

# The Telegraph

calcutta, india

Today's Edition

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

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### Bhushan Steel to join Orissa Sponge bid war

SAMBIT SAHA

**Calcutta, March 2:** Delhi-based Bhushan Steel, which is setting up a plant in Bengal, has upped the ante in the battle to take over Orissa Sponge Iron & Steel Ltd.

The Neeraj Singhal company today informed the stock exchanges that it would be party to the competitive bid being considered by group companies led by Bhushan Energy.

Bhushan Steel was the first mover in a three-way battle for little-known Orissa Sponge. It acquired a 14.84 per cent stake in Orissa Sponge from real estate developer Unitech a few months back.

On February 9, his estranged brother Sanjay made an audacious open offer to acquire up to 26 per cent in the Orissa firm.




Last week, another Delhi-based company, Monnet Ispat, moved ahead of the two brothers by making an open offer for a 26 per cent stake at Rs 300 per share. While details are being worked out, market grapevine says the Bhushan Steel bid will be Rs 330 a share.

Monnet's Sandeep Jajodia picked up 14.95 per cent in Orissa Sponge in partnership with existing promoter Torsteel Research Foundation in India (TRFI) and Torsteel Ltd. He also struck a deal with Prasanta Kumar Mohanty-owned TRFI to acquire part of the convertible warrants issued to the promoters.

Today, Orissa Sponge informed the stock exchanges that it would convert 40,00,000 equity share warrants allotted to the promoter group on December 20, 2007, into the same number of equity shares to promoter group TRFI Investment Pvt Ltd.

Post conversion, Monnet will become part of the promoter group and hold about 28 per cent. TRFI and Torsteel will continue to hold 22 per cent, while Orissa government agency Ipicol will have 4 per cent, taking the total promoter stake to 54 per cent. Monnet has also made a bid to acquire 20 per cent of the enlarged equity of Orissa Sponge, after warrant conversion, at Rs 310 apiece.

However, it is now clear that Neeraj Singhal will not let go the first mover advantage and approach the shareholders like brother Sanjay Singhal and Jajodia.

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