

7.5 The Competitive Bid is not conditional upon any minimum level of acceptance i.e. the Acquirers will acquire all the Shares of the Target Company that are validly tendered as per the terms of the Competitive Bid up to maximum of 6, 100,000 Equity Shares, subject to the conditions specified in the Public Announcement published on February 25, 2009 read with First Corrigendum published on February 28, 2009 and this Letter of Offer (in paragraphs 7.1 to 7.4) and Form of Acceptance-cum-Acknowledgement. During the Competitive Bid period, the Acquirers may acquire additional shares of the Target Company in accordance with the Regulations.

7.6 In the event the equity shares tendered in the Competitive Bid by the shareholders of the Target Company are more than the equity shares to be acquired under the Competitive Bid, the acquisition of equity shares from each shareholder will be on a proportionate basis as per the provisions of Regulation 21(6) of the Regulations.

7.7 If there is any further upward revision of the Offer price by the Acquirers till the last date for revision viz. July 06, 2012 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement published on February 25, 2009 had appeared as mentioned in para 2.2.1 of this Letter of Offer. Such revised Offer Price would be payable for all the equity shares tendered anytime during the Offer and accepted under the Offer.

7.8 The shareholders who wish to tender their Shares should submit documents in accordance with the procedure specified in Section 8 of this Letter of Offer and the Form of Acceptance-cum-Acknowledgement.

7.9 The shareholders who hold shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Competitive Bid – Karvy Computershare Private Limited ('Registrar to the Competitive Bid or Karvy'), either by hand delivery to the collection centres during business hours (Mondays to Fridays between 10.00a.m. to 4.00p.m. and on Saturdays between 10.00a.m. to 1.00 p.m.) or by registered post at Karvy Computershare Private Limited, Address: Plot No 17-24, Vittalrao Nagar, Madhapur, Hyderabad 500 081, so that the same are received on or before the close of the Competitive Bid i.e. by 4.00 p.m. on July 17, 2012 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement.

7.10 The Registrar to the Competitive Bid has opened a special depository account details of which are as follows:

DP Name	KARVY STOCK BROKING LTD
DP ID	IN302470
Client ID	40235377
Account Name	KCPL Escrow A/c - Orissa Sponge - Competitive Bid
Depository	NSDL

Shareholders holding their beneficiary account in Central Depository Services India Limited ('CDSL') will have to use an inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

7.11 Beneficial owners (holders of shares in dematerialised form) who wish to tender their shares will be required to send their Form of Acceptance-cum-Acknowledgement along with a photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the above mentioned special depository account, to the Registrar to the

Competitive Bid – either by hand delivery during business hours (Mondays to Fridays from 10.00 a.m. to 4:00 p.m. and on Saturdays from 10.00 a.m. to 1.00 p.m.) or by registered post at Karvy Computershare Private Limited, Address: Plot No 17-24, Vittalrao Nagar, Madhapur, Hyderabad 500 081, so as to reach on or before the close of the Competitive Bid, i.e. by 4:00p.m on July 17, 2012, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. Beneficial owners should ensure that they credit their Shares in favour of the aforementioned special depository account before the close of the Competitive Bid i.e. before 4:00 p.m. on July 17, 2012.

7.12 Persons who own Shares and whose names do not appear on the Register of members of the Target Company on the Specified Date are also eligible to participate in this Competitive Bid. Unregistered owners of Shares of Orissa Sponge can send their applications in writing to the Registrar to the Competitive Bid on a plain paper stating the name, address, number of Shares held, number of Shares offered, distinctive numbers, folio numbers, together with the original share certificate(s), transfer deeds and the original contract note issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered shareholders.

7.13 Owners of Shares who have sent their Shares for transfer should enclose, Form of Acceptance-cum-Acknowledgement duly completed and signed, copy of the letter sent to Orissa Sponge for transfer of Shares and valid share transfer form(s). Shareholders who have sent their physical Shares for dematerialisation need to ensure that the process of getting Shares dematerialised is completed well in time so that the credit in the aforesaid special depository account is received on or before the date of close of the Competitive Bid, i.e. by 4:00 p.m. on July 17, 2012, else the application will be rejected.

7.14 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent, to the Registrar to the Competitive Bid, 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 Competitive Bid on or before the close of the Competitive Bid, i.e. by 4:00 p.m. on July 17, 2012 or in the case of beneficial owners, they may send the application in writing to the Registrar to the Competitive Bid, 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 Competitive Bid, on or before the close of the Competitive Bid, i.e. by 4:00 p.m. on July 17, 2012.

7.15 Locked-in Shares

As per the shareholding pattern of the company as on December 31, 2011 available on BSE (www.bseindia.com), no equity shares of the Target Company is under lock-in.

7.16 Eligibility for Accepting the Offer

This Competitive Bid is being made to all the public shareholders of the Target Company (except parties to the Share Purchase cum Shareholders' Agreement ("SPSA" or 'the Agreement') and MIEL) whose names appear as on the Specified Date (i.e. February 27, 2009) and also to those persons, who own the shares at any time prior to the closure of the Competitive Bid but are not registered shareholders.

7.17 Marketable Lot

The marketable lot for the shares of Orissa Sponge is 1 (one) share as the shares of Orissa Sponge can be traded on the secondary market only in dematerialised form.

7.18 Statutory Approvals and Conditions of the Competitive Bid

To the best of the knowledge of the Acquirers, as on the date of this Letter of Offer, there are no statutory approvals required to implement the Competitive Bid. In case any statutory approvals are required to be obtained, the Competitive Bid would be subject to such statutory approvals, and the Acquirers, in terms of Regulation 27 of SEBI

(SAST) Regulations, will have a right not to proceed with the Competitive Bid in the event any such statutory approvals are refused.

In case of delay in receipt of statutory approvals, if any required, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the tendering shareholders of the Target Company, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, if any required, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

To the best of the knowledge of the Acquirers, as on the date of this Letter of Offer, there are no approvals required from financial institutions / banks for the said Competitive Bid. However, the Acquirers may require certain approvals under the terms of the Memorandum and Articles of Association of the Company.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE COMPETITIVE BID

8.1 Shareholders who wish to tender their Shares held in physical form will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer - Karvy Computershare Private Limited, Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500081, Tel. No.: +91 40 44655000/23420815-23; Fax No.: +91 40 23431551 ("**Registrar to the Offer**") or at the collection centres mentioned in paragraph 8.4 below either by hand delivery on weekdays or by registered post (between 10.00 a.m. and 4.00 p.m. on all working days i.e. except Sundays and public holidays and between 10.00 a.m. and 1.00 p.m. on Saturdays) on or before the date of closure of the Offer in accordance with the instructions specified in the Form of Acceptance Cum Acknowledgement. The documents should not be sent to the Manager to the Offer or the Acquirer or PACs or the Target Company.

8.2 The Registrar to the Offer has opened a special depository account called, "**KCPL Escrow A/c - Orissa Sponge - Competitive Bid**". The name of the Depository Participant ("DP") is Karvy Stock Broking Limited in National Securities Depository Limited ("**NSDL**"). Shareholders having their beneficiary account in Central Depository Services (India) Limited ("**CDSL**") have to use the inter depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

8.3 Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement 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 relevant Depository Participant ("DP"), in favour of the special depository account of the Registrar to the Offer, either by hand delivery on weekdays or by registered post (at Hyderabad), on or before the closure of the Offer in accordance with the instructions specified in this 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 the closure of the Offer.

8.4 The Shareholders of the Target Company, who qualify and who wish to avail of and accept the Offer, can deliver the Form of Acceptance cum Acknowledgement along with all the relevant documents at the office of the Registrar to the Offer or any of the collection centres below in accordance with the procedure as set out in this Letter of Offer. All the centres mentioned herein below would be open as follows:

(between 10.00 a.m. and 4.00 p.m. from Monday to Friday and between 10.00 a.m. and 1.00 p.m. on Saturdays on or before the closure of the Offer. The centres will be closed on Sundays and Public Holidays)

S. No.	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
1.	Mumbai (Fort)	Karvy Computershare Pvt. Ltd. 24 – B, Raja Bahadur Mansion, 6, Ambalal Doshi Marg, Behind BSE, Fort, Mumbai - 400001	Ms. Nutan Shirke	022-66235454	022-66331135	Hand Delivery

S. No.	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
2.	New Delhi	Karvy Computershare Pvt. Ltd. 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi / John Mathew	011-43681700	011-41036370	Hand Delivery
3.	Ahmedabad	Karvy Computershare Pvt. Ltd. 201-203, Shail, Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380 006	Mr. Aditya Gupta/ Mr. Robert Joeboy	079-66614772 / 26400527	N.A.	Hand Delivery
4.	Chennai	Karvy Computershare Pvt. Ltd. Flat No F-11, 1st Floor Akshaya Plaza, No.108 Adhidhanar Salai Egmore Chennai-600002	Mr. K.Gunasekhar	044-28587781	N.A.	Hand Delivery
5.	Hyderabad	Karvy Computershare Pvt. Ltd. Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081	Mr. Bhakta Singh	040-23420815-23 / 44655000	040-23431551	Hand Delivery / Regd. Post
6.	Kolkata	Karvy Computershare Pvt. Ltd. 49, Jatin Das Road, Nr. Deshpriya Park, Kolkatta – 700 029	Mr. Sujit Kundu / Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7.	Bengaluru	Karvy Computershare. Pvt Ltd. No.59, Skanda, Putana Road, Basavanagudi Bengaluru 560 004	Mr. S K Sharma/ Mr. Mahadev	080-26621192	080-26621169	Hand Delivery
8.	Mumbai (Andheri)	Karvy Computershare Pvt. Ltd. 7, Andheri Industrial Estate, Off. Veera Desai Road, Andheri West, Mumbai – 400 053	Ms. Neelam	022-26730799	022-26730152	Hand Delivery

Shareholders who cannot hand deliver their documents at the collection centers referred to above may send the same by registered post /speed post, at their own risk, to the Registrar to the Offer and not to any other collection centre so that the same are received on or before the close of business hours on the date of closure of the Offer.

Registered office address:
Karvy Computershare Private Limited
Karvy House, 46, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad – 500 034
Tel: +91 – 40 – 23420815-23 / 44677000
Fax: +91 – 40 – 23431551
E-mail: murali@karvy.com
Contact: Mr. M. Murali Krishna / Mr. Williams

Correspondence address:
Karvy Computershare Private Limited
Plot No 17-24, Vithalrao Nagar,
Madhapur, Hyderabad – 500 081
Tel: +91 – 40 – 23420815-23 / 44655000
Fax: +91 – 40 – 23431551
E-mail: murali@karvy.com
Contact: Mr. M. Murali Krishna / Mr. Williams

8.5 For Shares held in physical form:

8.5.1 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 deed / 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 the Target Company and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/ Notary Public/ or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. The details of buyer should be left blank except for the signatures mentioned above failing which, the tender will be invalid under the Offer.
- In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to have been accepted.

- Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such Shares.

8.5.2 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.
- Valid Share transfer deed(s) as received from market. The details of buyer should be left blank failing which, the tender will be invalid under the Offer. Unregistered Shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered Shareholders. The details of the buyer will be filled upon verification of the Form of Acceptance cum Acknowledgement and other documents and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.
- The acknowledgement received, if any, from the Target Company in case the Shares have been lodged with the Target Company. Such persons should instruct the Target Company and its Registrar and Transfer agents to send the transferred Share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the Share certificate(s) reach the Registrar to the Offer before the date of closing of the Offer.

8.6 For Shares held in dematerialised form:

8.6.1 Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of business hours on the date of closure of the Offer. The Registrar to the Offer has opened a special depository account details of which are as follows:

DP Name	KARVY STOCK BROKING LIMITED
DP ID	IN302470
Client ID	40235377
Account Name	KCPL ESCROW A/C - Orissa Sponge - Competitive Bid
Depository	NSDL

8.6.2 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgement. Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes 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 account, the Offer shall be deemed to be accepted. The Form of Acceptance cum Acknowledgement of such dematerialised Shares which are not credited in favour of the special depository account, before the date of closure of the Offer will be rejected. The Shareholders who have sent their physical Shares for dematerialization need to ensure that the process of getting Shares of the Target Company dematerialized is completed well in time so that the credit in the special depository account is received on or before closure of the Offer.

8.7 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form of Acceptance cum Acknowledgement is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired.
- Duly attested power of attorney if any person apart from the Shareholder has signed Form of Acceptance cum Acknowledgement or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

8.8 The Share certificate(s), Share transfer deed, Form of Acceptance cum Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the collection centers mentioned above. **They should not be sent to the Manager to the Offer or the Acquirer or the PACs or the Target Company.**

8.9 Shareholders, while tendering their Shares in the Offer may indicate an option to receive the payment of Offer Price through electronic form by indicating in the space provided in the Form of Acceptance cum Acknowledgement. The payment consideration for Shares accepted under the Offer, in such cases, may be made through National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as applicable, at specified centers where clearing houses are managed by the Reserve Bank of India, wherever possible. In other cases, payment of consideration would be made through cheque / demand draft / pay order sent by registered post / speed post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance cum Acknowledgement, provide the Magnetic Ink Character Recognition / Indian Financial System Code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance cum Acknowledgement. In case of joint holders / unregistered owners, payments will be made in the name of the first holder / unregistered owner.

8.10 For the purposes of electronic transfer, in case of Shareholders opting for electronic payment of consideration and for purposes of printing on the cheque / demand draft / pay-order for the other cases, the bank account details will be directly taken from the depositories' database, wherever possible. A Shareholder tendering Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the depositories' database then the particulars provided by the Shareholders would be used.

8.11 For Shareholders, who do not opt for electronic mode of transfer and for those Shareholders, whose payment consideration is rejected / not credited through NECS / Direct Credit / RTGS / NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through speed post / registered post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the Shareholder is registered. It is advised that Shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order. It will be the responsibility of the tendering Shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgement.

8.12 The minimum marketable lot for the purposes of acceptance, for both physical and demat Shares, would be one Share.

8.13 In case of non-receipt of this Letter of Offer / Form of Acceptance cum Acknowledgement / Form of Withdrawal, eligible Shareholders and unregistered owners (including beneficial owners) may download the same from

SEBI's website (http://www.sebi.gov.in) or obtain a copy of the same by writing to the Registrar to the Offer clearly marking the envelope "Orissa Sponge Iron & Steel Limited - Open Offer" by providing suitable documentary evidence of the acquisition of the Shares or make the application on plain paper. Shareholders holding Shares in physical form may send an application to the Registrar to the Offer, stating on plain paper their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s), on or before the close of the Offer, i.e. by no later than 1:00 p.m. on Tuesday, July 17, 2012. Beneficial owners may send an application to the Registrar to the Offer, stating on plain paper their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection centres so as to reach on or before the close of business on the date of closure of the Offer, i.e. Tuesday, July 17, 2012. The application should be signed by all the Shareholders as per the registration details available with the Target Company / Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "Orissa Sponge Iron & Steel Limited - Open Offer". No indemnity would be required from unregistered Shareholders.

8.14 In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned Shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by the Shareholder's DP. Such Shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before the date of closure of the Offer, failing which such an acceptance would be rejected. A copy of the delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance cum Acknowledgement and other documents were tendered, before the close of business on the date of closure of the Offer. Alternatively, if the Shares sent for dematerialization are yet to be processed by the Shareholders depository participants, the Shareholders can withdraw their dematerialization request and tender the Share certificates in the Offer as per procedure mentioned in paragraph 8.5 above of this Letter of Offer.

8.15 While tendering the Shares under the Offer, NRIs / OCBs / non-resident 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 Company, if so required. In case the NRIs have acquired the Shares while they were residents under FEMA, a declaration to this effect should be provided. In case the previous RBI approvals or declaration from NRIs as aforesaid are not submitted, the Acquirer and the PACs reserve the right to reject such Shares tendered.

8.16 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before Thursday, July 12, 2012.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

(ii) In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application to the Registrar to the Offer on plain paper along with the following details:

- In case of physical Shares: name, address, distinctive numbers, folio number, number of Shares tendered / withdrawn; and

- In case of dematerialized Shares: name, address, number of Shares offered / withdrawn, 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.

8.17 The Registrar to the Offer will hold in trust the Shares / Share certificates, 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 of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted Shares / Share Certificates are dispatched / returned.

8.18 To the extent of the Offer Size and in accordance with the Letter of Offer to be sent to the eligible Shareholders of the Target Company, the Shares of the Target Company that are validly tendered and accepted pursuant to this Offer are proposed to be acquired by the Acquirer and the PACs. In case the number of validly tendered Shares in the Offer are more than the Shares agreed to be acquired under the Offer, the Acquirer and the PACs shall accept the offers received from the Shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. Rejected applications will be returned to the applicants by registered post.

8.19 Unaccepted / rejected Share certificates, Transfer Deeds and other documents, if any, will be returned by Registered Post at the Shareholders' / unregistered owners' sole risk to the sole/ first Shareholder. Unaccepted / rejected Shares held in demat 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. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

8.20 Tax to be deducted in case of Non-Resident shareholders

As per the provisions of section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate (including applicable surcharge and education cess).

The consideration payable under the Competitive Bid would be chargeable to tax as capital gains or business profits, as the case may be. Accordingly, Acquirer shall deduct tax at the prescribed rate (including applicable surcharge and education cess) on the gross consideration payable to the non resident shareholders based on the information requested and submitted along with the Form of Acceptance.

In case of any ambiguity, incomplete or conflicting information or information not being provided to the Acquirer by the non resident shareholders, the tax shall be deducted at the maximum rate prescribed for such non resident shareholder.

If the non resident shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount for any reason, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the IT Act, and submit the same to Acquirer while submitting the Form of Acceptance. In absence of such certificate from the Income Tax authorities, the Acquirer shall deduct tax on gross consideration at the prescribed rate of tax.

In case where non resident shareholder is the tax resident of a country which has entered into a Tax Treaty with India, it may be possible for the non resident shareholder to avail the beneficial provisions, if any, under the Tax Treaty. If the non resident shareholder opts to avail the beneficial provisions as per Tax Treaty, a certificate from the tax authorities, of the country of which such person is the tax resident, certifying the current tax residence status of such person needs to be provided to the Acquirer along with the Bid Form. In absence of such certificate, the Acquirer shall deduct the tax as per above two paragraphs.

Shareholders eligible to receive any payment which is subject to tax deduction at source will be required to submit their permanent account number, failing which the tax will be deducted at the applicable rate (plus surcharge plus education cess, where applicable) or 20%, whichever is higher.

8.21 Withholding tax implication for Foreign Institutional Investor ('FII')

As per the provisions of Section 196D(2) of the IT Act, 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 FII as defined in section 115AD of the IT Act.

Foreign Institutional Investor should certify the nature of its income arising from the sale of shares (whether capital gains or business profits). In absence of certification to the effect that the income from sale of shares is in the nature of capital gains, the Acquirer shall deduct tax at the prescribed rate for business profits under the IT Act, on the gross consideration payable. Should FII submit a Certificate from the Income Tax authorities along with the Form of Acceptance indicating the amount or rate of tax to be deducted, the Acquirer shall deduct tax in accordance with the same.

Shareholders eligible to receive any payment which is subject to tax deduction at source will be required to submit their permanent account number, failing which the tax will be deducted at the applicable rate (plus surcharge plus education cess, where applicable)or 20%, whichever is higher.

For interest payments, if any, FII shall have to provide a No Objection Certificate/ Tax Clearance Certificate from the Income-Tax authorities indicating the amount of tax to be deducted. In absence of such certificate, Acquirer shall deduct the tax on the interest payable to FII, at the prescribed rate.

8.22 Tax to be deducted in case of Resident shareholders

In absence of any specific provision under the IT Act, Acquirer shall not deduct tax on the consideration payable to resident shareholders for acquisition of shares.

Acquirer shall deduct the tax at the prescribed rates (including applicable surcharge and education cess) on the interest, if any, payable to resident shareholder, if amount of interest payable is in excess of Rs. 5,000. (Rupees Five Thousand).

The resident shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, he should submit along with the Bid Form documentary evidence to support exemption from tax deduction or a No Objection Certificate from the Income Tax authorities indicating the rate at which tax is to be deducted by the Acquirer or a self declaration in Form 15G or Form 15H as may be applicable.

In case of any ambiguity, incomplete or conflicting information or information not being provided to the Acquirer by the above shareholders, the tax shall be deducted at the prescribed rates.

Shareholders eligible to receive any payment which is subject to tax deduction at source will be required to submit their permanent account number, failing which the tax will be deducted at the applicable rate or 20% (plus surcharge plus education cess, where applicable), whichever is higher.

The Acquirer shall issue a certificate in the prescribed form to the shareholders (resident and non resident) who have been paid the consideration or interest after deducting of tax on the same certifying the amount of tax deducted and other prescribed particulars.

8.23 Securities transaction tax shall not be applicable to the shares accepted in this Competitive Bid.

8.24 Given below is the detailed list of information requirements to be provided with the Form of Acceptance for the purposes of tax deduction at source:

8.24.1 Information requirement from a Non-Resident shareholder

a. Self attested copy of PAN card
b. Nil / Lower withholding tax certificate from the Indian Income tax authorities u/s 195(3) or u/s 197 under the IT Act
c. Certificate from a Chartered Accountant in Form 15CB
d. In case shares tendered comprise both long term capital assets and short term capital asset then break up of the same
e. Tax residency certificate, where the shareholder intends to avail the beneficial provisions under a Tax Treaty
f. Banker certificate certifying inward remittance
g. Self attested declaration to the effect that the shares are held on capital / investment account or Trade account
h. SEBI Registration Certificate for FIIs

8.24.2 Information requirement in case of Resident shareholder

a. Self attested copy of PAN card
b. If applicable, self declaration form in Form 15G or Form 15H, as the case may be
c. Nil / Lower withholding tax certificate from the Indian Income tax authorities (applicable only for the interest payment, if any)
d. For Mutual fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the IT Act – Copy of relevant Registration or notification (applicable only for the interest payment, if any)

8.25 **Shareholders are advised to provide the above information in order to enable the Acquirer to appropriately deduct tax at source. The tax deducted under this Competitive Bid is not the final liability of the shareholders or in no way discharge the obligation of shareholders to disclose the amount received in pursuant to this Competitive Bid. Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Competitive Bid do not accept any responsibility for the accuracy or otherwise of such advice.**

The tax rate and other provisions may undergo changes.

8.26 The payment of consideration will be made by the Acquirers in cash through crossed account payee cheque, demand draft or pay order sent by Registered Post for amounts exceeding Rs. 1,500 and UCP otherwise to those shareholders / unregistered owners, which would be dispatched to the shareholders / unregistered owners 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 / pay orders will be drawn in the name of the sole / first named holder / unregistered owner and will be sent to him / her. It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order.

8.27 In case the Shares tendered in the Competitive Bid are more than the shares to be acquired under the Competitive Bid, the acquisition of Shares from each shareholder will be in accordance with Regulation 21(6) of the Regulations, on a proportionate basis.

8.28 The Registrar to the Competitive Bid will hold in trust the Share(s) / share certificate(s), shares lying in credit of the special depository account, Form of Acceptance-cum-Acknowledgement and the transfer deed(s), if any, on behalf of the shareholders / unregistered owner(s) of Orissa Sponge who have accepted the Competitive Bid, till the Acquirers complete the Competitive Bid obligations in terms of the Regulations latest by August 01, 2012. Upon completion of the above, the Registrar to the Competitive Bid will debit the special depository account to the extent of Shares accepted by the Acquirers and give instruction to credit the beneficial account of the Acquirers.

8.29 The Acquirers shall complete all procedures relating to the Competitive Bid latest by August 01, 2012. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the Competitive Bid can do so up to three working days prior to the closure of the Competitive Bid, i.e. by July 12, 2012. The withdrawal option can be exercised by submitting the Form of Withdrawal as per the instructions below, so as to reach the Registrar to the Competitive Bid either by hand delivery to the collection centres during business hours (Mondays to Fridays between 10.00a.m. to 4.00p.m. and on Saturdays between 10.00a.m. to 1.00 p.m.) or by registered post, at Karvy Computershare Private Limited, Address: Plot No 17-24, Vittalrao Nagar, Madhapur, Hyderabad 500 081, India; Tel : +91 40 2342 0815-24 Fax : +91 40 2343 1551 on or before July 12, 2012.

8.30 The withdrawal option can be exercised by submitting the Form of Withdrawal along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

- In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares;
- In case of dematerialised shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in 'off-market' mode or counterfoil of the delivery instruction in 'off-market' mode, duly acknowledged by the DP, in favour of "KCPL Escrow A/c - Orissa Sponge - Competitive Bid".

9. DOCUMENTS FOR INSPECTION

Following material documents are available for inspection at office of the Manager to the Competitive Bid, ICICI Securities Limited, ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and public holidays, until closure of the Offer:

a) Certificate of Incorporation, Memorandum of Association and Articles of Association of Mounteverest Trading & Investment Ltd., TRFI Investments Ltd., Monnet Ispat & Energy Ltd.

b) Trust deed of Torsteel Research Foundation of India

c) Certificate dated April 20, 2012 from O.P. Bagla & Company, Chartered Accountants, certifying that Monnet Ispat & Energy Ltd. has adequate resources to meet the financial obligations relating to the Competitive Bid

d) Certificate of Incorporation, Memorandum of Association and Articles of Association of Orissa Sponge

e) Audited financial statements of each of the Acquirers for the financial years ended March 31, 2009, March 31, 2010 and March 31, 2011

f) Unaudited financial statement of each of the Acquirers for the nine months ended December 31, 2011

g) Audited annual reports of Orissa Sponge for the financial years ended March 31, 2009, March 31, 2010 and March 31, 2011

h) Unaudited financial report of Orissa Sponge for the nine months ended December 31, 2011

i) Copy of the Public Announcement published on February 25, 2009 and the First Corrigendum dated February 28, 2009

j) Copy of agreement with Depository Participant for opening a special depository account for the purpose of the Competitive Bid

k) Share Purchase Agreement (SPSA) between MIEL, MTIL, TRF and TRFI for purchase of equity shares of the Target Company

l) Letter of observations dated June 13, 2012 (reference no. CFD/DCR/TO/RM/13061/12) issued by SEBI

m) Letter of observations dated March 09, 2010 (reference no. CFD/DCR/TO/RM/197802/10) issued by SEBI

10. DECLARATION BY THE ACQUIRER AND PACs

The Acquirers and the Boards of Directors of the Acquirers respectively accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance-cum-Acknowledgement and Form of Withdrawal. The Acquirers shall be jointly and severally responsible for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Letter of Offer, unless stated otherwise.

For and on behalf of:

Acquirer	The Persons Acting in Concert	
For Monnet Ispat & Energy Limited	For Torsteel Research Foundation in India (PAC 1)	For TRFI Investments Ltd. (PAC 2)
Sd/- Authorised Signatory	Sd/- Authorised Signatory	Sd/- Authorised Signatory

Place: Mumbai

Date: June 19, 2012

Attached:

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal
3. Share Transfer Deed (for physical shares)

Annexure I

A. STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGULATIONS (AS APPLICABLE) FOR TARGET COMPANY (Orissa Sponge)

Sl. No.	Regulation / Sub-regulation	Due date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no. of days) Col. 4 - Col. 3	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(2)	20/05/1997	12/07/2002	1877	
2	6(4)	20/05/1997	12/07/2002	1877	
3	8(3)	30/04/1998	12/07/2002	1532	
4	8(3)	30/04/1999	12/07/2002	1167	
5	8(3)	30/04/2000	12/07/2002	802	
6	8(3)	30/04/2001	12/07/2002	437	
7	8(3)	30/04/2002	12/07/2002	72	
8	8(3)	30/04/2003	28/04/2003		
9	8(3)	30/04/2004	25/04/2004		
10	8(3)	30/04/2005	29/04/2005		
11	8(3)	30/04/2006	04/07/2006	63	
12	8(3)	30/04/2007	18/04/2007		
13	7(3)	30/01/2008	23/01/2008		
14	7(3)	31/01/2008	24/01/2008		
15	8(3)	30/04/2008	05/05/2008	4	
16	7(3)	05/01/2009	29/12/2008		
17	8A	01/04/2009	24/11/2009	237	
18	7(3)	11/02/2009	04/02/2009		
19	7(3)	03/03/2009	26/02/2009		
20	7(3)	03/03/2009	25/02/2009		
21	7(3)	13/03/2009	7/03/2009		
22	7(3)	20/03/2009	13/03/2009		
23	7(3)	20/03/2009	13/03/2009		
24	7(3)	13/05/2009	11/05/2009		
25	8(3)	30/04/2009	16/06/2009	46	
26	8A	08/09/2009	24/11/2009	77	
27	8A	07/10/2009	24/11/2009	48	
28	8A	29/11/2009	21/01/2010	53	
29	8A	24/12/2009	21/01/2010	28	
30	8A	20/01/2010	09/04/2010	79	
31	8A	20/01/2010	09/04/2010	79	
32	8(3)	30/04/2010	06/04/2010		
33	8A	04/07/2010	22/07/2010	18	
34	8A	02/02/2011	18/04/2011	75	
35	8(3)	30/04/2011	13/04/2011		

STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGULATIONS (AS APPLICABLE) FOR ACQUIRER, PAC 1, PAC 2:

- **For Acquirer (Monnet Ispat & Energy Limited)**

Sl. No.	Regulation / Sub-regulation	Due date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no. of days) Col. 4 - Col. 3	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(1)	20.04.1997	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
2	6(3)	20.04.1997	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
3	8(1)	21.04.1998	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
4	8(2)	30.04.1998	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
5	8(1)	21.04.1999	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
6	8(2)	30.04.1999	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
7	8(1)	21.04.2000	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
8	8(2)	30.04.2000	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
9	8(1)	21.04.2001	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
10	8(2)	30.04.2001	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
11	8(1)	21.04.2002	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
12	8(2)	30.04.2002	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
13	8(1)	21.04.2003	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
14	8(2)	30.04.2003	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
15	8(1)	21.04.2004	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
16	8(2)	30.04.2004	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
17	8(1)	21.04.2005	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
18	8(2)	30.04.2005	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
19	8(1)	21.04.2006	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
20	8(2)	30.04.2006	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
21	8(1)	21.04.2007	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
22	8(2)	30.04.2007	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
23	8(1)	21.04.2008	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
24	8(2)	30.04.2008	N.A. in view of NIL holding in Orissa Sponge Iron & Steel Ltd.	N.A.	
25	7(1) & (2)	26.02.2009	26.02.2009	NIL	

26	8(1)	21.04.2009	N.A. in view of holding in Orissa Sponge Iron & Steel Ltd. below 15%/no control over management	N.A.	
27	8(3)	30.04.2009	N.A. in view of holding in Orissa Sponge Iron & Steel Ltd. below 15%/no control over management	N.A.	
28	8(1)	21.04.2010	N.A. in view of holding in Orissa Sponge Iron & Steel Ltd. below 15%/no control over management	N.A.	
29	8(3)	30.04.2010	N.A. in view of holding in Orissa Sponge Iron & Steel Ltd. below 15%/no control over management	N.A.	
30	8(1)	21.04.2011	N.A. in view of holding in Orissa Sponge Iron & Steel Ltd. below 15%/no control over management	N.A.	
31	8(3)	30.04.2011	N.A. in view of holding in Orissa Sponge Iron & Steel Ltd. below 15%/no control over management	N.A.	
32	8(1)	21.04.2012	N.A. in view of holding in Orissa Sponge Iron & Steel Ltd. below 15%/no control over management	N.A.	
33	8(3)	30.04.2012	N.A. in view of holding in Orissa Sponge Iron & Steel Ltd. below 15%/no control over management	N.A.	

- **For PAC 1 (TRF)**

Sl. No.	**Regulation / Sub-regulation**	**Due date for compliance as mentioned in the regulation**	**Actual date of compliance**	**Delay, if any (in no. of days) Col. 4 - Col. 3**	**Remarks**
1	**2**	**3**	**4**	**5**	**6**
1	6(1)	20.04.1997	12.04.97		
2	6(3)	20.04.1997	12.04.97		
3	8(1)	21.04.1998	19.04.98		
4	8(2)	21.04.1998	19.04.98		
5	8(1)	21.04.1999	17.04.99		
6	8(2)	21.04.1999	17.04.99		
7	8(1)	21.04.2000	20.04.00		
8	8(2)	21.04.2000	20.04.00		
9	8(1)	21.04.2001	20.04.01		
10	8(2)	21.04.2001	20.04.01		
11	8(1)	21.04.2002	16.04.02		
12	8(2)	21.04.2002	16.04.02		
13	8(1)	21.04.2003	18.04.03		
14	8(2)	21.04.2003	18.04.03		
15	8(1)	21.04.2004	15.04.04		
16	8(2)	21.04.2004	15.04.04		
17	8(1)	21.04.2005	19.04.05		
18	8(2)	21.04.2005	19.04.05		
19	8(1)	21.04.2006	20.04.06		
20	8(2)	21.04.2006	20.04.06		
21	8(1)	21.04.2007	19.04.07		
22	8(2)	21.04.2007	19.04.07		
23	8(1)	21.04.2008	18.04.07		
24	8(2)	21.04.2008	18.04.07		
25	7(1) & (2)	06.08.2005	06.08.05		
26	8A	16/02/2009	26/03/2009	38	
27	7(1A)	26.02.2009	25.02.2009		
28	8(2)	21.04.2009	20.04.2009		
29	8A	03/09/2009	02/09/2009		
30	8A	30/09/2009	01/10/2009	1	
31	8A	24/11/2009	23/11/2009		
32	8A	21/12/2009	18/12/2009		
33	8A	14/01/2010	14/01/2010		
34	8A	18/01/2010	14/01/2010		
35	8(2)	21.04.2010	05.04.2010		
36	8A	29/06/2010	28/06/2010		
37	8A	31/01/2011	27/01/2011		
38	8(2)	21.04.2011	05.04.2011		
39	31(1)*	17/01/2012	15/01/2012		
40	31(1)*	06/02/2012	20/03/2012	43	
41	31(1)*	08/02/2012	20/03/2012	41	

***** As per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

- **For PAC 2 (TRFI)**

Sl. No.	Regulation / Sub-regulation	Due date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no. of days) Col. 4 - Col. 3	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(1)	20.04.1997	15.04.1997		
2	6(3)	20.04.1997	15.04.1997		
3	8(1)	21.04.1998	18.04.1998		
4	8(2)	21.04.1998	18.04.1998		
5	8(1)	21.04.1999	16.04.1998		
6	8(2)	21.04.1999	16.04.1998		
7	8(1)	21.04.2000	20.04.2000		
8	8(2)	21.04.2000	20.04.2000		
9	8(1)	21.04.2001	16.04.2001		
10	8(2)	21.04.2001	16.04.2001		
11	8(1)	21.04.2002	19.04.2002		
12	8(2)	21.04.2002	19.04.2002		
13	8(1)	21.04.2003	19.04.2002		
14	8(2)	21.04.2003	19.04.2002		
15	8(1)	21.04.2004	15.04.2004		
16	8(2)	21.04.2004	15.04.2004		
17	8(1)	21.04.2005	18.04.2005		
18	8(2)	21.04.2005	18.04.2005		
19	8(1)	21.04.2006	17.04.2006		
20	8(2)	21.04.2006	17.04.2006		
21	8(1)	21.04.2007	18.04.2007		
22	8(2)	21.04.2007	18.04.2007		
23	8(1)	21.04.2008	19.04.2008		
24	8(2)	21.04.2008	19.04.2008		
25	7(1) & (2)	13.03.2009	13.03.2009		
26	7(1) & (2)	13.03.2009	13.03.2009		
27	8(1) & 8(2)	21.04.2009	20.04.2009		
28	8(1) & 8(2)	21.04.2010	05.04.2010		
29	8(1) & 8(2)	21.04.2011	05.04.2011		

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Karvy Computershare Private Limited at any of the collection centres mentioned in the Letter of Offer)

From
Name:
Address:

OFFER	
OPENS ON	**Thursday, June 28, 2012**
LAST DATE OF WITHDRAWAL	**Thursday, July 12, 2012**
CLOSES ON	**Tuesday, July 17, 2012**

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

To,
The Acquirer – Monnet Ispat & Energy Ltd.
C/o Karvy Computershare Private Limited,
Plot nos. 17-24, Vithalrao Nagar , Madhapur,
Hyderabad - 500 081.
Tel: +91 40 44655000 / 23420815-23
Fax: +91 40 23431551
E-mail: murali@karvy.com
Contact Person: Mr. M. Murali Krishna
Dear Sir/Madam,

Sub: Competitive Bid/Offer for the acquisition of up to 6,100,000 fully paid-up equity shares of Rs 10/- each representing 22.59% of the paid-up capital and 20% of the Emerging Voting Capital of Orissa Sponge Iron & Steel Limited at Rs. 310 per Equity Share payable in cash ('Offer Price') pursuant to Regulation 10, 11 (1), 12, 25 (1) and 25 (3) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

I/We refer to the Letter of Offer dated June 19, 2012 for acquiring the Equity Shares held by me/us in Orissa Sponge Iron & Steel Limited
I/We, the undersigned, have read the Public Announcement, the corrigendum to the Public Announcement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, holding shares in physical form, 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:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
Total No. of Equity Shares					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

SHARES HELD IN DEMAT FORM

I/We, holding shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We have executed an off-market transaction for crediting the shares to the special depository account with Karvy Stock Broking Limited as the DP in NSDL styled 'KCPL Escrow A/c - Orissa Sponge - Competitive Bid' whose particulars are:

DP Name: Karvy Stock Broking Limited	**DP ID**: IN302470	**Client ID:** 40235377

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their shares in favour of the Special Depository Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

☐ Duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s)
☐ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories
☐ Death Certificate/ Succession Certificate if the original shareholder is deceased
☐ NOC from the chargeholder/ lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance
☐ RBI approvals for acquiring shares of Orissa Sponge Iron & Steel Limited hereby tendered in the Offer, in case of non-resident shareholders
☐ Others (please specify): ____

---Tear along this line ---

Acknowledgement Slip Orissa Sponge Iron & Steel Limited **– Open Offer** **Sr. No.** ______

(To be filled in by the shareholder) (Subject to verification)

Received from Mr./Ms./M/s.____
Address ____
Physical shares: Folio No. ______________ / Demat shares: DP ID _____________________; Client ID______________________________

Form of Acceptance along with:

☐ Physical shares: No. of shares _____________________; No. of certificates enclosed__________

☐ Demat shares: Copy of delivery instruction for ______________________ number of shares enclosed

(Tick whichever is applicable)

Signature of Official __________________________ Date of Receipt ___________________________

Stamp of Collection Centre

I/We confirm that the equity shares of Orissa Sponge Iron & Steel Limited, which are being tendered herewith by me/us under the 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 will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer and / or the PACs pay the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirer and / or the PACs will pay the purchase consideration only after verification of the documents and signatures.
I/We authorize the Acquirer or the Registrar to the Offer to send by Speed Post/Registered Post/ or through electronic mode, as may be applicable, at my/our risk, the crossed account payee cheque, demand draft/pay order, or electronic transfer of funds in full and final settlement due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.
I/We note and understand that the shares would lie in the Special Depository Account until the time the Acquirer and / or the PACs make payment of purchase consideration as mentioned in the Letter of Offer.
I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, share certificate(s) in respect of which the offer is not found valid/not accepted.
I/We authorize the Acquirer to accept the shares so offered or such lesser number of shares that they may decide to accept in terms of the Letter of Offer
I/We authorize the Acquirer 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 Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.
The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act, 1961 is as under.

	1st Shareholder	**2nd Shareholder**	**3rd Shareholder**
PAN/GIR No.			
Ward No.			

So as to avoid fraudulent encashment in transit, shareholder(s) holding **shares in physical form** should 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) ___________________________

For equity shares that are tendered in electronic form, the bank account details as contained from the beneficiary position provided by the depository will be considered and the draft/warrant/cheque will be issued with the said bank particulars.

For all shareholders

I / We, confirm that our residential status for the purposes of tax is: ☐ Resident ☐ Non-resident
I / We, confirm that our status is: ☐ Individual ☐ Firm ☐ Company ☐ Association of persons / body of individuals ☐ Trust
☐ Any other - please specify ________________________

I / We, have enclosed the following documents:
☐ Cancelled cheque or a photocopy of a cheque associated with the particular bank account where payment is desired, with MICR / IFSC code of the bank branch clearly mentioned on the cheque, if payment of consideration through ECS is required

For FII shareholders

I / We, confirm that the income arising from the transfer of shares tendered by me/ us is in the nature of: (*select whichever is applicable)*:
☐ Capital gains ☐ Any other income
I / We, have enclosed the following documents:
☐ Self attested copy of PAN card ☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities
☐ SEBI Registration Certificate for FIIs
☐ FII Certificate (self attested declaration certifying the nature of income arising from the sale of shares, whether capital gains or otherwise)
☐ RBI approval for acquiring shares of Orissa Sponge Iron & Steel Limited tendered herein, if applicable

For other Non-resident shareholders (except FIIs)

I / We, have enclosed the following documents:
☐ Self attested copy of PAN card ☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities
☐ RBI approval for acquiring shares of Orissa Sponge Iron & Steel Limited tendered herein

For Resident shareholders

I / We, have enclosed the following documents: ☐ Self attested copy of PAN card
☐ Self declaration form in Form 15G / Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any)
☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities (applicable only for interest payment, if any)
☐ For Mutual funds / Banks / Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, 1961, copy of relevant registration or notification (applicable only for interest payment, if any)

Yours faithfully,
Signed and Delivered,

	Full name(s) of the holder	Signature(s)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.
Place: _________________________________ Date: __________________
SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. TUESDAY, JULY 17, 2012 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

-- Tear along this line ---

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:
Karvy Computershare Private Limited
Unit: Orissa Sponge Iron & Steel Limited
Plot nos. 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081.
Tel: +91 40 44655000 / 23420815-23, Fax: +91 40 23431551
E-mail: murali@karvy.com
Contact Person: Mr. M. Murali Krishna

INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, THE PACs, THE TARGET COMPANY 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. **Tuesday, July 17, 2012.** 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 should enclose the following:
   a. 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, by all the beneficial owners whose names appear in the beneficiary account, 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 as per the instruction in the Letter of Offer.

   b. 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 Orissa Sponge Iron & Steel Limited 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. The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer / PACs as buyer will be filled by the Acquirer / PACs 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-
      - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
      - Original Share Certificate(s)
      - Original broker contract note
      - Valid Share Transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected
      - 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 Orissa Sponge Iron & Steel Limited for transfer of shares and valid share transfer form(s).
5. All the shareholders are advised to refer to the Procedure for acceptance and settlement of the Competitive Bid in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them.
6. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to Karvy Computershare Private Limited, the Registrar to the Offer and not to ICICI Securities Limited, the Manager to the Offer, the Acquirer, the PACs or the Target Company.
7. Shareholders having their beneficiary account in 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.
8. While tendering the shares under the Offer, NRIs/ OCBs/ 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 Company. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.
9. FIIs are requested to enclose the SEBI Registration Certificate.
10. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at the collection centres of **Karvy Computershare Private Limited** as mentioned below.
11. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at the collection centres mentioned below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00am and 4.00pm and on Saturdays between 10.00am and 1.00pm).
12. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

    (a) duly attested death certificate and succession certificate/ probate/ letter of administration (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 certificates from the chargeholder/ 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 authorisation (including Board Resolutions);

    (e) any other relevant documentation [Please refer to Procedure for acceptance and settlement of the Competitive Bid of the Letter of Offer]

13. 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 – Acknowledgment, 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 make 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 Acquirer, the PACs, the Manager to the Offer, 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.

    The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns.

    All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer/PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

    The tax rates and other provisions may undergo changes.

Collection Centres

No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
1.	Mumbai (Fort)	Karvy Computershare Pvt. Ltd. 24 – B, Raja Bahadur Mansion, 6, Ambalal Doshi Marg, Behind BSE, Fort, Mumbai - 400001	Ms. Nutan Shirke	022-66235454	022-66331135	Hand Delivery
2.	Mumbai (Andheri)	Karvy Computershare Pvt. Ltd. 7, Andheri Industrial Estate, Off. Veera Desai Road, Andheri West, Mumbai – 400 053	Ms. Neelam	022-26730799	022-26730152	Hand Delivery
3.	New Delhi	Karvy Computershare Pvt. Ltd. 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi / John Mathew	011-43681700	011-41036370	Hand Delivery
4.	Ahmedabad	Karvy Computershare Pvt. Ltd. 201-203, Shail, Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380 006	Mr. Aditya Gupta/ Mr. Robert Joeboy	079-66614772 / 26400527	N.A.	Hand Delivery
	Chennai	Karvy Computershare Pvt. Ltd. Flat No F-11, 1st Floor Akshaya Plaza, No.108 Adhidhanar Salai Egmore Chennai-600002	Mr. K.Gunasekhar	044-28587781	N.A.	Hand Delivery
5.	Hyderabad	Karvy Computershare Pvt. Ltd. Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081	Mr. Bhakta Singh	040-23420815-23 / 44655000	040-23431551	Hand Delivery / Regd. Post
6.	Kolkata	Karvy Computershare Pvt. Ltd. 49, Jatin Das Road, Nr. Deshpriya Park, Kolkatta – 700 029	Mr. Sujit Kundu / Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7.	Bengaluru	Karvy Computershare Pvt. Ltd. No.59, Skanda, Putana Road, Basavanagudi, Bengaluru – 560 004	Mr. S K Sharma/ Mr. Mahadev	080-26621192	080-26621169	Hand Delivery

Applicants who cannot hand deliver their documents at the Collection Centres, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at any of the Collection Centres so as to reach the Registrar to the Offer on or before the last date of acceptance i.e. **Tuesday, July 17, 2012.**

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. TUESDAY, JULY 17, 2012 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

FORM OF WITHDRAWAL
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this form with enclosures to Karvy Computershare Private Limited at any of the collection centres mentioned in Letter of Offer)

From
Name:
Address:

OFFER	
OPENS ON	**Thursday, June 28, 2012**
LAST DATE OF WITHDRAWAL	**Thursday, July 12, 2012**
CLOSES ON	**Tuesday, July 17, 2012**

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

To,
The Acquirer – Monnet Ispat & Energy Ltd.
C/o Karvy Computershare Private Limited, Plot nos. 17-24,
Vithalrao Nagar , Madhapur, Hyderabad - 500 081.
Tel: +91 40 44655000 / 23420815-23; Fax: +91 40 23431551
E-mail: murali@karvy.com
Contact Person: Mr. M. Murali Krishna
Dear Sir/Madam,

Sub: Sub: Competitive Bid/Offer for the acquisition of up to 6,100,000 fully paid-up equity shares of Rs 10/- each representing 22.59% of the paid-up capital and 20% of the Emerging Voting Capital of Orissa Sponge Iron & Steel Limited at Rs. 310 per Equity Share payable in cash ('Offer Price') pursuant to Regulation 10, 11 (1), 12, 25 (1) and 25 (3) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

I/We refer to the Letter of Offer dated June 19, 2012 for acquiring the Equity Shares held by me/us in Orissa Sponge Iron & Steel Limited.
I/We, the undersigned, have read the Public Announcement, the corrigendum to the Public Announcement and the 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 authorise the Acquirer and/or the PACs 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 Acquirer/ PACs/ Manager to the Offer/ Registrar to the Offer.
I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or mentioned overleaf as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. **Thursday, July 12, 2012.**
I/We note that the Acquirer/ PACs/ 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 shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.
I/We also note and understand that the Acquirer and/or the PACs 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 the Depositories from time to time.

SHARES HELD IN PHYSICAL FORM

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
Total No. of Shares (in case of insufficient space, please attach a separate sheet)					

SHARES HELD IN DEMAT FORM

I/We hold the following Shares in dematerialised form and had done an off-market transaction for crediting the shares to the special depository account with Karvy Stock Broking Limited as the DP in NSDL styled 'KCPL Escrow A/c - Orissa Sponge - Competitive Bid' with the particulars:

DP Name: Karvy Stock Broking Limited	**DP ID**: IN302470	**Client ID:** 40235377

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 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 have been verified by the DP as per their records and the same have been duly attested.
I/We confirm that the particulars given above are true and correct.
Yours faithfully,
Signed and Delivered:

	Full name(s) of the Holder(s)	PAN Number(s)	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all shareholders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.
Place: ________________________________ Date: __________________

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Acknowledgement Slip **Orissa Sponge Iron & Steel Limited – Open Offer – Withdrawal Form** **Sr. No. ______**
Received Form of Withdrawal from Mr. /Ms. ____
Address ____
Physical shares: Folio No.______________/Demat shares: DP ID _______________ Client ID_____________
for __________number of shares.

Signature of Official ________________________________ Date of Receipt _______________

Stamp of Collection Centre

INSTRUCTIONS

1. Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so by **Thursday, July 12, 2012**i.e. up to three (3) working days prior to the close of the Offer, i.e. **Tuesday, July 17, 2012.**
2. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgement.
3. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar to the Offer at the collection centres below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00am and 4.00pm and on Saturdays between 10.00am and 1.00pm).

No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
1.	Mumbai (Fort)	Karvy Computershare Pvt. Ltd. 24 – B, Raja Bahadur Mansion, 6, Ambalal Doshi Marg, Behind BSE, Fort, Mumbai - 400001	Ms. Nutan Shirke	022-66235454	022-66331135	Hand Delivery
2.	Mumbai (Andheri)	Karvy Computershare Pvt. Ltd. 7, Andheri Industrial Estate, Off. Veera Desai Road, Andheri West, Mumbai – 400 053	Ms. Neelam	022-26730799	022-26730152	Hand Delivery
3.	New Delhi	Karvy Computershare Pvt. Ltd. 305, New Delhi House, 27, Barakhamba Road, Connaught Place, New Delhi – 110 001	Mr. Rakesh Kr Jamwal / Vinod Singh Negi / John Mathew	011-43681700	011-41036370	Hand Delivery
4.	Ahmedabad	Karvy Computershare Pvt. Ltd. 201-203, Shail, Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad – 380 006	Mr. Aditya Gupta/ Mr. Robert Joeboy	079-66614772 / 26400527	N.A.	Hand Delivery
5.	Chennai	Karvy Computershare Pvt. Ltd. Flat No F-11, 1st Floor Akshaya Plaza, No.108 Adhidhanar Salai Egmore Chennai-600002	Mr. K.Gunasekhar	044-28587781	N.A.	Hand Delivery
6.	Hyderabad	Karvy Computershare Pvt. Ltd. Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081	Mr. Bhakta Singh	040-23420815-23 / 44655000	040-23431551	Hand Delivery / Regd. Post
7.	Kolkata	Karvy Computershare Pvt. Ltd. 49, Jatin Das Road, Nr. Deshpriya Park, Kolkatta – 700 029	Mr. Sujit Kundu / Mr. Debnath	033-24644891	033-24644866	Hand Delivery
8.	Bengaluru	Karvy Computershare Pvt. Ltd. No.59, Skanda, Putana Road, Basavanagudi, Bengaluru – 560 004	Mr. S K Sharma/ Mr. Mahadev	080-26621192	080-26621169	Hand Delivery

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

Karvy Computershare Private Limited
Unit: Orissa Sponge Iron & Steel Limited
Plot nos. 17-24, Vithalrao Nagar Madhapur, Hyderabad - 500 081.
Tel: +91 40 44655000 / 23420815-23, Fax: +91 40 23431551
E-mail: murali@karvy.com
Contact Person: Mr. M. Murali Krishna

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