LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

CASH OFFER AT RS. 300/- (RUPEES THREE HUNDRED ONLY) PER FULLY PAID EQUITY SHARE

Pursuant to regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

TO ACQUIRE

Up to 79,30,000 fully paid up Equity Shares of Rs. 10/- each representing 26.00% of the Emerging Voting Capital (as defined below in para no. 71) from the Eligible Shareholders of

Orissa Sponge Iron and Steel Limited ("Target Company")

having its registered office at OSIL House Gangadhar Meher Marg, Bhubaneswar 751024, Orissa, Tel: 0674-3016500, Fax: 0674-3016505

By

Bhushan Power and Steel Limited ("Acquirer")

having its registered office at 4th floor, Tolstoy House 15-17, Tolstoy Marg, Connaught Place, New Delhi-110 001, Tel: + 91 30451000 Fax: + 91 23712737 along with

Titanic Steel Industries Limited ("Person Acting in Concert"/"PAC1")

having its registered office at Plot No 3, Industrial Area, Phase 1, Chandigarh 160002, Tel: 0172- 3911702; Fax: 0172- 3911704

and

Olympian Finvest Limited (erstwhile Olympian Steel Industries Limited) ("Person Acting in Concert"/"PAC2")

having its registered office at Plot No 3, Industrial Area, Phase 1, Chandigarh 160002, Tel: 0172-3911702; Fax: 0172–3911704

(PAC1 and PAC2 hereinafter collectively referred to as the "PACs")

ATTENTION:

(1) This voluntary Open Offer is being made pursuant to and in accordance with the regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereto. (2) The Offer is not subject to any minimum level of acceptance by the shareholders of Orissa Sponge Iron and Steel Limited. (3) The Offer was subject to the Acquirer obtaining all approvals under foreign exchange laws including approval from Reserve Bank of India and the Foreign Investment Promotion Board, if any, for acquiring Shares in the Offer. However, in terms of Reserve Bank of India's A.P. (DIR Series) Circular No. 43 dated November 04, 2011, general permission has been granted by Reserve Bank of India (RBI) for transfer of shares from Non Resident to Resident if such transfer is pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereto, without the prior approval of RBI. (For further details refer section XII below). (4) Eligible 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 3 (three) working days prior to the date of the closure of the Offer i.e. July 17, 2012. (5) If there is any upward revision of the Offer Price by the Acquirer till the last permitted date for revision viz. July 6, 2012 the same would be informed by way of a public announcement in the same newspapers, where the original Public Announcement had appeared. The Acquirer would pay such revised price for all Equity Shares validly tendered at any time during the Offer and accepted under the Offer. **(6) (i) After the Acquirer's Public Announcement in respect of Target Company for Rs. 300/- per share, two competitive bids were made at Rs 310/- per share and Rs. 330/- per share (subsequently enhanced to Rs.359.95/- per share on account of subsequent acquisition by the competitive bidder at that rate). (ii) As the Offer Price cannot be revised during seven working days prior to the closing date of the offers/bids, it would therefore, be in the interest of the Shareholders to wait till the commencement of that period to know the final offer price of each offer/bid and tender their acceptance accordingly.** (7) A copy of the Public Announcement, Corrigendum to the Public Announcement and this Letter of Offer (including Form of Acceptance-cum-Acknowledgement) is also available on SEBI's website at (www.sebi.gov.in)

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
CENTRUM	LINK INTIME INDIA PVT LTD
Centrum Capital Limited Centrum House, CST Road, Kalina, Santacruz (E), Mumbai - 400 098; Tel: +91-22-42159000; Fax: +91-22-42159707 Email: osl.openoffer@centrum.co.in SEBI Regn: INM 000010445 Contact person: Ms. Aanchal Wagle /Mr. N. Saravanan	**Link Intime India Pvt. Ltd.,** Unit: OSIL Open Offer, C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai - 400 078; Tel: +91 22 25967878; Fax: +91-22- 25960329 Email: osil.offer@linkintime.co.in; SEBI Regn: INR000004058 Contact Person: Mr. Pravin Kasare
OFFER OPENS ON THURSDAY, JUNE 28, 2012	**OFFER CLOSES ON TUESDAY, JULY 17, 2012**

ACTIVITY	Original Schedule	Revised Schedule
Public Announcement	Saturday, February 7, 2009	Saturday, February 7, 2009
Date of First Competitive Bid	Wednesday, February 25, 2009	Wednesday, February 25, 2009
Specified Date* (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday, February 27, 2009	Friday, February 27, 2009
Last Date for Competitive Bid	Saturday, February 28, 2009	Saturday, February 28, 2009
Date of Second Competitive Bid	Saturday, February 28, 2009	Saturday, February 28, 2009
Date by which Letter of Offer will reach Eligible Shareholders	Tuesday, March 24, 2009	Saturday, June 23, 2012
Date of opening of the Offer	Friday, April 3, 2009	Thursday, June 28, 2012
Last date for revising the Offer Price / No. of equity Shares	Thursday, April 9, 2009	Friday, July 06, 2012
Last date of withdrawal of tendered application by the Eligible Shareholders	Friday, April 17, 2009	Thursday, July 12, 2012
Date of closing of the Offer	Wednesday, April 22, 2009	Tuesday, July 17, 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 7, 2009	Wednesday, August 01, 2012

* Specified Date is only for the purpose of determining the names of the Shareholders as on such date to whom Letter of Offer will be sent and all owners (registered or unregistered) of the shares of the Target Company (except Acquirer and PACs, Competitive bidders and persons acting in concert with them) are eligible to participate in the Offer anytime before the closing of the Offer.

Note: Duly Signed Application and Transfer Deed should be dispatched to the Registrar to the Offer at the above address to reach not later than 4.30 p.m on July 17, 2012.

RISK FACTORS

- The Offer is subject to the receipt of statutory and regulatory approvals, as provided under section XII of this Letter of Offer for the acquisition of Shares by the Acquirer under the Offer. The Acquirer may not be able to proceed with the Offer in the event the approvals are not received in terms of regulation 27 of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereto. Delay, if any, in the receipt of these approvals may delay completion of the Offer.
- The Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.
- There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Shares tendered in the Offer will be held in trust by the Manager to the Offer till the completion of the Offer formalities, and the Eligible Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares.
- In the event of oversubscription to the Offer, the acceptance of the Shares tendered will be on a proportionate basis and will be contingent upon the level of subscription.
- The information and other data including financial data relating to the Target Company used in this Draft Letter of Offer, has been obtained from publicly available documents including annual reports of the Target Company, website of Target Company, Stock Exchanges and other government sources. Although, we believe that information/data used in this Letter of Offer is reliable, it has not been independently verified.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer, but are only indicative. They do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Eligible Shareholder in the Offer. The Eligible Shareholders are advised to consult their stockbroker, investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

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KEY DEFINITIONS

Acquirer, BPSL	Bhushan Power and Steel Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Eligible Shareholder(s)	Equity shareholders of the Target Company (registered or unregistered) except Acquirer and PACs, Competitive bidders and persons acting in concert with them
Equity Share (s)/ Share(s)	Fully paid up equity share(s) of face value Rs. 10 each of the Target Company
Equity Shareholders/Shareholders	Equity shareholders of the Target Company
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time
Form of Acceptance-cum-Acknowledgement (FOA)	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
FY	Financial Year
Letter of Offer/ LOF	This Letter of Offer dated June 19, 2012
Manager to the Offer	Centrum Capital Limited, appointed by the Acquirer pursuant to regulation 13 of the Regulations
NSDL	National Securities Depository Limited
Open Offer / Offer	To acquire up to 79,30,000 Shares from the Eligible Shareholders of the Target Company at the Offer Price payable in cash
Offer Price	Rs. 300/- (Rupees three hundred only) per equity share of face value Rs. 10 each
OFL	Olympian Finvest Limited (erstwhile Olympian Steel Industries Limited)
PA/Public Announcement	Announcement of this Offer made on behalf of the Acquirer to the Shareholders of the Target Company published on February 7, 2009 which appeared in all the available editions of Business Standard and Prathkal, Bhubaneshwer edition of Dharitri.
PACs	Persons Acting in Concert i.e. OFL and TSIL
RBI	The Reserve Bank of India
Registrar to the Offer	Link Intime Private Limited , the registrars and share transfer agents appointed by the Acquirer, having its registered office at Unit: OSIL Open Offer, C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078;
SEBI (SAST) Regulations / Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended from time to time
SEBI	Securities and Exchange Board of India

SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time
Specified Date	February 27, 2009 being the date for the purpose of determining the names of the Shareholders to whom the Letter of Offer will be sent
Stock Exchanges	Bombay Stock Exchange, Kolkata Stock Exchange and Bhubaneshwar Stock Exchange
Target Company / OSIL	Orissa Sponge Iron and Steel Limited
TSIL	Titanic Steel Industries Limited

Note: *All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.*

I. DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ORISSA SPONGE IRON AND STEEL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs 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 ACQUIRER IS 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 ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, CENTRUM CAPITAL LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 20, 2009 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

II. DETAILS OF THE OFFER

1. This Offer is being made voluntarily by the Acquirer along with PACs to the Eligible Shareholders of the Target Company, in accordance with regulations 10 and 12 of the SEBI (SAST) Regulations, for the purpose of acquisition of Shares and voting rights of the Target Company.

2. No person (other than TSIL and OFL) is acting in concert with the Acquirer for the purpose of this Open Offer and the Acquirer has never acted in concert with any other person in respect of the acquisition of Shares in the Target Company. One or more shareholder(s) of OSIL may meet the definition of a deemed person acting in concert under regulation 2(1)(e)(2) of the Regulations and thus may be persons which are deemed to be acting in concert with the Acquirer because of the operation of regulation 2(1)(e)(2). For instance Mr. Brij Bhushan Singal is father of Mr. Sanjay Singal and Mr. Neeraj Singal is brother of Mr. Sanjay Singal. The said Mr. Brij Bhushan Singal and Neeraj Singal hold shares in the Target Company through companies controlled by them as disclosed in the competitive bid for the Target Company announced by Bhushan Energy Limited. However, the said Mr. Brij Bhushan Singal and Mr. Neeraj Singal or their companies have no agreement or understanding with the Acquirer in relation to the Target Company and for that reason, are not persons acting in concert with the Acquirer. The fact that on February 27, 2009 Bhushan Energy Limited, a company promoted by Mr. Brij Bhushan Singal and Mr. Neeraj Singal, along with its PACs have come out with a competitive bid for the Target Company indicates that there is no cooperation between the Acquirer and the promoters of Bhushan Energy Limited i.e. Mr. Brij Bhushan Singal and Mr. Neeraj Singal. No person (other than TSIL and OFL) is acting in concert with the Acquirer for the purposes of this Open Offer and the Acquirer and PACs have never acted in concert with any other person in respect of the acquisition of the shares in the Target Company.

3. The Acquirer and the PACs do not hold any Shares as of the date of this Letter of Offer.

4. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

5. The Manager to the Offer vide its letters dated February 17, 2009, March 13, 2010 and April 09, 2012 has written to the Target Company *inter alia* seeking various information. However, the required information has not been furnished by the Target Company till date. The Acquirer and PACs are not aware whether the Target Company has been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of, or any other regulations made under, the SEBI Act except as stated in paragraph no. 74. No order has been passed against the Acquirer and the PACs in terms of directions issued under section 11B of, or any other regulations made under, the SEBI Act.

6. On successful completion of the Offer, the Acquirer and PACs will hold the shares acquired in the Offer as public shareholders. The Acquirer upon willingness of the Target Company, intends to work with the management of the Target Company and explore opportunities for any technical / marketing / financial support so as to derive maximum synergies.

III. DETAILS OF THE PROPOSED OFFER

7. The Acquirer has made a PA on February 7, 2009 in accordance with regulation 15 of the Regulations and PA was published in all the available editions of Business Standard and Prathkal, Bhubaneshwer edition of Dharitri. A copy of the PA and this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal) is also available on SEBI's website i.e. (www.sebi.gov.in).

8. Pursuant to this Offer, the Acquirer proposes to acquire upto 79,30,000 Shares of the Target Company representing 26% of the Emerging Voting Capital of the Target Company at an Offer Price of Rs. 300/- (Rupees three hundred only) per Share to be paid in cash in accordance with the Regulations. This Offer is not conditional upon any minimum level of acceptance and does not have any differential pricing.

9. Any Shares to be acquired under this Letter of Offer are to be free from lock-in, liens, charges and encumbrances and will be acquired together with all rights attached thereto.

10. The Letter of Offer is being sent to those Shareholders whose name(s) appeared in the Register of Members of the Target Company at the close of business hours on February 27, 2009, being the Specified Date as required under the Regulations.

11. This Offer is made to all Eligible Shareholders.

12. The Acquirer and PACs has not acquired / allotted any Shares of the Target Company during the last 12 months before the PA. No acquisition of Equity Shares has been made by the Acquirer and the PACs between the date of the PA and the date of this LOF.

13. There are two competitive bids as on date of this Letter of Offer. The details of the competitive bids are given below.

Particulars	**Offer Details***	**Competitive Bidders and persons acting in concert with them**
Competitive Bid 1	To acquire 61,00,000 equity shares of Target Company at Rs. 310 per share.	Mounteverest Trading & Investment Ltd along with Torsteel Research Foundation ("TRF") in India, TRFI Investment Private Ltd ("TRFI"), Monnet Ispat & Energy Limited
Competitive Bid 2	To acquire 61,00,000 equity shares of Target Company at Rs. 359.95** per share	Bhushand Energy Ltd along with Brij Bhushan Singal, Neeraj Singal, BNS Steel Trading Pvt Ltd, BBN Transportation Pvt Ltd, BNR Infotech Pvt Ltd, BNR Consultancy Services Pvt Ltd and Bhushan Steel Ltd

.* For more details investors are advised to refer the letter of offer and public announcement issued by respective acquirer's which is available on www.sebi.gov.in.
** Based on the disclosures made to the BSE, being the highest price paid for the acquisition of Shares pursuant to the provisions of regulation 20 (7) of the Takeover Regulations.

IV. OBJECT OF THE ACQUISITION / OFFER AND FUTURE PLANS

14. The Acquirer has related business activities and believes that it can derive significant synergy with business of the Target Company. It further believes that it will be able to add value to the business of Target Company in terms of experience, financial strength and technology.

15. Upon the successful completion of the Offer, the Acquirer and PACs will hold the shares as public shareholders. To the extent required and to optimize the value to all shareholders, the Acquirer may, subject to applicable shareholders' consent, suggest the board of the Target Company to enter into any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and / or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. The board of directors of Target Company will take appropriate decisions in these matters. However, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of Target Company except with the prior approval of the shareholders of Target Company, to the extent required as per the then applicable law.

V. INFORMATION ABOUT BPSL

16. BPSL was incorporated on February 22, 1999 in Jalandhar, India as a public limited company and its company identification number ("**CIN**") is U27100DL1999PLC108350. The Acquirer has its registered office at 4th floor, Tolstoy House 15-17, Tolstoy Marg, Connaught Place, New Delhi-110 001, Tel: + 91–11-30451000, Fax: +91-11-23712737. The Acquirer is a company whose main objects consist of manufacturing, trading and exports of iron & steel products and generation and distribution of power.

17. Mr. Sanjay Singal, Chairman and Managing Director, is one of the promoter of BPSL. Mr. Singal, aged 51 years, has successfully implemented, modernized and expanded the steel projects at Chandigarh, Kolkatta and Derabassi. Mr. Singal, a visionary, believes in long term planning and has brought the company to a new height. He is pioneer in setting up the integrated steel and power plant at Orissa. Mr. Singal is responsible for the overall operations and is instrumental in making strategic decisions and long term planning for BPSL.

18. BPSL is an unlisted entity and since BPSL has never acquired shares in the Target Company, the reporting requirements under chapter II of the SEBI (SAST) Regulations are not applicable.

19. BPSL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or under any other regulation framed under SEBI Act.

20. The promoters of the Acquirer hold 94.46% of the issued share capital of the Acquirer and the balance is held by institutional investor(s) / other individuals.

The shareholding pattern of BPSL as on June 19, 2012 is as follows:

Sr. No.	Shareholder's Category	No. of Shares held	% Holding
1.	**Promoters**	**18,29,90,715**	**94.46**
	Mr. Sanjay Singal	1,25,85,436	6.50
	Mrs. Aarti Singal	59,69,324	3.08
	Ms. Priyanka Singal	10,00,895	0.52
	Ms. Radhika Singal	10,00,220	0.52
	Mr. Aniket Singal	17,50,967	0.90
	Sanjay Singal (HUF)	2,56,450	0.13
	Jasmine Steel Trading (P) Ltd	3,97,72,500	20.53
	Marsh Steel Trading (P) Ltd	3,95,53,500	20.42
	Diyajyoti Steel (P) Ltd	4,00,32,750	20.67
	Vision Steel (P) Ltd	4,10,68,673	21.20

2.	**Institutional investor(s)/other individuals**	**1,07,24,285**	**5.54**
	Total	**19,37,15,000**	**100.00**

21. The details of the board of directors of BPSL is given below:

Sr. No.	Name, Father's Name, Designation & Date of Appointment	Age	Total Experience	DIN	Area of Experience	Address	Qualification	Whether on the Board of Target Company
1	**Mr. Sanjay Singal** (S/o Mr. B.B. Singal) **Designation**: Chairman and Managing Director **Date of appointment**: February 22, 1999 (Appointed as Managing Director w.e.f. 30.06.2003 and re-appointed on 30.06.2008)	52	33	00006579	Planning, policy decisions and management of day to day working	61, Sector 5 Chandigarh	Graduate	No
2.	**Mrs. Aarti Singal** (W/o Mr. Sanjay Singal) **Designation**: Vice Chairperson & Whole Time Director (Admin.) **Date of appointment**: March 30, 2010 (Appointed as Whole Time Director w.e.f. 01.04 .2010)	50	29	00007698	Administration	61, Sector 5 Chandigarh	Graduate	No
3.	**Mr. Melwyn Rego** (S/o Lt. Mr. Oswald Rego **Designation**: Nominee Director **Date of appointment**: December 06, 2010	52	30	00292670	Executive Director IDBI Bank Limited	E-53 Maker Kundan Garden Juhu Road Shanta Cruz (W) Mumbai	M.B.A. (Finance)	No
4.	**Mr. Anil S. Supanekar** (S/o Mr. S.V. Supanekar) **Designation**: Director **Date of appointment**: September 29, 2006 (Mr. Anil S Supanekar was earlier appointed as Nominee Director of IFCI w.e.f. 14.06.2003 to 29.09.2006.)	71	37	00023254	Technical Consultant	694/2, Swami Kripa Apartment, Market Yard Road, Pune	B.E	No
5.	**Mr. R. P. Goyal** (S/o Late Mr. V.P. Goyal) **Designation**: Whole Time Director (Commercial) **Date of appointment**: March 1, 2001 (Appointed as Whole Time Director w.e.f. 01.03 .2001, re-appointed on 01.03.2006 and on 01.03.2011)	61	38	00006595	Commercial, Legal and Mining Operations	157, Sector 16, Panchkula Haryana	Graduate	No
6.	**Mr. H. C. Verma** (S/o Mr. B.R. Verma) **Designation**: Whole Time Director (Marketing) **Date of appointment**: March 1, 2001 (Appointed as Whole Time	59	37	00007681	Marketing	HNo 1258, Near Old Post Office, Mani Majra (Chandigarh)	Graduate	No

	Director w.e.f. 01.03.2001, re-appointed on 01.03.2006 and on 01.03.2011)							
7.	**Mr. R. N. Yadav** (S/o Mr. Shiv Shankar Yadav) **Designation**: Whole Time Director (Technical) **Date of appointment** : June 14, 2003 (Appointed as Whole Time Director w.e.f. 14.06 .2003, re-appointed on 14.06.2008)	51	26	00006697	Technical planning/ Project Execution	Flat No 35, Vasant Apptt. Mayur Vihar Phase-I New Delhi	B.E.	No
8.	**Mr. R. D. Batra** (S/o Mr. D.D Batra) **Designation**: Director **Date of appointment**: March 1, 2001	75	53	00007769	Electrical Consultant	4184, Pocket 4, Sector D, Vasant Kunj, New Delhi	B.E.	No
9.	**Mr. Dinesh Kumar Behal** (S/o Mr. Rajinder Kumar Behal) **Designation**: Director **Date of appointment**: February 28, 2006	54	29	00011735	Finance and Costing	3235, Urban Estate, Phase –II, Dugri Road, Ludhiana	I.C.W.A & C.S	No
10	**Mr. Jimmy Mahtani** **Designation**: Independent Director (Nominee) **Date of appointment**: November 22, 2006	35	11	00996610	Finance and Administration	APT BLKI Chatsworth Road, # 22-21, Singapore	B.Sc (Business Administration)	No

- **Mr. Sanjay Singal**, Chairman & Managing Director is the main promoter of BPSL. He is an eminent industrialist. He is a graduate in arts from Punjab University, Chandigarh. He was responsible for the implementation of a number of expansion projects of erstwhile Bhushan Industries Limited and erstwhile Bhushan Metallics Limited (merged in BPSL). Currently, he is responsible for the overall working of BPSL and is instrumental in making strategic decisions for BPSL including the commissioning of the ambitious integrated power and steel project in Orissa. He has been a director of BPSL since its inception.

- **Mrs. Aarti Singal,** Vice-Chairperson & Whole Time Director of the BPSL, is also a promoter of the BPSL and takes care of over all administration of BPSL. She has been appointed as the Director of the BPSL w.e.f. March 30, 2010 and as Vice Chairperson and Wholetime Director (Adm) w.e.f. April 1, 2010. She has completed her graduation in arts from Punjab University and has wide experience in steel industry**.**

- **Mr. Melwyn Rego,** has joined as the nominee director of IDBI Bank Limited w.e.f. December 06, 2010. He has done M.B.A. and is rank holder in Finance from Symbiosis Institute of Business Management, Pune and joined IDBI Bank Limited in June, 1984. He is Executive Director managing International Banking, Treasury, Compliance and Investment Departments. He also manages the raising of rupee resources through bond issuances in the domestic market. He has extensive international experience and was as rank holder at a programme on International Capital Market at St. Catherine's College at Oxford University, UK.

- **Mr. Anil S. Supanekar,** is an Independent Director on the board of BPSL. Earlier he was nominee director of IFCI on the board of BPSL. He holds a bachelor of science degree and a bachelor of engineering degree. Mr. Supanekar is currently a member of the Institution of Engineers and Chartered Engineers and is also a member of the Managing Council, Agri-Horticultural Society of Western India. He has also been the President of the Rotary Club of Pune South. He is also a fellow member of the Institution of Valuers and Indian Council of Arbitration. Mr. Supanekar has also been a special invitee to work on management of Chamber of Commerce Industries and Agriculture. Mr. Supanekar, owned and operated his own business under the name and style of Southern Machine Industries Limited for 16 years. Prior to his nomination on the board of BPSL he was the Managing Director of James Group of Companies. Mr.

Supanekar has been elected to the Governing Body of Pune Division Productivity Council. He has rich experience in Industrial sector.

- **Mr. R.P. Goyal** , Whole-Time Director (Commercial) , is a commerce graduate from Government College, Kurukshetra, Haryana. He has been associated with BPSL since its inception. Mr. Goyal is responsible for the commercial, legal and mining operations at BPSL. He is also looking after the implementation of the power project at Jharsuguda, Orissa and Chandigarh operations.

- **Mr. H. C. Verma,** is a Whole-Time Director (Marketing) in BPSL. He worked with Bhushan Industries Limited from 1973 to 1992. Thereafter he worked with Bhushan Steel & Strips Limited from 1992 to 1999. He was appointed as President (Marketing) before he was appointed as a Whole Time Director (Marketing) in year 2001. He has rich experience in marketing of steel products and is responsible for the development of new markets for BPSL, particularly new export markets. He is a member of the Bengal Chamber of Commerce. He is also looking after the operations of Kolkata units.

- **Mr. R.N. Yadav,** Whole-Time Director (Technical) is a graduate in electrical engineering from M. I.T, Muzaffarpur. Mr. Yadav worked with Indian Air Force as a signal officer for three years. He subsequently worked with Hindustan Paper Corporation Limited as a Maintenance Engineer, as a Head of Electrical & Automation with Sipta Coated Steels Limited and as an Assistant General Manager (Electrical & Automation) with Bhushan Steel & Strips Limited. In the year 2003, he joined BPSL as Vice President (Technical). He has vast experience of 26 years in the steel industry.

- **Mr. R.D. Batra,** is an Independent Director on the board of BPSL. He is a graduate of electronic engineering and science from Engineering College, Dayal Bagh, Agra. He worked for 33 years with Metallurgical and Engineering Consultants (India) Limited where he retired as Chief Engineer (Electrical). He has made a presentation on 'Design Practices Adopted for Distribution Scheme for an Integrated Steel Plant' in IEEE, London.

- **Mr. Dinesh Kumar Behal,** is an Independent Director on the board of BPSL. He is a qualified Cost Accountant from Institute of Cost and Works Accountants of India and a qualified Company Secretary from Institute of Company Secretaries of India. He has an experience of about 29 years in cost accounting as well as company law matters..

- **Mr. Jimmy Mahtani,** is nominee director of institutional investor (Baring Private Equity Asia III Mauritius Holdings (3) Ltd.) and is an independent director on the board of BPSL. He is a B.Sc (Business Administration) from Georgetown University, Washington, DC. He has rich experience in capital markets. Presently, he is working with Baring Private Equity Asia, LLC (Singapore).

22. The Acquirer in the past has not made any acquisitions in the Target Company including acquisition through open offer.

23. Standalone audited financials of BPSL for the last 3 financial years and for nine months ended December 31, 2011 as certified by the auditors are as under.

(Rs. in lakhs)

Profit & Loss Statement	Nine months ended December 31,2011 (unaudited)*	FY 2011 (audited)	FY 2010 (audited)	FY 2009 (audited)
Income from Operations	4,79,098.65	4,67,843.90	4,00,852.59	4,37,525.94
Other Income	330.50	2,018.76	5,604.09	4893.56
Total Income	**4,79,429.15**	**4,69,862.66**	**4,06,456.68**	**4,42419.50**
Total Expenditure	**3,39,565.27**	**3,29,476.97**	**2,94,736.19**	**3,32,158.17**
Profit Before Depreciation Interest and Tax	1,39,863.88	1,40,385.69	1,11,720.49	110261.33
Depreciation	35,545.68	37,292.27	37,526.15	30,022.34

Interest	45,587.88	42,959.41	40,629.27	39993.75
Profit / (Loss) Before Tax	**58,730.32**	**60,134.01**	**33,565.07**	**40,245.24**
Provision for Tax	20,020.00	16,348.40	8,004.60	7,629.17
Profit / (Loss) After Tax	**38,710.32**	**43,785.61**	**25,560.47**	**32,616.07**
Profit After Tax (considering extraordinary item)	**38,710.32**	**43,785.61**	**25,560.47**	32,616.07

* *As certified by Mr. R. K. Mehra, Partner, M/s Mehra Goel & Co , Chartered Accountants on April 18, 2012*
Source: Annual Reports of BPSL for FY 2009,2010 and 2011

(Rs in lakhs)

Balance Sheet Statement	**As at December 31,2011 (unaudited)***	**As at March 31, 2011 (audited)**	**As at March 31, 2010 (audited)**	**As at March 31, 2009 (audited)**
Sources of Funds				
Paid-up Share Capital	13,605.17	13,605.17	13,605.17	13,605.17
Reserves and Surplus	2,87,028.00	2,48,317.69	2,04,611.14	1,79,130.26
Networth#	**3,00,633.18**	**2,61,922.86**	**2,18,216.31**	**1,92,735.43**
Share Application Money	1,69,621.00	1,10,322.00	57,390.00	27,500.00
Secured Loans	15,20,984.13	11,91,303.76	8,94,774.29	7,08,358.00
Unsecured Loans	2,26,378.11	1,52,698.06	1,56,108.42	95,280.88
Total Loans	17,47,362.24	13,44,001.82	10,50,882.71	8,03,638.88
Net Deferred Tax Liability	71,583.09	51,583.09	35,383.09	27,393.09
Total	**22,89,199.50**	**17,67,829.77**	**13,61,872.11**	**10,51,267.40**
Application of Funds				
Net Fixed Assets	8,07,336.84	7,83,424.30	6,10,428.98	5,80,310.79
Capital Work-in-Progress	11,54,452.44	7,05,101.85	5,02,987.44	3,02,787.81
Investments	17,529.15	8,916.15	57,913.06	524.09
Net Current Assets	3,09,881.07	2,70,387.47	1,90,542.63	1,67,644.71
Total	**22,89,199.50**	**17,67,829.77**	**13,61,872.11**	**10,51,267.40**

* *As certified by Mr. R. K. Mehra, Partner, M/s Mehra Goel & Co , Chartered Accountants on April 18, 2012*
Source: Annual Reports of BPSL for FY 2009, 2010 and 2011;
#Networth = Paid up equity share capital + Equity Share Warrants + Reserves and surplus – revaluation reserve – profit and loss debit balance / miscellaneous expenditure – preference share capital)

Other Financial Data	**FY 2011**	**FY 2010**	**FY 2009**
Dividend (%)	0.50	0.50	0.50
Basic Earning Per Share (Rs.)	32.18	18.79	23.97
Diluted Earnings Per Share (Rs.)	*26.17*	17.62	22.59
Return on Networth* (%)	16.72%	11.71%	16.72%
Book Value Per Share** (Rs.)	192.52	160.39	141.66

* Profit After Tax/Networth (as calculated above)
**Networth(as calculated above)/No of equity shares.

24. There have been no accounting changes over last 3 financial years warranting any change in financials.

25. As per the audited financials as of March 31, 2011, the contingent liabilities are as follows:

(Rs. in Lakhs)

Sr. No.	Particulars	Amount
1	Outstanding guarantees furnished to Banks & Financial Institutions including in respect of letter of credit (availed by the Company)	25,065.18
2	Cheque/DD and bills discounted with banks	17,574.38
3	Claim against the Company not acknowledged as debt	3.68
4	Central/State Sales Tax Act	1,993.08
5	Orissa Entry Tax	234.52
6	Central Excise Act, 1944	14,418.42
7	Income Tax Act, 1961	2,411.69
Total		**61,700.95**

26. Reasons for the fall/rise in total income:

The total income for FY 2011 was Rs 4,69,862.66 lakhs as compared to Rs 4,06,456.68 lakhs in the FY 2010. Profit after tax for the FY 2011 was Rs. 43,785.61 lakhs as compared to Rs. 25,560.47 lakhs in FY 2010. Better market demand, higher exports and better realization during the year has resulted into better financial performance. The reduction in other income in FY 2011 has largely been due to reduction in exchange fluctuation.

The total income for FY 2010 was Rs 4,06,456.68 lakhs as compared to Rs 4,4219.50 lakhs in FY 2009. Profit after tax for FY 2010 was Rs. 25,560.47 lakhs as compared to Rs. 32,616.07 lakhs in FY 2009. Decrease in total income and profit was mainly due to decline in realizations and rise in input costs.

27. Object of the acquisition: The Acquirer has related business activities and believes that it can derive significant synergy with business of the Target Company. It further believes that it will be able to add value to the business of Target Company in terms of experience, financial strength and technology.

28. Upon the successful completion of the Offer, the Acquirer and PACs will hold the shares acquired in the offer as public shareholders. The Acquirer upon willingness of the Target Company, intends to work with the management of the Target Company and explore opportunities for any technical / marketing / financial assistance so as to derive significant synergies.

29. Future plans and strategies of the Acquirer with regard to the Target Company: A key objective of BPSL is to support the current management of the Target Company, upon willingness of the Target Company, in connection with its business strategy. The Acquirer being in a similar line of business / operations as that of Target Company believes that it can enable the Target Company to facilitate further realization of its business strategy and derive significant synergies. No material impact is expected on the Acquirer's business and operations as a result of the proposed Acquisition and the Offer in the Target Company.

30. Significant accounting policies of BPSL (*Source*: Annual Report 2010-11)

- **BASIS FOR PREPARATION OF ACCOUNTS**
  The Financial Statements have been prepared under historical cost convention on accrual basis in accordance with generally accepted accounting principles and applicable Accounting Standards as notified under Companies (Accounting Standard) Rules, 2006 and the provisions of Companies Act, 1956.

- **USE OF ESTIMATES**
  The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported

amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

- **FIXED ASSETS**
  Fixed Assets are stated at cost, net of VAT/ MODVAT/ CENVAT, less accumulated depreciation. All costs including borrowing costs till commencement of commercial production and adjustment arising from exchange rate variations relating to long term borrowings/monetary items attributable to the depreciable fixed assets are capitalized. Capital expenditure on assets incurred by the Company is reflected in capital work in progress account till these are commercially commissioned and thereafter in the fixed assets. Machinery spares that can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized. Replacement of such spares is charged to revenue. Railway siding under the control of the company are regarded tangible assets. Assets not owned by the company, which are accessible to others, are charged to Profit & Loss account.

- **INTANGIBLE ASSETS**
  In accordance with the Accounting Standard (AS) 26 relating to intangible assets, all costs incurred on technical know-how / license fee relating to production process are charged to revenue in the year of incurrence. Costs incurred on technical know-how / license fee relating to process design / plants / facilities are capitalized at the time of capitalization of the said plant / facility and amortized on pro-rata basis over a period of five years. Computer software is capitalised on the date of installation and is amortised on pro-rata basis over a period of five years.

- **IMPAIRMENT OF ASSETS**
  Carrying amount of cash generating units / assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount being the higher of net realizable price and value in use.

- **EXPENDITURE ON NEW PROJECTS AND SUBSTANTIAL EXPANSION**
  Expenditure directly relating to construction activity including trial run production expenses (net of income, if any) is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto, is charged to the Profit & Loss Account.

- **DEPRECIATION**
  Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule-XIV to the Companies Act, 1956. On incremental / decremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets, depreciation has been provided as aforesaid over the residual life of the respective plants. Premium of leasehold land is amortised over the period of lease except leasehold land acquired on lease of ninety years or more. Depreciation on fixed assets costing upto Rs. 5,000/- is charged @ 100% on pro-rata basis.

- **FOREIGN CURRENCY TRANSACTIONS**
  Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the date of the transactions. Monetary items denominated in foreign currencies outstanding at the year-end are translated at the exchange rate applicable as on that date. Non monetary items are valued at the exchange rate prevailing on the date of transaction.

  Pursuant to the notification of the Companies (Accounting Standards) Amendment Rules 2006 on 31st March 2009 which amended Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:

  i) Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of depreciable capital assets are added to/deducted from the cost of asset and depreciated over the remaining useful life of the asset.
  ii) In other cases such differences are accumulated in a "Foreign Currency Monetary Item

Translation Difference Account" and amortized to the profit & loss account over the balance life of the long-term monetary item, however that the period of amortization does not extend beyond 31st March 2012.

All other exchange differences are dealt with in the profit and loss account.

- **INVESTMENTS**

  Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and quoted/ fair value. Long term investments are stated at cost less any provision for other than temporary diminution in value.

- **DIVIDEND INCOME**

  Dividend on investments is accounted for as and when right to receive is established.

- **SALES**

  Sales are inclusive of trial run sales, excise duty and net of sales tax/ vat.

- **INVENTORY VALUATION**

  Inventories are valued at lower of cost or net realizable value except scrap which is valued at net realizable value. The cost is determined by using first-in-first-out (FIFO) method. Finished goods and work-in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Excise duty on closing stock of finished goods and scrap are accounted for on the basis of payments made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

- **INCOME TAX**

  Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liabilities are accepted by the Company. In accordance with the Accounting Standard 22-Accounting for Taxes on income as notified under Companies (Accounting Standard) Rules, 2006, the deferred tax for timing differences between the book & tax profit for the period is accounted for using the tax rates and the tax laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets arising from temporary timing difference are recognized to the extent there is virtual certainty that the asset will be realized in future.

- **BORROWING COST**

  Borrowing costs that are attributable to the acquisition or the construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

- **MODVAT / CENVAT / VAT**

  Modvat/ Cenvat/ VAT claimed on capital assets is credited to assets / capital work in progress account. Modvat/ Cenvat/ VAT on purchase of raw materials and other materials are deducted from the cost of such materials.

- **CLAIMS**

  Claims receivable are accounted for depending on the certainty of receipt and claims payable are accounted at the time of acceptance.

- **PROPOSED DIVIDEND**

  Dividend as proposed by the Board of Directors is provided for in the books of account, pending approval at the Annual General Meeting.

- **RETIREMENT/POST RETIREMENT BENEFITS**

  i. Short term employee benefits are recognized as an expense at the undiscounted amount in the year in which related service is rendered.

  ii. The Company has defined contribution plan for post retirement benefits, namely Employees Provident Fund scheme administered through provident fund commissioner. The Company's contribution is charged to revenue every year.

iii. Company's contribution to state plans namely Employees State Insurance Fund is charged to revenue every year.

iv. The Company has defined benefits plans namely Leave encashment/ Compensated absence and Gratuity, the liability for which is determined on the basis of Actuarial valuation at the end of the year. Gratuity Trust is administered through "Life Insurance Corporation of India".

v. Termination benefits are recognized as an expense immediately.

vi. Gain or Loss arising out of actuarial valuation are recognized in the profit and loss account as income or expense.

- **PROVISIONS AND CONTINGENT LIABILITIES**
  Show cause notices issued by various government authorities are not considered as obligation. When the demand notice are raised against such show cause notice and are disputed by the Company then these are classified as possible obligations. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in notes.

- **FINANCIAL DERIVATIVE TRANSACTION**
  In respect of the Financial derivative contracts the premium /interest paid and profit/ loss on settlement is charged to Profit & Loss account. The contracts entered into are marked to market at year end and the resultant profit/ loss is charged to profit & loss account except where these relate to fixed assets in which case it is adjusted to the cost of fixed assets.

31. The Compliance Officer of BPSL is Mr. R.K. Gupta, President & Company Secretary, address 4-th Floor, Tolstoy House, 15-17 Tolstoy Marg, Connaught Place, New Delhi -110 001; Tel: + 91 30451000, Fax: + 91 23712737.

32. As on the date of this Letter of Offer, none of the directors of BPSL are on the board of directors of the Target Company.

33. None of the directors of BPSL has acquired any Equity Shares of the Target Company in the twelve month period prior to the Public Announcement and since the date of the Public Announcement and upto the date of this Letter of Offer.

34. BPSL has not entered into any agreement with the Target Company with regard to the Offer or acquisition of Equity Shares.

35. The Acquirer has not entered into any scheme of arrangement like merger / demerger in the past three years

VI. INFORMATION ABOUT TSIL

36. TSIL was incorporated on February 15, 2005 in Jalandhar, India. TSIL has its registered office at Plot No 3, Industrial Area, Phase 1, Chandigarh 160002. TSIL is engaged in trading of iron and steel.

37. TSIL does not hold any shares in the Target Company. TSIL is an unlisted public company.

38. TSIL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or under any other regulation framed under SEBI Act.

39. The promoter and promoter group hold 87.81% of the issued equity share capital of the TSIL. TSIL is an unlisted entity and since it has never acquired shares in the Target Company the reporting requirements under chapter II of the SEBI (SAST) Regulations are not applicable.

40. The shareholding pattern* of TSIL as on June 19, 2012 is as follows:

Sr. No.	Shareholder's Category	No. of Equity Shares of Rs 10/-each	% Holding
1.	**Promoters - A**	**24,70,700**	**28.42**
	Mr. Sanjay Singal	5,08,450	5.85
	Mrs. Aarti Singal	5,58,450	6.42
	Mrs. Priyanka Miglani	3,08,450	3.55
	Mrs. Radhika Dhoot	3,08,450	3.55
	Mr. Aniket Singal	4,78,450	5.50
	Sanjay Singal HUF	3,08,450	3.55
2.	**Body Corporates promoted by Promoters - B**	**51,62,050**	**59.38**
	Flawless Holdings & Industries Ltd	7,72,500	8.89
	Railtrack India Ltd	5,72,800	6.59
	Gainda Mal Chiranji Lal Ltd	5,66,000	6.51
	Kishorilal Constructions Ltd	5,72,000	6.58
	Marble Finvest Ltd	42,800	0.49
	BIC Investments (P) Ltd	40,000	0.46
	ASL Investments (P) Ltd	60,000	0.69
	Adhunik Investments (P) Ltd	60,000	0.69
	Décor Investment & Finance (P) Ltd	60,000	0.69
	Reward Capital Services (P) Ltd	5,49,570	6.32
	Olympian Finvest Ltd	3,10,095	3.57
	Vintage Steel (P) Ltd	3,11,095	3.58
	Aromatic Steel (P) Ltd	2,85,095	3.28
	Aarti Iron & Power Ltd	3,35,095	3.85
	Evergrowing Iron & Finvest Ltd.	6,25,000	7.19
3	**Others –C**	**10,60,000**	**12.19**
	Grand Total (A+B+C)	**86,92,750**	**100.00**

**Does not include non-convertible preference shares*

41. The details of the board of directors of TSIL are given below:

Sr. No.	Name, Father's Name, Designation & Date of Appointment	Age	Total Experience	DIN	Area of Experience	Address	Qualification	Whether on the Board of Target Company
1	**Mrs. Aarti Singal** (W/o Sanjay Singal) **Designation**: Director **Date of Appointment:** February 15, 2006	50	29	00007698	Administration	57, Jor Bagh, New Delhi	Graduate	No

2	**Mr. D.R. Sharma** (S/o Mr. Kanshi Ram Sharma) **Designation:** Independent Director **Date of Appointment:** February 15, 2005	65	37	00006657	Material Management	H.No. 926, Sector –41 A, Chandigarh	Graduate	No
3	**Mr. Gian Chand Sablok** (S/o Mr. Roshan Lal Sablok) **Designation:** Director **Date of Appointment:** November 8, 2011	59	35	00010910	Production	H.No. 20.34, Sector 21, Panchkula	B. E.	No

Profile of Directors

Mrs. Aarti Singal, aged about 50 years, director of TSIL, is the promoter of TSIL and takes care of over all administration and finance.. She has completed her graduation in arts and has wide experience in steel industry.

Mr. D.R. Sharma, aged about 65 years, an independent director of TSIL has vast experience in material management.

Mr. Gian Chand Sablok, aged about 59 years, an independent director of TSIL is Bachelor of Engineering and has vast experience in planning and production management.

42. TSIL in the past has not made any acquisitions in the Target Company including acquisition through open offers.

43. Standalone audited financials of TSIL for the last 3 financial years and for nine-months ended December 31, 2011, as certified by the auditors are highlighted below:

(Rs in lakhs)

Profit & Loss Statement	Nine months ended December 31, 2011 (unaudited)*	FY 2011 (audited)	FY 2010 (audited)	FY 2009 (audited)
Total Income	355.66	2,371.54	7,181.65	1,510.12
Total Expenditure	182.79	2,331.17	7,160.10	1,500.47
Profit / (Loss) Before Tax	98.38	40.36	21.55	9.65
Provision for Tax/Income tax paid for earlier years	0.40	13.92	7.81	4.19
Profit / (Loss) After Tax	97.99	26.44	13.74	5.46

* *As certified by Mr. Amit Arora, M/s Amit K. Arora & Co, Chartered Accountants on April 16, 2012.*
Source: Annual Reports of TSIL for FY 2009, 2010 and 2011.

(Rs in lakhs)

Balance Sheet Statement	As at December 31, 2011 (unaudited)*	As at March 31, 2011 (audited)	As at March 31, 2010 (audited)	As at March 31, 2009 (audited)
Sources of Funds				
Paid-up equity share capital	602.78	602.77	602.77	590.27
Preference share capital	2,809.12	2,809.12	2,809.12	2,809.12
Reserves and Surplus	7,314.15	7,216.16	7,189.72	6,688.47
Networth#	**5107.80**	**5009.81**	**4983.37**	**4466.26**
Unsecured loan	**2,520.72**	**1611.52**	**-**	**-**
Total	**13,246.76**	**122,39.57**	**10,601.61**	**10,087.86**
Investments	11,829.44	108,50.03	10,438.26	10,364.59
Deferred Tax Asset	NIL	NIL	NIL	NIL
Net Current Assets	1,417.32	1389.54	163.35	(280.09)
Total miscellaneous expenditure not written off	NIL	NIL	NIL	3.36
Total	**13,246.76**	**12,239.57**	**10,601.61**	**10,087.86**

* *As certified by Mr. Amit Arora, M/s Amit K. Arora & Co, Chartered Accountants on April 16, 2012.*
Source: Annual Reports of TSIL for FY2009, 2010 and 2011
#Networth = Paid up equity share capital + Equity Share Warrants+ Reserves and surplus – revaluation reserve – profit and loss debit balance / miscellaneous expenditure – preference share capital

Other Financial Data	FY 2011	FY 2010	FY 2009
Dividend (%)	NIL	NIL	NIL
Earning Per Share (Rs.)	0.44	0.22	0.10
Return on Networth (%)*	0.53	0.28	0.12
Book Value Per Share** (Rs.)	83.11	82.67	75.66

* Profit After Tax/Networth (as calculated above);
**Networth(as calculated above)/No of equity shares.

44. As per the audited financials as of March 31, 2011, there are no contingent liabilities.

45. There have been no accounting changes over last 3 financial years warranting any change in financials.

46. TSIL has not entered into any agreement with the Target Company with regard to the Offer or acquisition of Equity Shares.

47. Reasons for the fall/rise in total income:

    The total income and profit after tax for the FY 2011 was Rs 2,371.54 lakhs and Rs. 26.44 lakhs respectively as compared to Rs 7,181.65 lakhs and Rs 13.74 lakhs, respectively for the FY 2010. The decrease in total income is mainly due to lower trading activity during the year.

    The total income and profit after tax for the FY 2010 was Rs 7,181.65 lakhs and Rs 13.74 lakhs respectively as compared to Rs 1,510.12 lakhs and Rs 5.46 lakhs, respectively for the FY 2009. The increase in total income is mainly due to increased trading activity during the year.

48. Significant accounting policies of TSIL (*Source*: Annual Report 2010-11)

    - **BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

    The Financial Statements have been prepared under historical cost convention, on accrual basis in accordance with generally accepted accounting principles and applicable Accounting Standards as notified under Companies (Accounting Standard) Rules, 2006 and provisions of Companies Act, 1956.

- **USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

- **INVENTORY VALUATION**

Inventories are valued at lower of cost or net realizable value except scrap which is valued at net realizable value. The cost is determined by using first-in-first-out (FIFO) method and include cost incurred in bringing the inventories to their present location and conditions and applicable taxes.

- **INVESTMENTS**

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and the fair/quoted value. Long term investments are stated at cost less any provision for permanent diminution in value.

- **DIVIDEND**

Dividend on investments is accounted for on receipts basis.

- **RETIREMENT BENEFITS**

i. Short term employee benefits are recognized as an expense at the undiscounted amount in the year in which related service is rendered.
ii. The Company has defined contribution plan for post retirement benefits, namely Employees Provident Fund scheme administered through Provident Fund. The Company contribution is charged to revenue every year.
iii. Termination benefits are recognized as expenses immediately.

- **MISCELLANEOUS EXPENDITURE**

Deferred & preliminary expenses are amortised over a period of five years.

- **FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction. Monetary items denominated in foreign currencies outstanding at the year-end are translated at exchange rate applicable as of that date. Non monetary items are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where these relate to the acquisition of fixed assets.

Exchange differences arising on liabilities incurred or on repayment of borrowings in foreign currency for acquisition of fixed assets are adjusted in carrying cost except borrowing utilized for acquisition of assets within India on or after 1st April 2004 in which case these are recognized in profit & loss A/C.

- **TAXATION**

a) The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

b) Deferred tax is recognised, subject to the consideration of prudence, 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.

c) Deferred tax assets are not recognised on unabsorbed depreciation & carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date to reassure the realization.

d) Deferred tax assets & liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

49. As on the date of this Letter of Offer none of the directors of TSIL are on the board of directors of the Target Company.

50. None of the directors of TSIL have acquired any Equity Shares of the Target Company in the twelve month period prior to the Public Announcement and since the date of the Public Announcement and upto the date of this Letter of Offer.

VII. INFORMATION ABOUT OFL

51. OFL was incorporated on February 15, 2005 in Jalandhar, India in the name of Olympian Steel Industries Limited. Olympian Steel Industries was renamed to Olympian Finvest Limited vide fresh certificate of incorporation consequent upon change of name dated April 24, 2009. OFL has its registered office at Plot No 3, Industrial Area, Phase 1, Chandigarh 160002. OFL is engaged in trading of iron and steel.

52. OFL does not hold any shares in the Target Company. OFL is an unlisted public company.

53. OFL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act or under any other regulation framed under SEBI Act.

54. The promoter and promoter group hold 97.93% of the issued equity share capital of the OFL. Since OFL is an unlisted entity and since it has never acquired shares in the Target Company the reporting requirements under chapter II of the SEBI (SAST) Regulations are not applicable.

55. The shareholding pattern* of OFL as on June 19, 2012 is as follows:

Sr. No.	Shareholder's Category	No. of Equity Shares of Rs 10/- each	% Holding
1.	**Promoters - A**	**22,30,700**	**33.09**
	Mr. Sanjay Singal	4,08,450	6.06
	Mrs. Aarti Singal	4,08,450	6.06
	Ms. Priyanka Miglani	3,08,450	4.57
	Ms. Radhika Dhoot	3,08,450	4.57
	Mr. Aniket Singal	,3,98,,450	5.91
	Sanjay Singal HUF	3,98,450	5.91
2.	**Body corporate promoted by Promoters - B**	**43,71,450**	**64.84**
	Bhushan Information Tech Ltd	5,89,000	8.74
	Flawless Holdings & Industries Ltd	6,05,000	8.97
	Railtrack India Ltd	5,25,000	7.79
	Gainda Mal Chiranji Lal Ltd	3,50,000	5.19
	Kishorilal Constructions Ltd	2,62,500	3.89
	Marble Finvest Ltd	54,000	0.80
	BIC Investments Pvt Ltd	35,000	0.52
	ASL Investments Pvt Ltd	65,000	0.96
	Adhunik Investments Pvt Ltd	70,000	1.04
	Décor Investment & Finance Pvt Ltd	50,000	0.74
	Reward Capital Services Pvt Ltd	5,49,570	8.15
	Titanic Steel Industries Ltd	3,10,095	4.60
	Vintage Steel Pvt Ltd	3,11,095	4.61
	Aromatic Steel Pvt Ltd	2,85,095	4.23
	Aarti Iron & Power Ltd	3,10,095	4.60

3	Others - C	1,40,000	2.08
	Grand Total (A+B+C)	**67,42,150**	**100.00**

**Does not include non-convertible preference shares*

56. OFL in the past has not made any acquisitions in the Target Company including acquisition through open offers.

57. The details of the board of directors are given below:

Sr.No.	Name, Father's Name, Designation & Date of Appointment	Age	Total Experience	DIN	Area of Experience	Address	Qualification	Whether on the Board of Target Company
1	**Mrs. Aarti Singal** (W/o Sanjay Singal) **Designation:** Director **Date of Appointment:** February 15, 2006	50	29	00007698	Administration	57, Jor Bagh, New Delhi	Graduate	No
2	**Mr. Jeewan Rai Chodha** (S/o R.S. Chodha) **Designation:** Independent Director **Date of appointment:** February 15, 2005	55	26	00006654	Indirect Taxation	H. No 136, Sector 27 –A Chandigarh	Law graduate	No
3	**Mr. Praveen Bansal** (S/o Ram Kumar) **Designation:** Independent Director **Date of appointment:** August 9, 2007	50	25	00007621	Marketing	Plot No 22, Industrial Area, Phase -1, Chandigarh	Graduate	No

Profile of Directors

Mrs. Aarti Singal, aged about 50 years, director of OFL, is the promoter of OFL and takes care of over all administration and finance of OFL. She is Vice Chairperson and whole time director of BPSL from w.e.f 01.04.2010. She has completed her graduation in arts from Punjab University and has wide experience in steel industry.

Mr. Jeewan Rai Chodha, aged about 55 years, an independent director of OFL has 24 years of experience in excise and taxation matters. He is a law graduate by qualification from Kanpur University.

Mr. Praveen Bansal, aged about 52 years, an independent director of OFL, has vast experience in sales and marketing of iron and steel products and handles sales at OSL. He is a commerce graduate from Kurukshetra University.

58. Standalone audited financials of OFL for the last 3 financial years and for nine-months ended December 31, 2011 as certified by the auditors are highlighted below:

(Rs in lakhs)

Profit & Loss Statement	Nine months ended December 31,2011 (unaudited)*	FY 2011 (audited)	FY 2010 (audited)	FY 2009 (audited)
Total Income	14.45	407.12	5,162.90	1,009.10
Total Expenditure	2.67	382.43	5,141.25	1,002.83
Profit / (Loss) Before Tax	10.93	24.70	21.65	6.27
Provision for Tax/Income tax paid for earlier years	0.52	7.75	7.88	3.13
Profit / (Loss) After Tax	10.40	16.95	13.77	3.14

* *As certified by Mr. Amit Arora, M/s Amit K. Arora & Co, Chartered Accountants on April 16, 2012.*
Source: Annual Reports of OFL for FY 2009, 2010 and 2011

(Rs in lakhs)

Balance Sheet Statement	As at December 31,2011 (Unaudited)*	As at March 31, 2011 (audited)	As at March 31, 2010 (audited)	As at March 31, 2009 (audited)
Sources of Funds				
Paid-up equity share capital	622.22	622.22	622.22	609.71
Preference share capital	2,809.12	2,809.12	2,809.12	2,809.12
Reserves and Surplus	6,447.09	6,436.69	6,419.74	5,918.47
Networth#	**4,260.18**	**4,249.78**	**4,232.83**	**3,715.70**
Unsecured loans	**0.00**	**65.13**	**0.00**	**0.00**
Total	**9,878.42**	**9,933.15**	**9,851.07**	**9,337.30**
Application of Funds				
Investments	9,896.98	9,896.98	9,404.27	9,347.84
Deferred Tax Asset	NIL	NIL	NIL	NIL
Net Current Assets	-18.56	36.17	446.80	(13.90)
Total miscellaneous expenditure not written off	NIL	NIL	NIL	3.36
Total	**9,878.42**	**9,933.15**	**9,851.07**	**9,337.30**

* *As certified by Mr. Amit Arora, M/s Amit K. Arora & Co, Chartered Accountants on April 16, 2012*
Source: Annual Reports of OSL for FY2009-10 and FY 2010-11

Networth = Paid up equity share capital + Equity Share Warrants + Reserves and surplus – revaluation reserve – profit and loss debit balance / miscellaneous expenditure – preference share capital)

Other Financial Data	FY 2011 (audited)	FY 2010 (audited)	FY 2009 (audited)
Dividend (%)	NIL	NIL	NIL
Earning Per Share (Rs.)	0.27	0.23	0.06

Return on Networth (%)*	0.40	0.33	0.08
Book Value Per Share**	68.30	68.03	60.94

* Profit After Tax/Networth(as calculated above)
**Networth(as calculated above)/No of equity shares.

59. As per the audited financials as of March 31, 2011, there are no contingent liabilities.

60. OFL has not entered into any agreement with the Target Company with regard to the Offer or acquisition of Equity Shares.

61. There have been no accounting changes over last 3 financial years warranting any change in financials.

62. Reasons for the fall/rise in total income:

The total income and profit after tax for the FY 2011 was Rs 407.13 lakhs and Rs 16.95 lakhs respectively as compared to Rs. 5162.90 lakhs and Rs. 13.77 lakhs for the FY 2010 . The reduction in total income has been due to lower trading activity.

The total income and profit after tax for the FY 2010 was Rs.5161.90 lakhs and Rs 13.77 lakhs respectively as compared to Rs. 1009.10 lakhs and Rs. 3.14 lakhs for the FY 2009. The increase in total income is mainly due to increase in trading activity during the year.

63. Significant accounting policies of OFL (*Source*: Annual Report - 2010-11):

- **BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**
  The Financial Statements have been prepared under historical cost convention, on accrual basis in accordance with generally accepted accounting principles and applicable Accounting Standards as notified under Companies (Accounting Standard) Rules, 2006 and provisions of Companies Act, 1956.

- **USE OF ESTIMATES**
  The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

- **INVESTMENTS**
  Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and the fair/quoted value. Long term investments are stated at cost less any provision for permanent diminution in value.

- **DIVIDEND**
  Dividend on investments is accounted for on receipts basis.

- **RETIREMENT BENEFITS**
  Provision of retirement benefits is made as and when the employees become entitled to such benefits.

- **MISCELLANEOUS EXPENDITURE**
  Deferred & preliminary expenses are amortised over a period of five years.

- **FOREIGN CURRENCY TRANSACTIONS**
  Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction. Monetary items denominated in foreign currencies outstanding at the year-end are translated at exchange rate applicable as of that date. Non monetary items are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in

cases where these relate to the acquisition of fixed assets.

Exchange differences arising on liabilities incurred or on repayment of borrowings in foreign currency for acquisition of fixed assets are adjusted in carrying cost except borrowing utilized for acquisition of assets within India on or after 1st April 2004 in which case these are recognized in profit & loss a/c.

- **TAXATION**

  a) The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

  b) Deferred tax is recognised, subject to the consideration of prudence, 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.

  c) Deferred tax assets are not recognised on unabsorbed depreciation & carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised and are reviewed at each balance sheet date to reassure the realization.

  d) Deferred tax assets & liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

64. As on the date of this Letter of Offer, none of the directors of OFL are on the board of directors of the Target Company.

65. None of the directors of OFL have acquired any Equity Shares of the Target Company in the twelve month period prior to the Public Announcement. Further, none of the directors of OFL 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.

66. Relation between the Acquirer and PACs

BPSL, TSIL and OFL have common promoters and few common directors.

VIII DISCLOSURE IN TERMS OF REGULATION 21(2)

67. There is no agreement or arrangement between the Acquirer/PACs and the promoters of the Target Company. On completion of the Offer, the Acquirer and PACs will hold the shares acquired in the Offer as public shareholders. Hence the Open Offer by the Acquirer and the PACs will not affect the minimum public shareholding in the Target Company as required under the Listing Agreement.

IX BACKGROUND OF THE TARGET COMPANY

(All information in this section has been compiled from publicly available sources such as Stock Exchanges, the Target Company's annual reports, quarterly reports and website of the Target Company)

68. OSIL was incorporated on April 9, 1979 and has company identification number L27102OR1979PLC000819 and was promoted in the joint sector by the Industrial Promotion & Investment Corporation of Orissa and Torsteel Research Foundation and its associates.

69. The registered office of the Target Company is at OSIL House, Gangadhar Meher Marg, Bhubaneswar 751024, Orissa. The Target Company manufactures sponge iron and has a project consultancy division which provides technical consultancy and project engineering services to sponge iron plants. The promoters of the Target Company as per shareholding pattern filed with BSE for quarter ended March 31, 2012, hold 49.12% of paid-up equity capital of the Target Company.

70. The manufacturing plant of OSIL is located at Palaspanga on the NH-215 and is 20 km away from Keonjhar district. The plant comprise of:
- Two rotary kiln based sponge iron plants with production capacity of 1,00,000 TPA and 1,50,000 TPA
- Two waste heat recovery power plants with the capacity of 15 MVA and 30 MVA
- A steel billet plant of 1,00,000 TPA capacity, through induction furnace route.

71. The share capital of the Target Company as on date:

Particulars	Number of shares / voting rights	% of shares / voting rights
Fully paid-up equity shares (including 70,00,000 warrants since converted)	2,70,00,000	100
Partly paid-up equity shares	NIL	NIL
Total paid-up equity shares	2,70,00,000	100
Total voting rights in the Target Company	**2,70,00,000**	**100**

Fully diluted voting rights of the Target Company as on date.

Particulars	Number of shares / voting rights
Fully paid-up equity shares (including 70,00,000 warrants since converted)	2,70,00,000
Total outstanding warrants for which equity shares may be issued (*sub judice*)*	35,00,000
Total emerging voting capital of the Target Company (Emerging Voting Capital)*	**3,05,00,000**

*Based on the assumption that all outstanding warrants 35,00,000 warrants allotted to Prakausali Investments (India) Limited *(sub judice)* will be converted into equity shares of the Target Company in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

However, matter relating to 30,00,000 warrants (since converted into equity shares) allotted to TRFI Investment Pvt limited and 35,00,000 warrants (pending conversion) allotted to Prakausali Investments (India) Limited respectively are *sub judice*.

(Source: Annual report of OSIL 2010-11, Target Company)

For the purpose of calculating the Offer Size, the Emerging Voting Capital has been taken into consideration.

72. Based on the information available in the public domain the build-up of the equity capital structure of the Target Company is as under:

Date of Allotment	No of equity shares issued	% of shares issued	Cumulative paid-up equity capital	Mode of Allotment	Identity of Allottees (Promoters / Others)
April 9, 1979	70	0.00	70	Allotted to the subscribers to memorandum of association	Promoter
Not Available	36,59,930	13.56	36,60,000	Previous Issue(s)	Promoters & Others
Not Available	23,40,000	8.67	60,00,000	Public Issue	Others
Not Available	12,37,958	4.59	72,37,958	Conversion of Loan	Promoter
Not Available	35,83,004	13.27	1,08,20,962	Rights Issue	Promoters & Others
Not Available	10,80,122	4.00	1,19,01,084	Bonus Issue	Promoters & Others
Not Available	(15,100)	(0.06)	1,18,85,984	Shares Forfeited	Not Available
Not Available	15,100	0.06	1,19,01,084	Re-issue of forfeited shares	Promoter

January 31, 2006	11,88,916	4.40	1,30,90,000	Conversion of warrants	Promoter
Not Available	14,10,000	5.22	1,45,00,000	Conversion of warrants	Promoter
December 20, 2007	55,00,000	20.37	2,00,00,000	Preferential Allotment	Others
March 2, 2009	40,00,000	14.81	2,40,00,000	Conversion of warrants	Promoter
March 5, 2009	30,00,000	11.11	2,70,00,000	Conversion of warrants	Promoter

73. Based on the disclosures available on the website of BSE, the shareholding of the promoters in OSIL as of the quarter ended March 31, 2012 is as below:

Promoters	**No. of Shares Held**	**% Holding**
TRFI Investment Pvt Ltd	8,502,190	31.49 %
Prasanta Kumar Mohanty	3,012,089	11.16 %
Industrial Promotion & Investment Corporation	1,455,999	5.39 %
Torsteel Research Foundation in India	138,500	0.51 %
Dr Prasanta Kumar Mohanty	115,555	0.43 %
Mahmooda Mohanty	38,600	0.14 %
Total	**13,262,933**	**49.12 %**

Source: BSE

74. Based on information available in public domain, apart from the following case the Acquirer and PACs are not aware of any instance where the Target Company has received any directions from SEBI under section 11B of the SEBI Act or under any of the regulations made under the SEBI Act, prohibiting them from dealing in securities:

SEBI vide its Adjudication Order No. PB/AO-34/2010 dated May 28, 2010 imposed penalty of Rs. One lakh under section 15A (b) of the SEBI Act on the Target Company for violation of regulation 13(6) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

75. The Manger to the Offer *vide* its letters dated February 17, 2009, March 13, 2010 and April 09, 2012 has written to the Target Company *inter alia* seeking information with respect to chapter II compliance of the Target Company. However, the required information has not been furnished by the Target Company till date. Limited information relating to chapter II compliance with respect to the Target Company / major Shareholders is available in the public domain. Accordingly, the Acquirer is unable to comment on the chapter II compliance with respect to the Target Company / major Shareholders of the Target Company. Based on information available in public domain the Acquirer and PACs are not aware of the compliance status with the listing agreements and the penal actions, if any, taken by the Stock Exchanges.

As per information available with SEBI, there have been instances of delayed compliance of chapter II of the 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 Regulations.

76. Based on information available in public domain the Acquirer is not aware of any instance where trading in Shares of the Target Company has been suspended.

77. Based on the information available in the public domain, the Target Company does not have any shares that are not listed shares on any Stock Exchanges.

78. The shares of the Target Company are listed on the Bombay Stock Exchange, Kolkata Stock Exchange, and Bhubaneshwar Stock Exchange. The Target Company has also applied to the National Stock Exchange for listing of its equity shares. Further, Shareholders of the Target Company at the Annual General Meeting of

the Target Company have approved delisting of equity shares from Kolkata Stock Exchange. Based on the information available (Source: www.bseindia.com), the Shares are frequently traded on the BSE within the meaning of regulation 20(5) of the SEBI (SAST) Regulations. Public information on the trading of the Shares on the Kolkata Stock Exchange and Bhubaneshwar Stock Exchange are not readily available. For the purpose of regulation 20(4) of the SEBI (SAST) Regulations, the Shares are frequently traded on the BSE.

79. As on the date of PA, the Target Company had 1,05,00,000 equity share warrants outstanding pending conversion into same number of equity shares subject to compliance with relevant guidelines issued by SEBI. Out of the same, the Target Company has converted 70,00,000 warrants held by the Promoters and Promoter Group and allotted equivalent number of equity shares. Matter relating to conversion of 35,00,000 warrants allotted to Prakausali Investments (India) Limited is *sub judice* The Offer is computed based on Emerging Voting Capital of the Target Company. i.e. 3,05,00,000 Shares bearing face value of Rs. 10 each after considering conversion of all outstanding warrants into equity shares.

80. The board of directors of the Target Company as at June 19, 2012 is as under:

Name of director	Composition of Board	Date of appointment
Mr. Chinnam Janardhan Venugopal	Non Executive Chairman	July 9, 2010
Dr. Prashanta Kumar Mohanty	Executive Vice Chairman and Managing Director	June 23, 2005
Mr. Mansoor Ahmed Khan	Director	July 30, 2004
Mr. Satya Narayan Nayak	Non – Executive Director	Feb 26, 2011
Mr. Shashi Kant Khetan	Non – Executive Director	June 6, 2009
Mr. Barindra Kumar Sarkar	Non Executive Director	May 10, 2010
Mr. Purna Chandra Mohanty	Non – Executive Director	November 23, 2011
Mr. Munir Kamal Mohanty	Executive Director	April 30, 2007

Note: The profile of directors is not available in public domain.

81. Based on the information available in the public domain the Acquirer is not aware of any instance where the Target Company has undergone any merger/demerger/spinoff during the last 3 years.

82. The latest financials of the Target Company are as follows:

(Rs. in lakhs)

Profit & Loss Statement	FY 2012 (unaudited)	FY 2011 (audited)	FY 2010 (audited)	FY 2009 (audited)
Income from operations	9,906.56	14,560.67	17,577.20	18,883.16
Other Income	145.78	636.42	570.30	76.81
Total Income	10,052.34	15,197.09	18,147.50	18,959.97
Total Expenditure	12,841.43	18,962.82	18,034.33	18,478.47
Profit Before Depreciation Interest and Tax	(2,789.09)	(3,765.73)	113.17	481.50
Depreciation	1,208.60	1,436.63	1,163.21	958.17
Interest	3,229.06	3,101.23	2,345.29	2,484.45
Profit / (Loss) Before Tax	(7,226.75)	(8,303.59)	(3,556.58)	(3,313.29)
Less: Provision for Tax		-	-	-
Deferred Tax		3,017.23	1,220.08	632.75
Fringe Benefit Tax		-	-	39.66
Profit / (Loss) After Tax	(7,226.75)	(5,286.36)	(2,336.50)	(2,720.20)

Source: Annual Reports of the OSIL for FY 2009, 2010 and 2011 and unaudited financials for year ended March 31, 2012 filed with BSE

(Rs. in lakhs)

Balance Sheet Statement	Financial year ended March 31, 2011 (audited)	Financial year ended March 31, 2010 (audited)	Financial year ended March 31, 2009 (audited)
Sources of Funds			
Paid-up Share Capital	2,700.00	2,700.00	2,700.00
Equity Share Warrants	601.50	601.50	601.50
Reserves and Surplus	23,108.87	23,194.58	23,305.01
Networth*	**15,369.87**	**20,656.23**	**22,992.73**
Secured Loans	21,617.36	20,137.62	20,719.58
Unsecured Loans	-	40.00	25.00
Deferred Tax Liability	-	-	437.28
Total	**48,027.73**	**46,673.70**	**46,913.81**
Application of Funds			
Net Fixed Assets (including CWIP)	26,986.41	28,088.68	28,096.83
Investments	496.39	639.46	232.09
Net Current Assets	5,308.91	11,013.13	15,646.32
Deferred Tax Asset	4,674.59	1,657.36	-
Profit & Loss Account	10,561.43	5,275.07	2,938.57
Total	**48,027.73**	**46,673.70**	**46,913.81**

Source: Annual Reports of OSIL for FY 2009, 2010, 2011

* Networth = Paid up equity share capital + Equity Share Warrants + reserves and surplus – revaluation reserve – profit and loss debit balance / miscellaneous expenditure – preference share capital)

Other Financial Data	Financial year ended March 31, 2012	Financial year ended March 31, 2011	Financial year ended March 31, 2010	Financial year ended March 31, 2009
Dividend (%)	NIL	NIL	NIL	NIL
Earning Per Share (Rs.)	(26.77)	(19.58)	(8.65)	(13.22)
Return on Networth(%)*	NA	NIL	NIL	NIL
Book Value Per Share** (Rs.)	NA	56.93	76.50	85.16

Source: Annual Reports of OSIL for FY2009, 2010 and 2011, and unaudited financials for year ended March 31, 2012 filed with BSE;

Note: Balance sheet information for the year ended March 31, 2012 is not available as on date of this Letter Of Offer

* Profit After Tax/Networth **Networth/No of equity shares

83. Reasons for rise/ fall in total income *(Source: Annual Reports)*

In the year 2010-11, OSIL had a total income of Rs 15,197.09 lakhs and loss after tax of Rs 5,286.36 lakhs. OSIL's performance was affected primarily due to insufficient availability of the required grade and quality of raw materials .i.e. iron ore and coal and also because of un-remunerative selling prices of the finished products.

In the year 2009-10, OSIL had a total income of Rs 18,147.50 lakhs and loss after tax of Rs 2,336.50 lakhs. This was due to economic slow down which affected the sponge iron industry, as a result of which growth of the sponge iron industry remained stagnant during this year. The capacity utilization in the Company suffered during the year although OSIL's two kilns were in operation.

In the year 2008-09, OSIL had a total income of Rs 18,959.97 lakhs and loss after tax of Rs 2,720.20 lakhs. This was primarily because of inadequate infrastructure (breakages of road) continued and though the second sponge iron unit of 150,000 TPY was in operation, the Company could only produce 105,284 MT of sponge Iron and 25,332 MT of steel billets during this year and suffered heavy losses.

84. Significant accounting policies of OSIL (*Source*: Annual Report 2010-11)

SIGNIFICANT ACCOUNTING POLICIES

- **Basis of preparation of financial statements**
  i. 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.

- **Use of estimates**
  i. 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.

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

- **Revenue Recognition**
  i. Revenue from sale of products is recognized when the products are dispatched against orders from customers in accordance with the contact terms, which coincides with the transfer of risks and rewards. Revenue from services are recognized when services have been rendered in accordance with the contact terms.
  ii. 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.
  iii. 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.

- **Carbon Credit**
  i. 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.

- **Investments**
  i. 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 investment are carried lower to cost and fair value. Earnings on investment are accounted for on accrual basis.

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

iii. Stores and Spare parts are valued at cost and are computed on a weighted average basis.

- **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 it obligation and is provided on the basis of actual valuation on project unit credit method at the end of each financial year. The Company has taken a policy with UCI 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 as 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.

- **Research and Development**

i. 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.

- **Foreign Currency Transaction**

i. 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.

ii. 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.

- **Relining Expenses**

i. Expenditure on relining of kiln and cooler is charged to Profit and Loss Account in the year in which it is incurred.

- **Taxation**

a) Current Taxes:

i. 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

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

ii. 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.

iii. Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognized only if thee is virtual certainty of realization of such amounts.

- **Lease**

  i. Where the Company is a lessee, financial leases, effectively transferred to the Company substantially, 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.

- **Borrowing Cost**

  i. 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.

- **Provisions and Contingent Liabilities**

  i. 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.

  ii. 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.

- **Earning per share**

  i. 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.

  ii. 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.

85. Pre and post Offer shareholding pattern of the Target Company is as follows:

Shareholder's category	**Shareholding as on March 31, 2012 prior to the Offer (A)**		**Shares / voting rights acquired which triggered off the Regulations (B)**		**Shares to be acquired in the Offer (Assuming full acceptance) (C)**		**Shareholding after the Offer (A+B+C=D)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Promoter Group	13,262,933	49.12					Refer Note	
Total	**13,262,933**	**49.12**						
Acquirer / PACs	NIL	NIL	NIL	NIL	79,30,000	26.00%*	79,30,000	Refer Note
Total	**NIL**	**NIL**					Refer Note	
Public (other than Acquirer and PACs)								
(a) FIs/ MFs/ FIIs/Banks/SFIs	17,122	0.06						
(b) Others	13,719,945	50.81						
Total (a)+(b)	13,737,067	50.88	**NIL**	**NIL**				
Total	**27,000,000**	**100.00**					**2,70,00,000**	**100.00**

*Calculated on Emerging Voting Capital of the Target Company.

Note:

1. The entire 26.00% shares of the Emerging Voting Capital of the Target Company envisaged to be acquired by the Acquirer would be from existing Eligible Shareholders and therefore the post offer holding of the Acquirer, PACs and other Shareholders is not ascertainable at this stage and would depend on the quantum of shares offered and conversion of warrants into equity shares.
2. However, matter relating to 30,00,000 warrants (since converted into equity shares) allotted to TRFI Investment Pvt limited and 35,00,000 warrants (pending conversion) allotted to Prakausali Investments (India) Limited respectively are *sub judice*. (Source: Annual report of OSIL 2010-11, Target Company)

86. As on March 31, 2012, the promoters of OSIL hold 13,262,933 equity shares of the Target Company. There is no publicly available information on change in shareholding of promoters.

87. As per the audited financials as of March 31, 2011, contingent liabilities amounted to Rs. 4,784.23 lakhs.

88. The Target Company has complied with the conditions of corporate governance as stipulated in the listing agreement for the year ended March 31, 2011. M/s A.K. Labh & Co., Company Secretaries, vide their certificate dated November 19, 2011, has certified the same. The Corporate Governance Report as well as the certificate from the statutory auditors forms a part of the Annual Report of the Target Company for the year ended March 31, 2011.

89. The Manager to the Offer *vide* its letters dated February 17, 2009, March 13, 2010 and April 09, 2012 has written to the Target Company *inter alia* seeking information with respect to pending litigations. However, the required information has not been furnished by the Target Company till date and there is no publicly available information in respect of the pending litigations involving the Target Company.

90. Mr. S. Ramakrishnan, Company Secretary is the Compliance Officer of the Target Company. Address: CIC Building, 11th Floor, 33A, Jawahar Lal Nehru Road, Kolkata – 700071; Phone: 033-22263114, 22262636, 22266442, 22887336, 22883910-16. Fax: 033-22267470, Email- calosil@cal.vsnl.net.in.

X OFFER PRICE

Justification of Offer Price

91. The Shares of the Target Company are listed on the Bombay Stock Exchange, Kolkata Stock Exchange and Bhubaneshwar Stock Exchange. The board of directors of the Target Company has also applied to the National Stock Exchange for listing of its equity shares. The Shareholders of the Target Company at the Annual General Meeting of the Target Company have approved delisting of equity shares from Kolkata Stock Exchange. (Source: www.bseindia.com). The Equity shares of OSIL are frequently traded on BSE within the meaning of explanation (i) to regulation 20(5) of the Regulations. The Acquirer has neither acquired nor has been allotted any shares of the Target Company in the 12 months prior to the date of the PA.

92. Trading data is as follows:

Name of Stock Exchanges	Total no of Shares traded during the 6 calendar months prior to month in which PA was made (taken annualized)	Total No of Listed Shares at the time of the PA	Annualized Trading Turnover(% of Total Listed Shares)
BSE	3,644,179	20,000,000	36.44%

Source: www.bseindia.com

The Offer Price of Rs. 300/- per Share is justified in terms of regulation 20(4) of the SEBI (SAST) Regulations as it is higher of the following:

a)	Negotiated Price	N.A.
b)	The average of the weekly high and low of closing prices of the shares of the Target Company on BSE for the 26 weeks preceding the date of the PA	Rs. 164.23
c)	The average of the daily high and low prices of the shares of the Target Company on BSE for the two weeks preceding the date of the PA	Rs. 127.38
d)	The highest price paid by the Acquirer for any acquisition of equity shares of the Target Company during the 26-week period prior to the date of the PA	Nil

93. Based on the above and in the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified as per the Regulations.

94. The Acquirer and PACs have not entered into any non-compete agreement either singly or jointly with the promoters of the Target Company.

XI FINANCIAL ARRANGEMENTS

95. The Acquirer has made firm financial arrangements for financing the acquisition of Shares under the Offer, in terms of regulation 16 (xiv) of the Regulations. The same has been certified by M/s Mehra Goel & Co, Chartered Accountants vide its certificate dated June 19, 2012. The maximum fund requirement for the acquisition of 79,30,000 fully paid-up Equity Shares of Target Company of face value Rs.10/- each at the offer price of Rs. 300 per equity share assuming full acceptance of the shares tendered would be Rs. 237.90 crores. The Offer will be funded by the Acquirer from internal accruals including cash & bank balances and liquid investments of the Acquirer. As per the certified provisional balance sheet as at December 31, 2011, the Acquirer has cash & bank balance of Rs. 644.39 crores and investments in mutual funds of Rs. 45.90 crores. These internal resources will be sufficient to meet the obligations of the Acquirer under the proposed Open Offer. In accordance with regulation 28 of the Regulations, The Acquirer has deposited Rs. 10 crores with HDFC Bank, Maneckji Wadia Building, Ground Floor, Nanik Motwani Marg, Mumbai- 400001 ("the Escrow Bank") in an escrow account (the "BPSL - OSIL - Escrow Account") under the terms of the Escrow agreement dated February 6, 2009 entered into between the Acquirer, the Manager to the Offer and the Escrow Bank and bank guarantee of Rs. 28.80 crore has been furnished by Bank of Maharashtra, New Delhi on behalf of the Acquirer. The Bank guarantee is valid until September 28, 2012. The said amount in aggregate is in excess of the minimum prescribed amount as per the Regulations. The Manager to the Offer has been empowered to operate the escrow account in terms of the Regulations.

96. The Acquirer has made firm financial arrangements for the Open Offer. M/s Mehra Goel & Co, Chartered Accountants having its office at 505, Chiranjiv Tower, 43 Nehru Place, New Delhi 110019, Tel: 011-26419527, Fax: 011-26217981 and membership number 6102 have confirmed *vide* their letter dated June 19, 2012 that the Acquirer has made the firm arrangements for meeting their obligations under the Regulations. On the basis of the foregoing, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer in full.

XII STATUTORY AND OTHER APPROVALS REQUIRED FOR THIS OFFER

97. The Offer was subject to the receipt of approval from RBI under FEMA for the acquisition of Shares by the Acquirer from non-resident Indians under the Offer and FIPB. However, in terms of Reserve Bank of India's A.P. (DIR Series) Circular No. 43 dated November 04, 2011, general permission has been granted by Reserve Bank of India for transfer of shares from Non Resident to Resident if such transfer is pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereto, without the prior approval of the RBI.

98. As of the date of this Letter of Offer, there are no other statutory approvals required to acquire the Shares validly accepted under this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals.

99. It may be noted that in case of non-receipt of statutory approvals within time, SEBI has a power to grant an

extension of time to the Acquirer for payment of consideration to shareholders subject to the Acquirer agreeing to pay interest for the delay, as directed by SEBI under regulation 22(12) of the Regulations

100. No approvals are required from Financial Institutions/Banks for the Offer.

XIII TERMS AND CONDITIONS OF THE OFFER

101. This Offer is made to all Eligible Shareholders and also to persons who acquire Shares before or during the Offer Period and tender these Shares into the offer so as to credit those Shares to the account designated for the Offer on or before July 17, 2012. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the Eligible Shareholders whose names appear on the Register of Members of the Target Company and the beneficial owners of the Shares of the Target Company, whose names appear as beneficiaries on the records of the respective Depositories, on February 27, 2009. 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 Offer in any way.

102. The Acquirer will acquire the Shares in the Offer, free from all lock–in, liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Based on the information available in public domain there are no locked-in Shares in the Target Company.

103. All the Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirer.

104. The Regulations provide for an upward revision of the Offer Price and the number of Shares to be acquired, at any time up to 7 working days prior to the closure of the Offer viz. upto July 06, 2012 and allows withdrawal of the Offer under certain circumstances. Any such revision / withdrawal would be informed by way of an announcement in the same newspapers where the original Public Announcement appeared. In case of revision, the revised price will be payable by the Acquirer for all the Shares that are accepted pursuant to the Offer.

105. Each Eligible Shareholder of the Target Company to whom this Offer is being made is free to offer his shareholding in the Target Company in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.

106. The Offer is not conditional on any minimum level of acceptance i.e. the Acquirer will acquire all the Shares that are tendered in terms of the Offer up to 79,30,000 Shares, subject to the conditions specified in the Public Announcement published on February 7, 2009 and this Letter of Offer and Form of Acceptance-cum-Acknowledgement.

107. Eligible 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, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this Letter of Offer titled "Procedure for Acceptance and Settlement", to the Registrar to the Offer at any of its collection centers mentioned under paragraph 128 of this Letter of Offer, either by hand delivery during business hours or by registered post so that the same are received on or before the closing date i.e. July 17, 2012.

108. In respect of dematerialized Shares, the credit for the Shares tendered must be received in the special depository account (as specified in paragraph 111) on or before July 17, 2012. If the Eligible Shareholders hold their Shares through NSDL, their Depository Participant instructions will have to take the form of an inter-depository delivery instruction to CDSL for the purpose of crediting their Shares in favour of the special depository account with CDSL.

109. The Acquirer will not be responsible in any manner for any loss of Share certificate(s) and/or Offer acceptance documents during transit and the Eligible Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in

the documents/forms submitted, the acceptance is liable to be rejected.

110. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of this Letter of Offer.

XIV PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

111. The Eligible Shareholders, who wish to avail of and accept this Offer should deliver the documents mentioned below as soon as possible by registered post with acknowledgement due or in person or by courier, so as to reach the Registrar to the Offer or the Registrar's Collection Centers at the addresses mentioned in paragraph 128 below on or before July 17, 2012. Eligible Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respect; otherwise the same is liable to be rejected. In the case of dematerialized Shares, the Eligible Shareholders are advised to ensure that the Shares are credited in favour of the special depository account on or before July 17, 2012. The Form of Acceptance-cum-Acknowledgement of such dematerialized Shares not credited in favour of the special depository account before the close of the Offer is liable to be rejected. The details of special depository account are as under:

DP Name	Centrum Broking Private Limited
DP ID Number	12012200
Client ID	00070319
Account name	"CENTRUM CAPITAL LIMITED - ORISSA SPONGE IRON & STEEL LIMITED-OPEN OFFER – ESCROW"
Depository	CDSL

Please note the following:

(i) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

(ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Shares have not been credited to the above special depository account as on the date of closure of the Offer.

112. Documents to be delivered by all Eligible Shareholders

(a) For Shares held in the DEMATERIALIZED FORM

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP"); (ii) Photocopy of the Delivery Instruction in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP. The details of the special depository account are mention in paragraph 111 above; and (iii) In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the Shareholder.

(b) In case of Shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Eligible Shareholders. In case of Shares held in joint names, names should be filled up in the same order in which they hold Shares in the company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer; (ii) Original equity share certificate(s); and (iii) Valid equity share transfer form(s) duly signed by transferor (by all the equity shareholders in case the Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s) and (iv) If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid transfer deed from a registered Eligible Shareholder, then the Offer will be deemed to have been accepted by such Eligible Shareholder.

(c) In case of Shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein; (ii) Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and (iii) Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case. (iv) In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgment with, or receipt by, the company/its transfer agents, of the share certificate(s) and the transfer deed(s). (v) No indemnity is required from persons not registered as Shareholders.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

113. While tendering the Shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit their previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of OSIL. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.

114. Eligible Shareholders who have sent their physical Shares for dematerialization may participate in the Offer by submitting the Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Depository Participant. Eligible Shareholders who have sent their physical Shares for dematerialization need to ensure that the process of getting their Shares dematerialized is completed well in time so that the credit in the special depository account duly instructed by the Eligible Shareholder should be received on or before the close of the Offer i.e. July 17, 2012., else the application will be rejected.

115. In case of non-receipt of the Letter of Offer, the Eligible Shareholders may obtain a copy of the Letter of Offer from the SEBI website www.sebi.gov.in, or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the Shares. Alternatively those desirous of tendering their Shares to the Acquirer may participate in the Offer as follows:

(a) In case Shares are held in the dematerialized form by sending their consent in writing on a plain paper to the Registrar to the Offer, such that it is received by the Registrar to the Offer on or before July 17, 2012, stating the name, address, no. of Shares held, no. of Shares offered, DP name, DP ID, beneficiary account number along with a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the DP, in favour of ″CENTRUM CAPITAL LIMITED - ORISSA SPONGE IRON & STEEL LIMITED-OPEN OFFER – ESCROW″ filled as specified in paragraph 111 above.

(b) In case of Shares held in the physical mode by sending their consent in writing to the Registrar to the Offer, on a plain paper stating the name, address, no. of Shares held, no. of Shares offered, distinctive nos., folio no, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired, along with the original share certificate(s) and transfer deed(s) duly signed (as specified in paragraph 112 above), either by hand delivery or by Registered Post or courier, such that these are received by the Registrar to the Offer on or before July 17, 2012

116. All the Eligible 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):
   - 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 acceptance form 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).

117. In case the number of Shares validly tendered in the Offer by the Eligible Shareholders are more than the Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be, as per the provisions of regulation 21(6) of the Regulations, on a proportionate basis in such a way that the acquisition from any Eligible Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. As the Shares trade in the compulsory dematerialized settlement segment of BSE, the minimum marketable lot for the Shares is 1 (one).

118. In terms of the regulations 22(5A) of the Regulations, Eligible Shareholders desirous of withdrawing their acceptances tendered in the offer can do so up to three working days prior to the close of the Offer i.e. July 12, 2012 The withdrawal option can only be exercised by submitting the Form of Withdrawal as per the instructions below so as to reach the Registrar to the Offer at any of the collection centres either by hand delivery or by registered post and up to three working days prior to the closure of the Offer.

119. 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:

(a) In case of physical Shares: Name, address, distinctive numbers, folio nos. number of shares tendered/withdrawn.

(b) In case of dematerialized Shares: Name, address, number of Shares tendered/withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of 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 Depository Escrow Account.

120. As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the Income Tax Act or as business profits as the case may be, Acquirer will need to deduct tax at source (including surcharge and education cess) at the applicable tax rate on the gross consideration payable to the following categories of shareholders, as given below:

- **Non-resident Indians:** The Acquirer will deduct tax at source at the applicable rate on the Offer Price in case of short-term capital gains or business profits or long-term capital gains, as the case may be. Surcharge and cess, as applicable, shall be levied by the Acquirer to the above tax rates.
- **Non-domestic companies:** The Acquirer will deduct tax at source (including cess and surcharge) at the applicable tax rate on the Offer Price in the case of short-term capital gains or long-term capital gains or business profits, as the case may be.
- **FIIs:** As per the provisions of section 196D (2) of the Income Tax 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 Foreign Institutional Investor ('FII') as defined in section 115AD of the Income Tax Act, 1961. Accordingly the Acquirer will not deduct tax at source only if the shares are held by the FII on investment/capital account.

  Tax will be deducted at source at the maximum applicable rate for foreign companies on the Offer Price if the Shares are held on trade account or if the FII fails to certify in the bid form that the Shares are held by it on investment/capital account if the FII is a company. The FII may attach a certificate received from its Bank / Authorised Dealer / Chartered Accountant in this regard. If the FII is a person other than a company, then tax will be deducted at the maximum applicable rate for person other than a company and will be further increased by the applicable surcharge and education cess.

  However, the interest payment for delay in payment of consideration, if any, shall not be governed by this provision. For interest payments, if any, FIIs shall also have to provide their No Objection Certificate/ Tax Clearance Certificate from the Income-Tax authorities under the Income-tax Act, 1961, indicating the amount of tax to be deducted. In absence of the same, Acquirer will arrange to deduct tax on the interest component, at the rate as may be applicable to the category of shareholder under the Income Tax Act, 1961.

- **Other persons who are not resident in India:** The Acquirer will deduct tax at source at the applicable rate on the Offer Price in the case of short-term capital gains or long-term capital gains or business profits, as the case may be. Surcharge and cess, as applicable, shall be levied by the Acquirer to the above tax rates. In the case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, the capital gain shall be assumed to be short-term in nature. For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take the following actions based on the information submitted by the Eligible Shareholders.

121. For the purpose of determining as to whether the capital gains are short-term or long-term in nature:
    - In the case of physical Shares registered with the Target Company, the date of registration of the Shares with the Target Company shall be taken as the date of acquisition.
    - In the case of physical Shares not registered with the Target Company, the capital gain shall assumed to be short-term in nature.
    - In the case of dematerialized Shares, the date of credit of the Shares to the shareholders demat account shall be taken as the date of acquisition.
    - In case of any ambiguity, incomplete or conflicting information or the information not being available with the Target Company regarding the same, the capital gain shall be assumed to be short-term in nature.

122. In the event Eligible Shareholders require non-deduction of tax or deduction of tax at a lower rate or on a lower amount, they would need to obtain an order from the Income Tax authorities under section 195(3) or section 197 of the Indian Income Tax Act, 1961 and submit the same while submitting the Form. On failure to produce such certificate from the Income Tax authorities, tax will be deducted as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

123. In the case of non residents, where the investor is a tax resident of a country which has entered into a tax treaty with India, it may be possible for the investor to avail the beneficial rate (if any) under the tax treaty. The tax rates may change from treaty to treaty. In order to claim the lower rate under the tax treaty, the shareholder should provide a certificate from the tax authorities from the country of his residence certifying that he is a resident of the specified foreign country.

124. Securities transaction tax will not be applicable to the shares accepted in this Offer.

125. As per the prevailing laws as regards deduction of income tax at source, no tax will be deducted at source for resident Eligible Shareholders.

126. All Eligible 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 Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income. The tax rate and other provisions may undergo changes

127. Subject to the Statutory Approvals as stated in section XII above, the Acquirer intends to complete all formalities, including the payment of consideration under the Regulations within a period of 15 days from the closure of the Offer, i.e. August 1, 2012 and for the purpose open a special account as provided under regulation 29 of the Regulations, provided that where the Acquirer is unable to make the payment to the Eligible Shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose under regulation 22(12) of the Regulations, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 15 days, as may be specified by SEBI from time to time. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the Regulations will become applicable.

128. The Form of Acceptance-cum-Acknowledgement along with all the relevant documents should be submitted at any of the collection centres below.

Sr. No	City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
1.	Mumbai	Pravin Kasare	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W),Mumbai - 400078.	022-25967878	022-25960329	pravin.kasare@linkintime.co.in	Hand Delivery & Registered Post
2.	Ahmedabad	Hitesh Patel	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380 009	079-2646 5179	079-2646 5179 (Telefax)	ahmedabad@linkintime.co.in	Hand Delivery
3.	Bangalore	Prashant D. Shedbal	Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019	080-26509004	080-26509004 (Telefax)	bangalore@linkintime.co.in	Hand Delivery
4.	Baroda	Alpesh Gandhi	Link Intime India Pvt. Ltd., B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara – 390020	0265-2356573 / 2356796 / 2356794	0265-2356791	vadodara@linkintime.co.in	Hand Delivery
5.	Coimbatore	S. Dhanalakshmi	Link Intime India Pvt. Ltd, Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028	0422-2314792 / 2315792	0422-2314792 (Telefax)	coimbatore@linkintime.co.in	Hand Delivery
6.	Kolkata	S.P. Guha	Link Intime India Pvt. Ltd, 59C, Chowringhee Road, 3rd Floor, Kolkata -700020	033-22890539/40	033-22890539/40 (Telefax)	kolkata@linkintime.co.in	Hand Delivery
7.	New Delhi	Swapan Naskar	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	011-41410592/93/94	011-41410591	delhi@linkintime.co.in	Hand Delivery
8.	Pune	P. N Albal	Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	020-26160084/1629	020 - 26053503 (Telefax)	pune@linkintime.co.in	Hand Delivery
9.	Chennai	Mrs. Solly Soy	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	044- 2815 2672, 044-4207 0906	044- 2815 2672 (Telefax)	chennai@saspartners.com	Hand Delivery

The documents can be tendered at the above centres between 10.00 am to 1.00 pm and 2.00 pm to 4.30 pm from Monday to Friday. The centres will be closed on Saturday, Sundays and public holidays.

The Applicants who cannot hand deliver their documents at the collection centre, may send their documents only by Registered post, at their own risk, to the Registrar to the Offer at Link Intime Private Limited, Unit: OSIL Open Offer, C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078 so as to reach the Registrars to the Offer on or before the last date of acceptance i.e. July 17, 2012.
NO SHARES OR DOCUMENTS SHOULD BE SENT DIRECTLY TO THE ACQUIRER/TARGET COMPANY /MANAGER TO THE OFFER

129. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Eligible Shareholders' sole risk. Shares, to the extent unaccepted, held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per details furnished in the Form of Acceptance-cum-Acknowledgement.

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

131. The consideration to the Eligible Shareholders whose Shares have been accepted will be paid by crossed account payee cheques/ demand drafts/NEFT/ RTGS/ Direct Credit/ National Electronic Clearance Service where applicable net of applicable taxes. Such payments through account payee cheques/demand drafts will be made by registered post/ speed post. It is desirable that Eligible Shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the payment of consideration can be made accordingly
* Dispatches involving payment of any value will be made by registered post/ speed post at the Eligible Shareholder's sole risk. All other dispatches will be made by ordinary post at the Shareholder's sole risk

132. A copy of this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) will be available on SEBI's web-site (www.sebi.gov.in) during the period the Offer is open. Eligible Shareholders can make an application in the Offer in the form downloaded from SEBI's website as one of the alternatives for applying in the Offer.

XV DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the corporate office of the Manager to the Offer at Centrum Capital Limited, on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 4:30 pm from the date of opening of the Offer up to the closure of this Offer.

- Certified true copy of the Certificate of Incorporation, Memorandum and Articles of Association of BPSL, TSIL and OFL;
- Copy of Board Resolutions/letters from the Acquirer authorising the Offer;
- Copies of Audited Annual Reports for BPSL / TSIL / OFL and OSIL for the years ended 31st March 2011, 2010, 2009;
- Unaudited Financial Statements of BPSL / TSIL / OFL for nine-months ended December 31, 2011;
- Certificate from M/s Mehra Goel & Co, Chartered Accountants (Membership number 6102) dated February 6, 2009 and June 19, 2012 stating that the Acquirer has adequate financial resources for fulfilling all its obligations under the Offer for a value up to the maximum consideration; and
- Final Observation letter from SEBI dated March 09, 2010 and June 13, 2012
- Copy of the Escrow Agreement dated February 6, 2009 between BPSL, HDFC Bank Limited and Centrum Capital Limited
- A published copy of the Public Announcement dated February 7, 2009, First Corrigendum to the Public Announcement and Second Corrigendum to the Public Announcement.

XVI DECLARATION BY THE ACQUIRER AND PACs

The Acquirer and PACs and the Boards of Directors of the Acquirer and PACs respectively accept full responsibility for the information contained in this Letter of Offer (except for the information relating to the Target Company, which has been compiled from publicly available sources or as received from the Target Company) and Form of Acceptance-cum-Acknowledgement and Form of Withdrawal. The Acquirer and PAC 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 Public Announcement, unless stated otherwise. Mr. R.K. Gupta have been authorised by the boards of directors of BPSL, TSIL and OFL respectively to be the authorised signatories to the Letter of Offer.

Signed for and on behalf of the Acquirer and Persons Acting in Concert

Sd/-	Sd/-	Sd/-
Authorised Signatory	Authorised Signatory	Authorised Signatory
Bhushan Power and Steel Limited	Titanic Steel Industries Limited	Olympian Finvest Limited

Name: Mr. R.K. Gupta

Place: New Delhi
Date: June 19, 2012

ORISSA SPONGE IRON & STEEL LIMITED - OPEN OFFER
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer dated June 19, 2012)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to the Registrar to the Offer at any of the collection centres as mentioned in the Letter of Offer)

OFFER SCHEDULE
OPENS ON : Thursday, June 28, 2012
CLOSES ON : Tuesday, July 17, 2012

Name: ____

Address: ____

____

Tel No. ____________________ **Email.** ________________________________**Fax.** ____________

To,
The Acquirer- Bhushan Power and Steel Limited
C/o. Link Intime India Pvt. Ltd
Unit: OSIL – Open Offer
C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West),
Mumbai – 400 078
Dear Sir/Madam,

Sub: **Open Offer for acquisition of equity shares of Orissa Sponge Iron and Steel Limited ("OSIL" or "Target Company") by Bhushan Power and Steel Limited ("BPSL " or "Acquirer") along with Titanic Steel Industries Limited and Olympian Finvest Limited ("PACs").**

I/We refer to the Letter Of Offer dated June 19, 2012 for acquiring the equity shares held by me/us in OSIL.
I/We, the undersigned have read the letter of offer and understood its contents including the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, 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 number of equity shares					

(In case of insufficient space, please attach additional sheet and authenticate the same)

SHARES HELD IN DEMAT FORM

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

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

I/we have executed an off-market transaction for crediting the shares to the depository account with Centrum Broking Private Limited as the DP in CDSL styled "**CENTRUM CAPITAL LIMITED - ORISSA SPONGE IRON & STEEL LIMITED OPEN OFFER – ESCROW**" whose particulars are:

DP Name: Centrum Broking Private Limited	**DP ID**: 12012200	**Client ID**: 00070319

Shareholders whose shares are held in beneficiary Account with NSDL have to use an inter–depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Escrow Account with CDSL.

Enclosures (Please tick as appropriate, if applicable)

☐ Duly attested Power of Attorney, if any person other than the shareholder has signed the acceptance form or transfer deeds(s)
☐ Corporate Authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories.
☐ No Objection Certificate & Tax Clearance Certificate under Income Tax Act, 1961, for NRIs / OCBs / Foreign Shareholders as applicable
☐ Duly attested Death Certificate/ Succession Certificate (in case of single shareholder) in case the original shareholder has expired.
☐ Copy of Permanent Account Number (PAN)
☐ Others(please specify)_______________________________________

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

I/We are not debarred from dealing in Shares.

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 pays the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures, net of applicable taxes, if any.

I/We authorize the Acquirer to send by registered post/speed post crossed account payee cheques/ demand drafts/NEFT/ RTGS/ Direct Credit/ National Electronic Clearance Service, in settlement of the amount 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 makes payment of purchase consideration as mentioned in the Letter of Offer.

I/We authorize 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. The Permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act, 1961 is as under.

	First/Sole Holder	Joint Holder 1	Joint Holder 2
PAN			

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of Bank Account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Sr.No.	Particulars Required	Details
1	Bank Name	
2	Complete Address of the Bank	
3	Account Type	
4	Account No	
5	9 Digit MICR Code	
6	IFSC Code (for RTGS/NEFT/NECS transfers)*	

**With IFSC code please attach a cancelled cheque*

For equity shares that are tendered in electronic form, the bank account 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 NRIs / OCBs / Foreign Shareholders

I / We, confirm that the equity shares of OSIL are held by me / us is to be deducted on *(select whichever is applicable in your case)*

☐ Long-Term capital gains ☐ Short –Term capital gains ☐ Trade Account

I / We, have enclosed the following documents

☐ RBI approvals for holding shares of OSIL hereby tendered in the Offer ☐ No Objection Certificate / Tax Clearance Certificate under Income Tax Act, 1961 ☐ Copy of Permanent Account Number (PAN)

In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

For FII Shareholders :

I / We, confirm that the equity shares of OSIL are held by me / us is to be deducted on *(select whichever is applicable in your case)*

☐ Investments/Capital Account ☐ Trade Account

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence /incorporation and that you do not have a permanent establishment in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence. In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your county of in terms of the DTAA entered into between India and your country of residence.

Where the tax is to be deducted on account of long-term capital gains, the shareholders should submit a certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the shares have been held for more than a year. In order to avail the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the assessing officer certifying the net income chargeable to capital gains tax.

Alternatively, the shareholders can submit a certificate from a Chartered Accountant certifying the cost of acquisition/net income that will be chargeable to capital gains. In the absence of the above, tax would be deducted on the entire consideration paid to the shareholders.

Yours faithfully,

Signed and Delivered,

Signed & Delivered by	Full Name(s) of the Shareholder	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all must sign. A Corporation must affix its common seal and necessary Board resolution should be attached.

Place: Date:

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRARS AFTER THE CLOSE OF THE OFFER i.e.July 17, 2012 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance-cum-Acknowledgement.
2. The acceptance of the Offer is entirely at the discretion of the Eligible Shareholders. Each Eligible Shareholder to whom this Offer is being made is free to offer his/her shares in whole or in part while accepting the Offer.
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. July 17, 2012. The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.
4. Shareholders should enclose the following:

   a. For Equity shares held in demat form:

   1. Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP').
   2. 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.
   3. For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.
   4. In case of non-receipt of the Shares in the Special Depository Account, , the form of acceptance shall not be considered for acceptance in the Offer .

   b. For Equity shares held in physical form:

   1. 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.
   2. Original Share Certificate(s)
   3. Valid Share Transfer form(s) duly signed as transferor(s), by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with OSIL 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, notary public or special executive magistrate or a similar authority holding a Public Office and authorized to use the seal of his Office.
   4. P**lease do not fill in any other details in the transfer deed except name, signature and witness**. Verification and Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

5.

6. If the Registrar to the Offer does not receive the documents listed above but receive the original share certificates and valid Transfer Form from a registered shareholder, then the Offer will be deemed to have been accepted. .

   c. Unregistered owners should enclose-

   a. Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.

   b. Original Share Certificate(s)

   c. Original broker contract note

   d. 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.

5. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to Link Intime India Pvt Limited, the Registrar to the

--- Tear along this line---

ACKNOWLEDGEMENT SLIP
ORISSA SPONGE IRON & STEEL LIMITED– OPEN OFFER

Link Intime India Pvt. Ltd, Unit: OSIL – Open Offer,
C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078
(To be filled in by the shareholders) (Subject to verification)

Sr.No.________

Received from Mr./Mrs./M/s________________________________

Address____

Physical shares: Folio No.__________/ Demat Shares: DP ID__________; Client ID:____________

Form of Acceptance-cum-Acknowledgement along with (Tick wherever is applicable):

☐ Physical Shares: No. of shares____________;

No. of Certificates enclosed __________

☐ Demat Shares: Copy of delivery instruction for____________

number of shares enclosed

Signature of Official __________ Date of Receipt____________

Stamp of Collection Centre

Offer and not to Centrum Capital Limited, the Manager to the Offer or the Acquirer or the Target Company.

6. Shareholders having their beneficiary account in NSDL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with CDSL.

7. Non Resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category of shareholders on the entire consideration amount payable to such shareholders.

8. Non-resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in OSIL. If the shares are held under General Permission of RBI, the non-resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis. In case the previous RBI approvals are not submitted, the Acquirer reserve the right to reject such equity shares tendered.

9. Shareholders are advised to consult their tax advisors for their taxability or any other procedural aspects including 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 Offer do not accept any responsibility for the accuracy or otherwise of such advice.

10. FIIs are requested to enclose the SEBI Registration letter and RBI general permission letter

11. Where the number of equity shares offered for sale by the Eligible Shareholders are more than the equity shares agreed to be acquired by the Acquirer under this Offer, the Acquirer shall accept the offers received from the Eligible Shareholders on a proportional basis, 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 and does not result in non-marketable lots. Provided that acquisition of Shares from an Eligible Shareholder shall not be less than the minimum marketable lot or the entire holding, if it is under the marketable lot.

12. Rejection of Shares:

    If the Shares are rejected for any of the following reasons, the Shares will be returned to the sole / first named holder along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.

    a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of Target Company;

    b. The transfer deed is not complete or valid;

    c. The number of Shares mentioned in the Form of Acceptance-cum-Acknowledgement does not tally with the actual physical share certificate(s) submitted or in case of dematerialized Shares, the Shares in the Form of Acceptance-cum-Acknowledgement do not tally with the instruction to the depository participant and the credit received in the special depository account;

    d. The relevant documents, as applicable, as mentioned above are not submitted with the Form of Acceptance-cum-Acknowledgement. The Acquirer also reserves the right to reject such tenders from Shareholders, where the relevant documents are not submitted.

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-Acknowledgement, the Registrar to the Issue will obtain, from the Depositories, the Shareholders' demographic details including address, bank account details, the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf and occupation. 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 in dispatch 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 Manager to the Offer, Registrar to the Offer nor the Escrow Bank ('HDFC Bank") shall be liable to compensate the Shareholders for any losses caused to the Shareholder due to any such delay or liable to pay any interest for such delay. Shareholders holding shares in physical form are requested to fill in the required bank details in the Form of Acceptance-cum-Acknowledgment.

14 The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at any of the collection centres given in the Letter of Offer between 10.00 am to 1.00 pm and 2.00 pm to 4.30 pm from Monday to Friday. The centres will be closed on Saturday, Sundays and public holidays.

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRARS AFTER THE CLOSE OF THE OFFER i.e. 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 quoting your reference
Folio No./DP ID/ Client ID:

Link Intime India Pvt. Ltd.
Unit: OSIL – Open Offer
C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078;
Tel: +91 22-25967878; Fax: +91-22-25960329
Contact Person: Mr. Pravin Kasare
E-mail: osil.offer@linkintime.co.in

ORISSA SPONGE IRON & STEEL LIMITED - OPEN OFFER

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer dated June 19, 2012)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Withdrawal with enclosures to the Registrar to the Offer at any of the collection centres as mentioned in the Letter of Offer)

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

Name: ____

Address: ____

____

Tel No. ________________ **Email.** ________________________ **Fax.** __________

To,

The Acquirer- Bhushan Power and Steel Limited
C/o. Link Intime India Pvt. Ltd
Unit: OSIL – Open Offer
C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West),
Mumbai – 400 078

Dear Sir,

Sub: Open Offer for acquisition of equity shares of Orissa Sponge Iron and Steel Limited ("OSIL" or "Target Company") by Bhushan Power and Steel Limited ("BPSL " or "Acquirer") along with Titanic Steel Industries Limited and Olympian Finvest Limited ("PACs").

Withdrawal of the shares tendered in the Offer

I/We refer to the Letter of Offer dated June 19, 2012 for acquiring the Equity Shares held by me/us in OSIL. I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein. I/We have also read the procedure for withdrawal of shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and condition mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorize the Acquirer 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/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.July 12, 2012.

I/We note that the Acquirer/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 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.

FOR SHARES IN PHYSICAL FORM

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

Folio No.	**Certificate No.**	**Distinctive Nos.**		**No. of shares**
	Tendered	**From**	**To**	
Total No. of Certificate		**Total number of Shares Tendered**		
	Withdrawn			
Total No. of Certificate		**Total number of Shares Withdrawn**		

(In case of insufficient space, please attach additional sheet and authenticate the same)

FOR SHARES IN DEMAT FORM

I/We hold the following Shares in dematerialized form and have tendered the Equity Shares in the Offer and had done an off-market transaction for crediting the shares to the **'CENTRUM CAPITAL LIMITED - ORISSA SPONGE IRON & STEEL LIMITED OPEN OFFER – ESCROW'** as per the following particulars:-

DP Name: Centrum Broking Private Limited	**DP ID:** 12012200	**Client ID:** 00070319

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 Tendered	No. of Shares Withdrawn

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialized equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

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

Yours faithfully,

Signed and Delivered:

Signed & Delivered by	Full Names (s) & Address	PAN Number(s)	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holdings, all shareholders must sign.

Place: ________________________________ Date: __________________

INSTRUCTIONS

1. Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the close of the Offer, i.e upto July 12, 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, photocopy of delivery instruction in "Off Market " mode or counterfoil of the delivery instruction in "Off Market" mode duly acknowledged by the DP.

3. In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office. In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

4. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):

   a. Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired.

   b. Duly attested power of attorney if any person apart from the Shareholder has signed withdrawal form or transfer deed(s).

5. Shareholders should enclose the following:

   i. For Shares held in dematerialized form:
   Beneficial owners should enclose:
   1. Duly signed and completed Form of Withdrawal. The signature(s) should be attested by the DP.
   2. Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by registered post.
   3. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off market" mode, duly acknowledged by the DP.

   ii. For Shares held in physical form:
   Registered Shareholders should enclose:
   1. Duly signed and completed Form of Withdrawal
   2. Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by registered post.

6. In case of partial withdrawal, valid Share transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place. In case of Shares tendered

in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.

7. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP accounts.

8. Unregistered owners of Shares should enclose:
   1. Duly signed and completed Form of Withdrawal.
   2. Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by registered post.
   3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ special depository account.

9. The intimation of Shares which are returned to the Shareholders pursuant to the withdrawal will be at the address as per the records of the Target Company/ depository as the case may be.

10. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at any of the collection centres given in the Letter of Offer between 10.00 am to 1.00 pm and 2.00 pm to 4.30 pm from Monday to Friday. The centres will be closed on Saturday, Sundays and public holidays.

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ACKNOWLEDGEMENT SLIP
ORISSA SPONGE IRON & STEEL LIMITED– OPEN OFFER

Link Intime India Pvt. Ltd, Unit: OSIL – Open Offer, C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078

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

Sr.No.________

Received from Mr./Mrs./M/s____

Address ____

____

Physical shares: Folio No.__________/Demat Shares: DP ID__________; Client ID: ________________________________

☐ Physical Shares: No. of shares tendered ______________;

No. of Shares Withdrawn ______________

☐ Demat Shares: No. of shares tendered ______________;

No. of Shares Withdrawn ______________

(Please tick whichever is applicable)

Stamp of Collection Centre

Signature of Official ___________ ___________

Date of Receipt ______________________________

---Tear along this line ---

All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address quoting your reference Folio No./DP ID/ Client ID:

Link Intime India Pvt. Ltd.
Unit: Orissa Sponge Iron & Steel – Open Offer, C-13 Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078; Tel: +91 22-25967878; Fax: +91-22-25960329
Contact Person: Mr. Pravin Kasare
E-mail: osil.offer@linkintime.co.in