LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an equity shareholder of AREVA T&D India Limited. If you require any clarifications about the action to be taken, you may consult your stock broker, investment consultant or the Manager to the Offer / Registrar to the Offer. In case you have sold your Shares in AREVA T&D India Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and transfer deed to the purchaser of the Shares or the member of stock exchange through whom the said sale was effected.

CASH OFFER AT Rs. 295.34 (Rupees two hundred and ninety five and paise thirty four) PER FULLY PAID-UP EQUITY SHARE (the "Offer Price")

TO ACQUIRE

up to 47,821,327 (forty seven million and eight hundred and twenty one thousand and three hundred and twenty seven) fully paid-up equity shares of face value of Rs. 2 (Rupees two) each, representing 20% (twenty percent) of the issued share capital

OF

AREVA T&D India Limited (the "Target Company")

Registered office: E- 48/7, Okhla Industrial Area, Phase II, New Delhi - 110020, India; Tel. No. + 91 11 47629100; Fax: +91 11 47629129 / 30

BY

ALSTOM Sextant 5 (the "Acquirer")

Registered Office: 3, avenue André Malraux, 92300 Levallois-Perret, France; Tel. No. +33 1 41 49 20 00, Fax No. +33 1 41 49 24 85

and

ALSTOM Holdings ("Alstom Holdings")

Registered Office: 3, avenue André Malraux, 92300 Levallois-Perret, France; Tel. No. +33 1 41 49 20 00; Fax No. +33 1 41 49 24 85

and

Schneider Electric Industries SAS

Registered Office: 35, rue Joseph Monier, 92500 Rueil - Malmaison, France; Tel. No. +33 1 41 29 70 00; Fax No. +33 1 41 29 71 00

and

Schneider Electric Services International

Registered Office: 5, place du Champs de Mars, Tour Bastion, 1050 Brussels, Belgium; Tel. No. +32 0221 33 111; Fax No. +32 0221 33 142

and

Schneider Electric India Private Limited

Registered Office: 9th Floor, DLF Building No. 10, Tower C, DLF Cyber City, Phase II, Gurgaon – 122002 Haryana, India; Tel. No. +91 124 3940400; Fax No. +91 124 4222036

and

T&D Holding (known as 'Areva T&D Holding SA', as on the date of the Public Announcement)

Registered Office: 3, avenue André Malraux – 92300 Levallois Perret, France; Tel. No. +33 1 41 49 2000; Fax No. +33 1 41 49 2485

and

AREVA T&D SAS

Registered Office: 1, Place Jean Millier, TOUR AREVA, 92084 PARIS-LA DEFENSE, France; Tel. No. + 33 01 34 96 30 00; Fax No. +33 1 34 96 62 45

and

Long & Crawford Ltd.

Registered Office: St. Leonards Avenue, ST17 4LX Stafford, Great Britain; Tel. No. + 44 1785 223251; Fax No. + 44 1785 223251

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Alstom Holdings, Schneider Electric Industries SAS, Schneider Electric Services International, Schneider Electric India Private Limited, T&D Holding, AREVA T&D SAS and Long & Crawford Ltd. are hereinafter collectively referred to as the "**Persons Acting in Concert**".

The Offer is being made by the Acquirer and the Persons Acting in Concert to the shareholders of the Target Company ("**Shareholders**") pursuant to and in compliance with Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (the "**SEBI (SAST) Regulations**").

The Acquirer has received an approval dated August 4, 2010 from the Reserve Bank of India (the "**RBI**") under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder ("**FEMA**") to acquire up to 47,821,327 (forty seven million and eight hundred and twenty one thousand and three hundred and twenty seven) Shares tendered under the Offer from residents of India, non-resident Indians ("**NRI**") and non-residents. In terms of the approval, the RBI has provided that the acquisition of the Shares tendered by any overseas corporate body ("**OCB**") shall be subject to the specific approval of the RBI. Except for the approval as mentioned above, to the best of the knowledge of the Acquirer, as of the date of this Letter of Offer, no other statutory approvals are required to implement the Offer. If any other statutory approvals become applicable prior to completion of the Offer, the Offer will also be subject to such other statutory approval.

The Offer is not conditional upon any minimum level of acceptance. This is not a competitive bid.

Shareholders who accept 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.*, on or before Monday, November 22, 2010.

The Acquirer / Persons Acting in Concert are permitted to revise the Offer Price or Offer Size upward any time up to 7 (seven) working days prior to the date of the Closure of the Offer i.e. Monday, November 15, 2010. If there is any upward revision in the Offer Price or Offer Size before the last date of revision i.e. Monday, November 15, 2010, the same would be notified by way of a public announcement in the same newspapers where the Public Announcement had appeared. Such revised Offer Price would be payable to all Shareholders who validly tender their Shares at any time during the Offer and which are accepted under the Offer.

The Acquirer / Persons Acting in Concert may withdraw the Offer in accordance with the conditions specified in Regulation 27 of the SEBI (SAST) Regulations. In the event of such withdrawal, the same would be notified by way of a public announcement in the same newspapers in which the Public Announcement had appeared.

If there is a competitive bid:

(i) The public offers under all the subsisting bids shall close on the same date.

(ii) As the Offer Price cannot be revised during 7 (seven) working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptances accordingly.

There has been no competitive bid as of this date.

A copy of the Public Announcement and this Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) will also be available on the Securities and Exchange Board of India's ("**SEBI**") web-site (www.sebi.gov.in) from the Offer opening date i.e. Saturday, November 6, 2010. A copy of the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal may also be obtained from the Registrar to the Offer.

This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.

Manager to the Offer	*Registrar to the Offer*
BofA Merrill Lynch **DSP Merrill Lynch Limited** Mafatlal Centre, 8th Floor, Nariman Point, Mumbai – 400021 Tel. No. +91 22 6632 8000 Fax No. +91 22 2204 8518 Email: atd.openoffer@baml.com Contact Person: Mohan Kumar. K	**Bigshare Services Private Limited** E-2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 Tel. No. +91 22 2847 0652 / +91 22 4043 0200 Fax No. +91 22 2847 5207 Email: openoffer@bigshareonline.com Contact Person: Babu Rapheal
OFFER OPENS: Saturday, November 6, 2010	**OFFER CLOSES: Thursday, November 25, 2010**

(For schedule of major activities relating to the Offer, please refer to the next page)

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

The Schedule of Activities set out in the Public Announcement is revised as follows:

Activity	**Original Schedule** ***Day & Date***	**Revised Schedule** ***Day & Date***
Public Announcement Date	Friday, May 28, 2010	Friday, May 28, 2010
Last date for a competitive bid	Friday, June 18, 2010	Friday, June 18, 2010
Specified Date*	Friday, June 25, 2010	Friday, June 25, 2010
Last Date by which Letter of Offer is to be dispatched to shareholders	Friday, July 9, 2010	Monday, November 1, 2010
Date of opening of the Offer	Thursday, July 22, 2010	Saturday, November 6, 2010
Last date for upward revision of the Offer Price	Friday, July 30, 2010	Monday, November 15, 2010
Last date for withdrawing acceptance of the Offer	Thursday, August 5, 2010	Monday, November 22, 2010
Date of closure of the Offer	Tuesday, August 10, 2010	Thursday, November 25, 2010
Last date of communicating rejection/acceptance and when payment of consideration for accepted tenders and/or the unaccepted Shares/Share certificates will be dispatched / credited.	Wednesday, August 25, 2010	Friday, December 10, 2010

* *"Specified Date" is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent. However, all owners (registered or unregistered) of the Shares of the Target Company, except the Acquirer and the PACs, are eligible to participate in the Offer anytime before the Closure of the Offer.*

RISK FACTORS IN RELATION TO THE OFFER

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation by a Shareholder in the Offer or in associating with the Acquirer and Persons Acting in Concert or otherwise but are merely indicative. Shareholders are advised to consult their stockbroker or investment consultant or tax advisor, if any, for analyzing all the risks with respect to their participation in the Offer.

1. SEBI, vide its observation letter no. CFD/DCR/TO/DMS/22710/10 dated October 7, 2010 (the "**SEBI Observation Letter**") issued its observations in terms of the proviso to Regulation 18(2) of the Regulations, directing the Acquirer to *inter-alia* re-compute the Offer Price by taking into account the following 3 (three) reference dates: (i) November 30, 2009 (i.e. the date on which Areva SA decided to enter into exclusive negotiations with Alstom Holdings and Schneider Electric Industries SAS for the sale and purchase of its global transmission and distribution business), (ii) May 28, 2010 (i.e. the date of the Public Announcement to the Shareholders) and (iii) June 7, 2010 (i.e. the earliest date on which in SEBI's view, a public announcement could have been made to the Shareholders of Target Company as per the SEBI (SAST) Regulations). As per the SEBI Observation Letter, the Offer Price needs to be the highest price arrived at based on the aforesaid reference dates. SEBI had further directed the Acquirer and the PACs to dispatch the Letter of Offer within 10 (ten) days from the date of the SEBI Observation Letter. The Acquirer and PACs, being aggrieved by the above direction, preferred an appeal being Appeal No.172 of 2010 (the **"Appeal"**) under Section 15T(a) of the Securities and Exchange Board of India Act, 1992 before the Hon'ble Securities Appellate Tribunal, Mumbai (the "**Tribunal**") challenging SEBI's direction with respect to the Offer Price. The Appeal was filed with the Tribunal on October 12, 2010 and the first hearing was held on October 14, 2010 whereat the Tribunal directed that the Appeal will be finally heard on October 25, 2010 and the period of 10 (ten) days granted to the Acquirer and PACs to issue the Letter of Offer shall be extended subject to the final order of the Tribunal in the Appeal. Further, vide its final order dated October 29, 2010 (the "**Final Order**"), the Tribunal held that November 30, 2009, as a reference date for calculation of the Offer Price shall be ignored; and directed the Acquirer and PACs to proceed further in accordance with law. Apart from November 30, 2010, SEBI had also directed to re-compute the Offer Price based on the reference date of June 7, 2010. The Acquirer and PACs had objected to June 7, 2010 being a reference date as well; but did not press the plea as it did not amount to a change in the Offer Price. Hence, the same has not been examined further by the Tribunal in the Final Order. Therefore, June 7, 2010 will be reference date for calculation of the Offer Price along with January 20, 2010 and May 28, 2010. The Final Order dated October 29, 2010 is appealable before the Hon'ble Supreme Court under Section 15(z) of the Act and accordingly, the Offer Price will be subject to the outcome of such appeal, if any preferred by SEBI before the Hon'ble Supreme Court.

2. The Acquirer has received an approval dated August 4, 2010 from the RBI to acquire up to 47,821,327 (forty seven million and eight hundred and twenty one thousand and three hundred and twenty seven) Shares tendered under the Offer from residents of India, non-resident Indians ("**NRI**") and non-residents. However, in terms of the approval, the RBI has provided that the acquisition of the Shares tendered by any overseas corporate body ("**OCB**") shall be subject to the specific approval of the RBI. Except for the approval as mentioned above, to the best of the knowledge of the Acquirer, no other statutory approvals are required to implement the Offer. If any other statutory approval(s) become applicable prior to completion of the Offer, the Offer will also be subject to such other statutory approval(s).

3. In the event that: (a) the approval(s) indicated in paragraph 2 are not received in time, (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructing the Acquirer / Persons Acting in Concert not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares are accepted under the Offer, as well as the return of Shares not accepted under the Offer by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approval(s), as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any wilful default or negligence on the part of the Acquirer / Persons Acting in Concert, grant an extension for the purpose of completion of the Offer subject to the Acquirer / Persons Acting in Concert agreeing to pay interest to the Shareholders. Further, Shareholders should note that after the last date of withdrawal, i.e., Monday, November 22, 2010, Shareholders who have lodged their acceptances would not be able to withdraw them, even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered Shares and documents would be held by the Registrar to the Offer till such time as the process of acceptance of tenders and the payment of consideration is completed.

4. The Registrar to the Offer will hold in trust the Shares held in physical form and in credit of the Depository Escrow Account, on behalf of the Shareholders who have accepted the Offer, till the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. Further, during such period, there may be fluctuations in the market price of the Shares.

The Acquirer and Persons Acting in Concert make no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

5. In the event the aggregate number of Shares validly tendered under the Offer exceeds 47,821,327 (forty seven million and eight hundred and twenty one thousand and three hundred and twenty seven) Shares constituting 20% (twenty percent) of the issued share capital of the Target Company, the Shares will be accepted on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.

6. There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company. The proposed transfer of distribution business of the Target Company as detailed in paragraph 3.4 of this Letter of Offer subsequent to the completion of the Offer may also result in dilution of the value of the Target Company.

7. This Offer is subject to completion risks as would be applicable to similar transactions.

8. This Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable law or regulations or would subject the Acquirer or Persons Acting in Concert or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

The Acquirer, Persons Acting in Concert and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement, this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer, Persons Acting in Concert and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

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KEY DEFINITIONS

Term	Definition
Acquirer	ALSTOM Sextant 5, having its registered office at 3, avenue André Malraux, 92300 Levallois-Perret, France.
Alstom Holdings	ALSTOM Holdings, having its registered office at 3, avenue André Malraux, 92300 Levallois-Perret, France.
BSE	Bombay Stock Exchange Limited.
Board of Directors	Board of Directors of the Target Company.
CDSL	Central Depository Services (India) Limited.
Closure of the Offer	Thursday, November 25, 2010.
Consortium Agreement	Agreement dated November 9, 2009 entered into between Alstom Holdings and Schneider Electric Industries SAS for making a consortium offer to acquire the Global Business, funding of the Acquirer, management of the Global Business and separation of the same, as amended on February 9, 2010, May 17, 2010 and June 7, 2010.
CRC	French Accounting Ruling Committee.
CSE	Calcutta Stock Exchange Association Limited.
CY	Calendar Year.
DCF	Disscounted cash flow.
Depository Escrow Account	The depository account opened by the Registrar with DSPML at NSDL. The DP ID is IN302638 and the beneficiary client ID is 10056839.
DP	Depository Participant.
ECS	Electronic Clearing Services
Escrow Bank	Bank of America N.A., having its head office at Charlotte, North Carolina, USA and carrying on the business of banking in India as a scheduled commercial bank, and acting through its branch in India located at Express Towers, Nariman Point, Mumbai.
Eur	Euro.
FEMA	Foreign Exchange Management Act, 1999.

FII(s)	Foreign Institutional Investors.
First Corrigendum to Public Announcement	The Corrigendum to the Public Announcement dated July 20, 2010.
Form of Acceptance-cum-Acknowledgement	The Form of Acceptance-cum-Acknowledgement which is part of this Letter of Offer.
Form of Withdrawal	The Form of Withdrawal which is part of this Letter of Offer.
FY	Financial Year.
GBP	Pound Sterling.
GIS	Gas isolated switchgear.
Global Acquisition	Acquisition by the Acquirer of 100% of the issued share capital and voting rights of T&D Holding.
Global Business	Transmission and distribution electrical business of AREVA SA.
GAAP	Generally Accepted Accounting Principles.
Indian GAAP	GAAP, as applicable to Indian companies.
Income Tax Act	Income-tax Act, 1961.
Letter of Offer	This Letter of Offer including the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal.
LIC	Life Insurance Corporation of India.
Listing Agreement	Listing Agreement with the stock exchanges in India, as amended from time to time.
Manager / Manager to the Offer / DSPML	DSP Merrill Lynch Limited, having its office at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai, 400021.
Maximum Consideration	Total consideration of Rs. 14,123,550,716.18 payable by the Acquirer to acquire 47,821,327 Shares under the Offer at Rs. 295.34 per Share.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Funds Transfer.
n.m.	Not meaningful.
NRI	Non Resident Indian, as defined under FEMA.
NSDL	National Securities Depositories Ltd.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Body, as defined under FEMA.
Offer	This open offer being made by the Acquirer and the Persons Acting in Concert to the Shareholders to acquire up to 47,821,327 Shares, representing 20% of the issued share capital of the Target Company at Rs. 295.34 per Share, payable in cash and subject to the terms and conditions mentioned in this Letter of Offer.
Offer Price	Rs. 295.34 per Share.
Offer Size	Up to 47,821,327 Shares, representing 20% of the issued share capital of the Target Company.
Open Offer Escrow Account	Escrow account maintained by the Acquirer with the Escrow Bank.
Open Offer Escrow Agreement	The escrow agreement between the Acquirer, the Manager to the Offer and the Escrow Bank, dated May 25, 2010.
PAN	Permanent Account Number.
PCM	Percentage of completion method
Persons Acting in Concert	Alstom Holdings, Schneider Electric Industries SAS, Schneider Electric Services International, Schneider Electric India Private Limited, T&D Holding, AREVA T&D SAS and Long & Crawford Ltd.
Public Announcement	Announcement of the Offer made by the Manager to the Offer on behalf of the Acquirer

	and Persons Acting in Concert on May 28, 2010.
Rs./INR	Indian Rupees.
RBI	The Reserve Bank of India.
Registrar / Registrar to the Offer	Bigshare Services Private Limited having its office at E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai, 400 072
RTGS	Real Time Gross Settlement.
SEBI	The Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI Obervation Letter	SEBI observation letter dated October 7, 2010.
Second Corrigendum to Public Announcement	The Corrigendum to the Public Announcement dated October 16, 2010.
Shareholders	Persons holding Share(s).
Share(s)	Fully paid-up equity share(s) of the Target Company, having a face value of Rs. 2 each.
Specified Date	Friday, June 25, 2010.
SEBI (SAST) Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto.
Target Company	AREVA T&D India Limited, having its registered office at E-48/7, Okhla Industrial Area, Phase II, New Delhi - 110020, India.
Tax Clearance Certificate	Certificate to be furnished by the NRIs/OCBs/FIIs and other non-resident Shareholders indicating the amount to be deducted by the Acquirer under the Income Tax Act, before remitting the consideration.
Third Corrigendum to Public Announcement	The Corrigendum to the Public Announcement dated October 30, 2010.
Tribunal	Hon’ble Securities Appellate Tribunal, Mumbai.

DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF AREVA T&D INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PERSONS ACTING IN CONCERT OR THE TARGET 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 THE LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 11, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. 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.

1. THE OFFER

1.1. Background to the Offer

1.1.1. The Offer is being made by the Acquirer and the Persons Acting in Concert to the Shareholders of AREVA T&D India Limited, the Target Company, in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations and is made for the acquisition of substantial shares and voting rights accompanied with change of control of the Target Company.

1.1.2. AREVA SA (a company registered with the Register of Trade and Companies of Paris with number 712 054 923 whose registered office is in France at 33, rue Lafayette, 75009 Paris) had conducted a competitive open bidding process for the transfer of its global transmission and distribution electrical business (the "**Global Business**"). The Acquirer was incorporated as a special purpose vehicle to participate in the bidding process as a consortium between the ALSTOM and Schneider group of companies. The Acquirer is a French Société par actions simplifiée registered with the Register of Trade and Companies of Nanterre with number 517 793 634 whose registered office is located at 3, avenue André Malraux, 92300 Levallois-Perret, France.

1.1.3. Prior to participation in the competitive bid process initiated by AREVA SA for sale of its Global Business, Alstom Holdings and Schneider Electric Industries SAS entered into a consortium agreement dated November 9, 2009, amended on February 9, 2010, May 17, 2010 and June 7, 2010 (the "**Consortium Agreement**"), which lays down the general principles regarding the offer to acquire the Global Business, funding of the Acquirer, management of the Global Business and separation of the same, such that the transmission business will be allocated to the ALSTOM group of companies and the distribution business will be allocated to the Schneider group of companies.

1.1.4. In the amendment dated May 17, 2010, Alstom Holdings and Schneider Electric Industries SAS have postponed their corresponding obligations with respect to the Target Company until the completion of the Offer formalities due to restrictions under the applicable laws in India.

1.1.5. Under the terms of the Consortium Agreement, during the transition period (i.e. between the completion of the Global Acquisition and separation of the Global Business), the transmission business forming part of the Global Business shall be managed solely by Alstom Holdings and the distribution business forming part of the Global Business shall be managed solely by Schneider Electric Industries SAS and the concerned entities shall have control over the financial, operational and strategic policies of the respective businesses. The entities engaged in both transmission and distribution businesses such as the Target Company, shall be managed and controlled based on the same principles set out above. It has been agreed that all decisions concerning the transmission business shall be adopted and implemented only with the prior consent of Alstom Holdings and of Schneider Electric Industries SAS with regard to the distribution business. Further, with effect from the date of completion of the Global Acquisition, the assets and liabilities of transmission business will be fully consolidated and booked into the accounts of Alstom Holdings and the assets and liabilities of the distribution business will be fully consolidated and booked into the accounts of Schneider Electric Industries SAS. Alstom Holdings and Schneider Electric Industries SAS will also develop cooperation between the transmission and distribution businesses, via commercial and license agreements and also put in place research and development agreements to develop innovative technologies to the benefit of both companies.

1.1.6. On January 20, 2010, the Acquirer, Alstom Holdings, and Schneider Electric Industries SAS entered into a share purchase agreement (amended subsequently on May 25, 2010 and June 7, 2010) with AREVA SA, whereby the Acquirer agreed to acquire 100% (one hundred percent) of the issued share capital and voting rights of T&D Holding (a company registered with the Register of Trade and Companies of Paris with number 449 834 308 whose registered office is in France at 3, avenue André Malraux – 92300 Levallois Perret) for an aggregate purchase price of Eur 2,290,000,000 (Euro two billion and two hundred and ninety million) i.e. Rs. 133,690,200,000 (Rupees one hundred and thirty three billion and six hundred and ninety million and two hundred thousand) (the "**Global Acquisition**"). The terms of the share purchase agreement *inter-alia* provide that the obligation of the Acquirer to acquire the shares of T&D Holding shall be subject to satisfaction of certain conditions precedent, including receipt of the merger clearance from the EU Commission and other applicable regulatory approvals and completion of requisite regulatory filings. Alstom Holdings and Schneider Electric Industries SAS have agreed to jointly guarantee the obligations of the Acquirer under the said share purchase agreement, until completion of the Global Acquisition, including payment of the aggregate purchase price. As per the terms of the share purchase agreement, except as otherwise permitted, for a period of 3 (three) years from the completion of Global Acquisition, AREVA SA and the entities or persons controlled by it will not engage in any activities, in any country where the Global Business is presently conducted by the AREVA group of companies, which directly competes with the Global Business.

1.1.7. On May 25, 2010, the Acquirer together with Alstom Holdings and Schneider Electric Industries SAS entered into an amendment to the share purchase agreement with AREVA SA with specific reference to the Target Company, wherein due to restrictions under the applicable laws in India, the parties agreed to postpone certain obligations of the Acquirer and AREVA SA from the date of completion of the Global Acquisition until the earliest of: (a) closure of the Offer, (b) the date on which the Board of Directors of the Target Company appoints the nominees of the Acquirer and/or Alstom Holdings and Schneider Electric Industries SAS, as directors on the Board of Directors of the Target Company, in accordance with applicable laws in India, and (c) 180 (one hundred and eighty) days from the date of completion of the Global Acquisition, provided that if within 120 (one hundred and twenty) days of completion of the Global Acquisition, the Offer has not closed and/or the Acquirer and/or Alstom Holdings and Schneider Electric Industries SAS have not nominated persons to be appointed as directors on the Board of Directors of the Target Company, AREVA SA shall discuss in good faith and cooperate with Alstom Holdings and Schneider Electric Industries SAS to give the Acquirer and/or Alstom Holdings and Schneider Electric Industries SAS control over, and to enable the appointment of their nominees as directors of the Target Company, in accordance with applicable laws. Pursuant to the said amendment, the obligations of the Acquirer to procure that the Target Company ceases to use the AREVA name and logos, etc. have been postponed.

1.1.8. Subsequent to the date of the Public Announcement and in accordance with the terms of the Consortium Agreement, Alstom Holdings and Schneider Electric Services International entered into a forward sale agreement on the date of completion of Global Acquisition (i.e. on June 7, 2010), whereunder Alstom Holdings agreed to acquire all the shares of the Acquirer held by Schneider Electric Services International, on the date on which the distribution business forming part of the Global Business representing 90% (ninety percent) of the final EBITDA and employees of such distribution business, are transferred to the Schneider group of companies. Notwithstanding the proposed transfer of shares of the Acquirer, the Target Company shall continue to be jointly managed and controlled by Alstom Holdings and Schneider Electric Industries SAS in accordance with the terms of the Consortium Agreement.

1.1.9. As mentioned in paragraph 1.1.6, the Global Acquisition was subject to the satisfaction of the necessary conditions precedent set out in the share purchase agreement with AREVA SA. Upon satisfaction of all the necessary conditions precedent and in terms of the share purchase agreement, the Global Acquisition completed on June 7, 2010 by transfer of 100% (one hundred percent) of the issued share capital of T&D Holding to the Acquirer.

1.1.10. T&D Holding directly and together with its subsidiaries namely AREVA T&D SAS and Long & Crawford Ltd. holds 172,585,900 (one hundred and seventy two million and five hundred and eighty five thousand and nine hundred) fully paid-up equity shares of the Target Company of face value of Rs. 2 (Rupees two) each (each a "**Share**"), as on January 20, 2010 and on the date of the Public Announcement, constituting 72.18% (seventy two point one-eight percent) of the subscribed and paid-up share capital of the Target Company.

1.1.11. Subsequent to the date of the Public Announcement and upon completion of the Global Acquisition (i.e. on June 7, 2010), the Acquirer has indirectly acquired 72.18% (seventy two point one-eight percent) of the subscribed and paid-up share capital and control over the Target Company.

1.1.12. SEBI, vide its observation letter dated October 7, 2010 had directed in paragraph 6(c) of the SEBI Observation Letter that the Offer Price may be calculated in terms of Regulation 20(4) of the SEBI (SAST) Regulations by taking into account the following 3 (three) reference dates: (i) November 30, 2009 (i.e. the date on which Areva SA decided to enter into exclusive negotiations with Alstom Holdings and Schneider Electric Industries SAS for the sale and purchase of its global transmission and distribution business), (ii) May 28, 2010 (i.e. the date of the Public Announcement to the Shareholders) and (iii) June 7, 2010 (i.e. the earliest date on which in SEBI's view, a public announcement could have been made to the Shareholders of Target Company as per the SEBI (SAST) Regulations). As per the SEBI Observation Letter, the Offer Price needs to be the highest price arrived at based on the aforesaid reference dates. SEBI had further directed the Acquirer and the PACs to dispatch the Letter of Offer within 10 (ten) days from the date of the SEBI Observation Letter.

1.1.13. The Acquirer and PACs, being aggrieved by the above direction, preferred an Appeal under Section 15T(a) of the Securities and Exchange Board of India Act, 1992 before the Tribunal challenging SEBI’s direction with respect to the Offer Price. The Appeal was filed with the Tribunal on October 12, 2010 and the first hearing was held on October 14, 2010 whereat the Tribunal directed that the Appeal will be finally heard on October 25, 2010 and the period of 10 (ten) days granted to the Acquirer and PACs to issue the Letter of Offer shall be extended subject to the final order of the Tribunal in the Appeal. Further, vide its Final Order, the Tribunal held that November 30, 2009, as a reference date for calculation of the Offer Price shall be ignored; and directed the Acquirer and PACs to proceed further in accordance with law. Apart from November 30, 2010, SEBI had also directed to re-compute the Offer Price based on the reference date of June 7, 2010. The Acquirer and PACs had objected to June 7, 2010 being a reference date as well; but did not press the plea as it did not amount to a change in the Offer Price. Hence, the same has not been examined further by the Tribunal in the Final Order. Therefore, June 7, 2010 will be reference date for calculation of the Offer Price along with January 20, 2010 and May 28, 2010.

1.2. Details of the Offer

1.2.1 The Offer is made by the Acquirer and the Persons Acting in Concert to all public Shareholders of the Target Company in terms of Regulations 10 and 12 of the SEBI (SAST) Regulations.

1.2.2 The Offer is made to all public Shareholders of the Target Company, to acquire up to 47,821,327 (forty seven million and eight hundred and twenty one thousand and three hundred and twenty seven) Shares (“**Offer Size**”) constituting 20% (twenty percent) of the issued share capital of the Target Company (the “**Offer**”). The Offer is being made at the Offer Price to be paid in cash in accordance with the SEBI (SAST) Regulations, and subject to the terms and conditions mentioned in this Letter of Offer. The Offer Size is reckoned in terms of Regulations 21(1) and 21(5) of the SEBI (SAST) Regulations.

1.2.3 As mentioned in the Public Announcement, T&D Holding, AREVA T&D SAS, and Long & Crawford Ltd. were to become 'Persons Acting in Concert’ with the Acquirer, subject to and conditional upon completion of the Global Acquisition. The Global Acquisition was completed on June 7, 2010. Accordingly, for the purposes of the Offer, Alstom Holdings, Schneider Electric Industries SAS, Schneider Electric Services International, Schneider Electric India Private Limited, T&D Holding, AREVA T&D SAS and Long & Crawford Ltd. are Persons Acting in Concert with the Acquirer in terms of Regulation 2(1)(e)(1) of the SEBI (SAST) Regulations. Other than the Persons Acting in Concert disclosed herein, there are no other ‘persons acting in concert’ with the Acquirer, within the meaning of Regulation 2(1)(e)(2) of the SEBI (SAST) Regulations.

1.2.4 The Public Announcement announcing the Offer as per Regulation 15(1) of the SEBI (SAST) Regulations was made in the following newspapers on Friday, May 28, 2010:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Navshakti	Marathi	Mumbai edition

Subsequent announcements have also been published in the same newspapers where the Public Announcement was published. The details of these announcements are as follows:

Announcement	Publication date
First Corrigendum to the Public Announcement	July 20, 2010
Second Corrigendum to the Public Announcement	October 16, 2010
Third Corrigendum to the Public Announcement	October 30, 2010

(All the above announcements would be available at the SEBI website: www.sebi.gov.in)

1.2.5 There are no partly paid-up Shares in the Target Company.

1.2.6 As on the date of the Public Announcement, the Acquirer, Alstom Holdings, Schneider Electric Industries SAS, Schneider Electric Services International and Schneider Electric India Private Limited do not hold any Shares. As on the date of the Public Announcement,

- T&D Holding holds 27,893,950 (twenty seven million and eight hundred and ninety three thousand and nine hundred and fifty) Shares constituting 11.67% (eleven point six-seven percent),

- AREVA T&D SAS holds 132,919,225 (one hundred and thirty two million and nine hundred and nineteen thousand and two hundred and twenty five) Shares constituting 55.59% (fifty five point five-nine percent), and

- Long & Crawford Ltd. holds 11,772,725 (eleven million and seven hundred and seventy two thousand and seven hundred and twenty five) Shares constituting 4.92% (four point nine-two percent),

of the subscribed and paid-up share capital of the Target Company.

1.2.7 Neither the Acquirer nor the Persons Acting in Concert have acquired any Shares during the 12 (twelve) month period prior to the date of the Public Announcement.

1.2.8 Neither the President of the Acquirer nor any of the directors of the Persons Acting in Concert have acquired any Shares during the 12 (twelve) month period prior to the date of the Public Announcement.

1.2.9 On the date of completion of the Global Acquisition, in terms of the share purchase agreement with AREVA SA, Mr. Jacques Arthur de Montalembert resigned from the Board of Directors. Subject to the terms of amendment to the share purchase agreement (referred to in paragraph 1.1.7) and the provisions of applicable laws, the Acquirer and the Persons Acting in Concert intend to have their nominee directors appointed to the Board of Directors of the Target Company, upon completion of the Offer formalities. If, pursuant to the terms of the amendment to the share purchase agreement and the provisions of Regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer decides to fully fund the escrow account, the same will be notified by way of a public announcement in the same newspapers in which the Public Announcement had appeared.

1.2.10 The Acquirer / Persons Acting in Concert or their directors have not been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B or any other regulations made under the SEBI Act. The Target Company or its directors have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.

1.2.11 As on the date of the Public Announcement, the Manager to the Offer does not hold any Shares in the Target Company. The Manager to the Offer shall not deal in the Shares of the Target Company until the expiry of 15 (fifteen) days from the date of Closure of the Offer. On June 30, 2010 a trader of DSPML inadvertently executed a trade on behalf of DSPML in the Target Company. The trader purchased 200 (two hundred) lots of put options and 36 (thirty six) lots of futures contracts as a hedge to the same trade. As per DSPML's compliance policy the target Company was included on the global restricted list and therefore this trade was an error. The trade was reversed on July 8, 2010 at a loss of Rs. 165,900. This has been notified to SEBI by way of letters dated July 12, 2010 and July 22, 2010.

1.2.12 There have been no competitive bids to the Offer as on the date of this Letter of Offer.

1.2.13 The Offer is not conditional upon any minimum level of acceptance. All Shares validly tendered by the Shareholders pursuant to the Offer will be accepted at the Offer Price, subject to the Shares tendered not exceeding the Offer Size. In case the number of Shares tendered exceeds Offer Size, the acceptance will be made on a proportionate basis.

1.2.14 The Shares tendered in the Offer shall be acquired by the Acquirer.

1.2.15 In case of any upward revision in the Offer Price or Offer Size before the last date of revision (*i.e.*, Monday, November 15, 2010), the same would be notified by way of a public announcement in the same newspapers where the Public Announcement had appeared. In case of an upward revision in the Offer Price or Offer Size, the revised Offer Price, if any, would be payable to all Shareholders who tender their Shares at any time during the Offer and which are accepted in the Offer.

1.2.16 The Acquirer / Persons Acting in Concert may withdraw the Offer in accordance with the conditions specified in Regulation 27 of the SEBI (SAST) Regulations. In the event of such withdrawal, the same would be notified by way of a public announcement in the same newspapers in which the Public Announcement had appeared.

1.2.17 The Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable law or regulations or would subject the Acquirer or Persons Acting in Concert or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

2. BACKGROUND OF THE ACQUIRER AND PERSONS ACTING IN CONCERT

A. ALSTOM Sextant 5 ("Acquirer")

2.1 ALSTOM Sextant 5, a French Société par actions simplifiée, was incorporated on October 22, 2009 under the laws of France and is registered with the Register of Trade and Companies of Nanterre with number 517 793 634. The registered office of the Acquirer is located at 3, avenue André Malraux, 92300 Levallois-Perret, France; Tel. No. +33 1 41 49 20 00; Fax No. +33 1 41 49 24 85.

2.2 As noted in paragraph 1.1.3 to 1.1.5, Alstom Holdings and Schneider Electric Industries SAS have entered into a Consortium Agreement for the purposes of acquisition, management and separation of the Global Business.

2.3 The Acquirer is a special purpose vehicle, incorporated for the purposes of the Global Acquisition and is not engaged in any operating activities.

2.4 As on the date of the Public Announcement, Alstom Holdings held the entire issued and paid-up share capital of the Acquirer. Subsequently and in accordance with the terms of the Consortium Agreement, Alstom Holdings and Schneider Electric Services International subscribed to further shares of the Acquirer on June 7, 2010, such that Alstom Holdings now holds approximately 70% (seventy percent) and Schneider Electric Services International holds approximately 30% (thirty percent) (the final proportion of the shareholding will be determined in due course, subject to post closing adjustments, if any) of the increased issued and paid-up share capital of the Acquirer. Further, on June 7, 2010, Alstom Holdings subscribed to a T preferred share with a nominal value of Eur 10 (Euro ten) i.e. Rs. 583.80 (Rupees five hundred and eighty three and paise eighty) and Schneider Electric Services International subscribed to a D preferred share with a nominal value of Eur 10 (Euro ten) i.e. Rs. 583.80 (Rupees five hundred and eighty three and paise eighty). The purpose of the T preferred share is to track the economic performance of the transmission business in order to allow Alstom Holdings to solely receive the proceeds of such economic performance so long as Schneider Electric Services International remains a shareholder of the Acquirer. The T preferred share will automatically convert into an ordinary share on the date on which Schneider Electric Services International will cease to be a shareholder of the Acquirer. The purpose of the D preferred share is to entitle Schneider Electric SA (which is the ultimate parent company of the Schneider group of companies) to consolidate the results and benefit from the cash flows and value of the distribution business as from completion of the Global Acquisition. The D preferred share will automatically convert into an ordinary share on the date on which Schneider Electric Services International will cease to be a shareholder of the Acquirer.

2.5 As on the date of the Public Announcement, the total issued and paid-up share capital of Acquirer was Eur 1,000 (Euro one thousand) *i.e.* Rs. 58,380 (Rupees fifty eight thousand and three hundred and eighty) consisting of 100 (one hundred) shares each of a value of Eur 10 (Euro ten) *i.e.* Rs. 583.80 (Rupees five hundred and eighty three and paise eighty). As on the date of this Letter of Offer, the total issued and paid-up share capital of Acquirer is Eur 100,001,020 (Euro one hundred million and one thousand and twenty) *i.e.* Rs. 5,838,059,547.60 (Rupees five billion and eight hundred and thirty eight million and fifty nine thousand and five hundred and forty seven and paise sixty) consisting of 10,000,102 (ten million and one hundred and two) fully paid shares (including the T preferred share and the D preferred share) each of a value of Eur 10 (Euro ten) *i.e.* Rs. 583.80 (Rupees five hundred and eighty three and paise eighty).

2.6 Alstom Holdings and Schneider Electric Industries SAS shall, in accordance with paragraph 6.2, make available all funds necessary to fulfill the obligations of the Acquirer under the Offer.

2.7 The Acquirer does not hold any Shares. Therefore, the obligations stipulated in chapter II of the SEBI (SAST) Regulations are not applicable to it.

2.8 The Acquirer does not have any board of directors, but has a President. Details of the President of the Acquirer, as on the date of the Public Announcement, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
1.	**Mr. Henri Poupart-Lafarge** (French Passport: 08CY46609)	October 22, 2009	▪ Mr. Henri Poupart-Lafarge is a graduate from l'Ecole Polytechnique, Ecole Nationale des Ponts et Chaussées and the Massachussetts Institute of Technology. ▪ He started his career with World Bank in 1992 and therafter joined the French Ministry of Finance in 1994. ▪ In 1998, he joined ALSTOM and was successively appointed as the Vice President - Investor Relations and Vice President - Performance Management. ▪ During 2000 to 2004, Mr. Henri Poupart-Lafarge was the Senior Vice President - Finance for the transmission and distribution businesses of ALSTOM. He was appointed Chief Financial Officer of ALSTOM in October, 2004, a position which he held until May 16, 2010. ▪ He has been member of ALSTOM Executive Committee since October, 2004. ▪ He has been appointed Executive Vice President and President of the new sector that will regroup the power transmission activities at the closing of the AREVA T&D acquisition. ▪ Since 2009, he has also been a member of the board of Rhodia SA (a French company listed on Euronext Paris).	25 avenue du Maréchal Douglas Haig 78000 Versailles, France.

The President of the Acquirer is not on the Board of Directors of the Target Company.

2.9 The shares of the Acquirer are not listed on any stock exchange.

2.10 The Acquirer has not acquired any Shares in the past.

2.11 Since the Acquirer has been recently incorporated (on October 22, 2009), its first statutory audited financial statements have been prepared for a period less than 1 (one) year *i.e.* from October 22, 2009 to March 31, 2010. Based on these financial statements, audited by Mazars and Mr. Philippe Castagnac and prepared in accordance with the accounting rules and principles applicable in France, the financial information of the Acquirer is as follows:

Income Statement	**12 month period ending March 31, 2010**	
	(Eur)	*(Rs.)*
Management fees	-	-
Other operating revenues	-	-
Total revenues	-	-
Costs of suppliers and services received	2,769	161,654
Taxes other than income tax	-	-
Salaries and wages	-	-
Other expenses	-	-
Total operating expenses	**2,769**	**161,654**
Operating income	**(2,769)**	**(161,654)**
Dividends received	-	-
Income from other financial assets	-	-
Other interest income	-	-
Reversals of impairment losses and provisions	-	-
Foreign exchange gains	-	-
Net gains on disposals of marketable securities	-	-
Total financial income	-	-
Additions to impairment losses and provisions	-	-
Interest expenses	-	-
Foreign exchange losses	-	-
Net losses on disposals of marketable securities	-	-
Total financial expenses	-	-
Net financial income	-	-
Current income before tax	**(2,769)**	**(161,654)**
Non recurring income	-	-
Non recurring expense	-	-
Net non recurring expense	-	-
Employee profit sharing	-	-
Income tax	-	-
Total income	-	-
Total expenses	**2,769**	**161,654**
Net profit	**(2,769)**	**(161,654)**

Source: Statutory Audited accounts – March 31, 2010

Balance sheet	As at March 31, 2010	
	(Eur)	*(Rs.)*
Assets		
Fixed assets		
Tangible fixed assets		
Land	-	-
Buildings	-	-
Other tangible fixed assets	-	-
Financial assets		-
Investments in subsidiaries	-	-
Advances to subsidiaries	-	-
Other investments	-	-
Loans	-	-
Total fixed assets	**-**	-
Current assets		-
Advances and down-payments paid to suppliers	**-**	-
Receivables	**-**	-
Trade receivables and related accounts	**-**	-
Other receivables	623	36,371
Trading investments	-	-
Marketable securities	-	-
Cash and cash equivalents	-	-
Prepaid expenses	-	-
Total current assets	**623**	**36,371**
Deferred charges	-	**-**
Bond premiums	-	**-**
Currency translation adjustment account	-	**-**
Total assets	**623**	**36,371**
Liabilities		
Shareholders' equity		
Share capital	1,000	58,380
Reserves	-	-
Legal reserve	-	-
Retained earnings	-	-
Net profit	(2,769)	(161,654)
Total equity	**(1,769)**	**(103,274)**
Provisions for risks and charges		-
Provisions for risks	-	-
Total provisions	**-**	-
Bank borrowings	-	-
Other borrowings and financial debts	-	-
Advances and down payments received from customers	-	-
Trade payables and related accounts	2,392	139,645
Tax and social security payables	-	-
Liabilities on fixed assets and related accounts	-	-
Other liabilities	-	-
Prepaid income	-	-
Currency translation adjustment accounts	**-**	-
Total liabilities	**623**	**36,371**

Source: Statutory Audited Accounts – March 31, 2010

Other Financial data	12 month period ending March 31, 2010	
	(Eur)	*(Rs.)*
Dividend (%)	-	-
Earnings per share	(27.69)	(1,616.54)
Return on networth	n.m.	n.m.
Book value per share	(17.69)	(1,032.74)

Source: Statutory Audited Accounts – March 31, 2010

2.12 As per the statutory audited accounts of the Acquirer for the FY ending March 31, 2010, there are no contingent liabilities.

2.13 Given the limited history of the Acquirer, there can be no comparison of income / profit after tax with that in earlier accounting years.

2.14 **Significant accounting policies** *(Source: Statutory Audited Accounts, March 2010)*:

ALSTOM Sextant 5 is a limited liability company incorporated under the laws of France, which closes its accounts in compliance with the French accounting regulations:

- going concern principle,
- consistency of accounting principles,
- 'financial years' concept.

General principles
The accounts as at March 31, 2010, have been prepared in accordance with the provisions below applicable in France:

- The law of the April 30, 1983; its enforcing decree of the November 29, 1983,
- The French General Accounting Chart as stated by the French Accounting Ruling Committee ("**CRC**") in Rule 99-03 dated September 21, 1999 complemented by the regulations amending this General Accounting Chart.

2.15 The Acquirer has not promoted any company in India.

B. ALSTOM Holdings ("Alstom Holdings")

2.16 ALSTOM Holdings, a French Société anonyme, was incorporated on July 29, 1988 under the laws of France and is registered with the Register of Trade and Companies of Nanterre with number 347 951 238. The registered office of Alstom Holdings is located at 3, avenue André Malraux, 92300 Levallois-Perret, France; Tel. No. +33 1 41 49 20 00; Fax No. +33 1 41 49 24 85. Alstom Holdings was incorporated under the name of Kléber Mozart, and subsequently renamed as GEC ALSTHOM SA on June 14, 1989. Its name was thereafter changed to ALSTOM France SA on June 17, 1998, and to its current name ALSTOM Holdings on July 23, 1999.

2.17 Alstom Holdings is a holding company within the ALSTOM group of companies and acts as the treasury center. It is not engaged in any operating activities. As on the date of the Public Announcement, Alstom Holdings held 100% (one hundred percent) of the issued and paid-up share capital of the Acquirer. Subsequently and in accordance with the terms of the Consortium Agreement, Alstom Holdings subscribed to such number of additional shares of the Acquirer on June 7, 2010, such that Alstom Holdings now holds approximately 70% (seventy percent) (the final proportion of the shareholding will be determined in due course, subject to post closing adjustments, if any) of the increased issued and paid-up share capital of the Acquirer. Further, on June 7, 2010, Alstom Holdings subscribed to a T preferred share of a nominal value of Eur 10 (Euro ten) i.e. Rs. 583.80 (Rupees five hundred and eighty three and paise eighty) of the Acquirer. The purpose of the T preferred share is to track the economic performance of the transmission business in order to allow Alstom Holdings to solely receive the proceeds of such economic performance so long as Schneider Electric Services International remains a shareholder of the

Acquirer. The T preferred share will automatically convert into an ordinary share on the date on which Schneider Electric Services International will cease to be a shareholder of the Acquirer.

2.18 Alstom Holdings is a part of the ALSTOM group of companies. 99.99% (ninety nine point nine-nine percent) of the issued and paid-up share capital of Alstom Holdings is held by ALSTOM (which is the ultimate parent company of the ALSTOM group of companies).

2.19 The total issued and paid-up share capital of Alstom Holdings is Eur 624,125,422.20 (Euro six hundred and twenty four million and one hundred and twenty five thousand and four hundred and twenty two point two-zero) i.e. Rs. 36,436,442,148.04 (Rupees thirty six billion and four hundred and thirty six million and four hundred and forty two thousand and one hundred and forty eight and paise four) consisting of 26,334,406 (twenty six million and three hundred and thirty four thousand and four hundred and six) shares each of a value of Eur 23.70 (Euro twenty three point seven-zero) i.e. Rs. 1,383.61 (Rupees one thousand and three hundred and eighty three and paise sixty one).

2.20 Alstom Holdings does not hold any Shares. Therefore, the obligations stipulated in chapter II of the SEBI (SAST) Regulations are not applicable to it.

2.21 The details of the board of directors of Alstom Holdings, as on the date of the Public Announcement, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
1.	**Mr. Nicolas Tissot** (French Passport: 08CC02545)	May 17, 2010	▪ Mr. Nicolas Tissot is a graduate of HEC, Ecole Nationale d'Administration and a Finance Inspector. ▪ He started his career at the French Ministry of Economy, Finance and Industry (1995-1999) and then joined Suez, where he first worked in the Finance Control Department, after which he was appointed the Head of Group business control (2000-2003). He was subsequently appointed the Chief Financial Officer and Executive Vice President of Suez Energy International (2003-2005), the Chief Financial Officer of Electrabel in 2005, and since 2009, he has been the Deputy Chief Executive Officer of GDF-Suez's Global Gas & LNG business. ▪ He joined ALSTOM on May 17, 2010 as the Chief Financial Officer replacing Mr. Henri Poupart-Lafarge. He is a member of the ALSTOM Executive Committee. He has been appointed as Chairman and Chief Executive Officer of Alstom Holdings replacing Henri Poupart-Lafarge on May 17, 2010.	152 rue Perronet 92200 Neuilly-sur Seine.
2.	**Mr. Patrick Dubert** (French Passport: 03KC28687)	September 11, 2007	▪ Mr. Patrick Dubert is a graduate in Economic Sciences from the Paris University. ▪ Mr. Patrick Dubert began his career in factory personnel management in 1972.	15 rue Gay Lussac 75005 Paris.

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			▪ During 1981 to 1998, he was with the Danone group, where his positions included that of the Human Resources Manager - Sales and Distribution for Danone France; Director -Human Resources and Social Affairs for Amora; Director, Management of Top Executives at Danone Group Level; and the Director - Human Resources for Europe. ▪ During 1998 to 2003, he was the Director - Human Resources at Imerys. In 2003, he joined the ALSTOM Group as Senior Vice President - Human Resources.	
3.	**Mr. Pierre Jean Bosio** (French Passport: 06AR64540)	February 13, 2009	▪ Mr. Pierre Jean Bosio graduated as an Engineer from Ecole Polytechnique in 1987 and Ecole Nationale des Ponts et Chaussées in 1990. After holding several positions of Export Credit Manager within the French Ministry of Finance, he joined the ALSTOM Transport sector in 1999 as the Export Finance Director and then the ALSTOM Corporate Treasury Department in 2002 as Vice President - Funding and since 2009, is the Vice President - Funding and Treasury.	11 Promenade du Pavé Lory 77600 Bussy Saint Georges.
4.	**Mr. Fred Einbinder** (US Passport: 710433953)	June 23, 2006	▪ Mr. Fred Einbinder graduated from Bradley University and received his degree in Law from the University of Illinois. He subsequently went to the University of Paris II Institute of Comparative Law and thereafter completed his HEC Executive, Masters in Business Administration. ▪ He is a member of the International Bar Association, the American Bar Association and the Illinois Bar. Mr. Einbinder has worked in France, principally as the in-house counsel for large French internationally oriented infrastructure companies for over 25 years. He joined the ALSTOM Transport sector in 1998 as its General Counsel and was appointed as the General Counsel - ALSTOM group in 2006. He is also a member of the boards of several companies of the ALSTOM group.	64 rue Laugier 75017 Paris.

Mr. Pierre Laporte, a director of the Target Company, acts as an external advisor to the ALSTOM group of companies. Mr. Pierre Laporte acts as the general counsel of ALSTOM's high-voltage transmission business. Mr. Pierre Laporte has recused himself and has not participated in any matter concerning or relating to the Offer including any preparatory steps leading to the Offer.

None of the directors of Alstom Holdings is on the Board of Directors of the Target Company.

2.22 The shares of Alstom Holdings are not listed on any stock exchange.

2.23 Based on the statutory financial statements, audited by Ernst & Young and Deloitte & Associes, and prepared in accordance with the accounting rules and principles applicable in France, the financial information of Alstom Holdings is as follows:

	12 month period ending March 31,							
Income Statement	**2008**		**2009**		**2009 (restated)**		**2010**	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Management fees and other operating income	**214**	**124,933**	**202**	**117,928**	**202**	**117,928**	**190**	**110,922**
Costs of supplies and services received	203	118,511	213	124,349	213	124,349	216	126,101
Taxes other than income tax	2	1,168	4	2,335	4	2,335	1	584
Salaries and wages	1	584	1	584	1	584	2	1,168
Other expenses	1	584	1	584	1	584	3	1,751
Total operating expenses	**207**	**120,847**	**219**	**127,852**	**219**	**127,852**	**222**	**129,604**
Operating results	**7**	**4,087**	**(17)**	**(9,925)**	**(17)**	**(9,925)**	**(32)**	**(18,682)**
Financial income	5,505	3,213,819	7,103	4,146,731	3,416	1,994,261	3,079	1,797,520
Financial expenses	3,438	2,007,104	6,617	3,863,005	3,056	1,784,093	2,118	1,236,488
Net financial income	**2,067**	**1,206,715**	**486**	**283,727**	**360**	**210,168**	**961**	**561,032**
Current income	**2,074**	**1,210,801**	**469**	**273,802**	**343**	**200,243**	**929**	**542,350**
Non-recurring income	198	115,592	110	64,218	81	47,288	688	401,654
Non-recurring expenses	262	152,956	186	108,587	31	18,098	626	365,459
Net non-recurring result	**(64)**	**(37,363)**	**(76)**	**(44,369)**	**50**	**29,190**	**62**	**36,196**
Income tax	1	584	-	-	-	-	1	584
Net income	**2,009**	**1,172,854**	**393**	**229,433**	**393**	**229,433**	**990**	**577,962**

Source: Statutory Audited accounts – March 2008, March 2009 and March 2010

	As on March 31,					
Balance Sheet	**2008**		**2009**		**2010**	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Fixed Assets						
Tangible fixed assets	4	2,335	4	2,335	4	2,335
Financial Assets						
Investments in subsidiaries and associates	7,826	4,568,819	8,257	4,820,437	8,930	5,213,334
Advances to subsidiaries	2,360	1,377,768	2,405	1,404,039	3,129	1,826,710
Other investments	490	286,062	502	293,068	2	1,168
Loans	3	1,751	3	1,751	4	2,335

Balance Sheet	As on March 31, 2008		2009		2010	
Total fixed assets	**10,683**	**6,236,735**	**11,171**	**6,521,630**	**12,069**	**7,045,882**
Current Assets						
Receivables						
Trade receivables	32	18,682	86	50,207	27	15,763
Current account (debit) of ALSTOM Group companies	494	288,397	766	447,191	1,106	645,683
Other receivables	3	1,751	6	3,503	21	12,260
Marketable securities	1,776	1,036,829	2,352	1,373,098	2,785	1,625,883
Cash or cash equivalents	199	116,176	168	98,078	1,114	650,353
Prepaid expenses	2	1,168	2	1,168	-	
Total current assets	**2,506**	**1,463,003**	**3,380**	**1,973,244**	**5,053**	**2,949,941**
Currency translation account	3	1,751	2	1,168	2	1,168
Total assets	**13,192**	**7,701,490**	**14,553**	**8,496,041**	**17,124**	**9,996,991**
Shareholder's equity						
Share capital	624	364,291	624	364,291	624	364,291
Reserves						
Legal reserve	62	36,196	62	36,196	62	36,196
Retained earnings	1,042	608,320	3,051	1,781,174	3,444	2,010,607
Net result for the current year	2,009	1,172,854	393	229,433	990	577,962
Total equity	**3,737**	**2,181,661**	**4,130**	**2,411,094**	**5,120**	**2,989,056**
Provisions for risks and charges	307	179,227	426	248,699	134	78,229
Total provisions	**307**	**179,227**	**426**	**248,699**	**134**	**78,229**
Loans						
Bank borrowings	1	584	15	8,757	77	44,953
Other financial borrowings and debts	5,601	3,269,864	5,601	3,269,864	7,050	4,115,790
Current account (credit) of ALSTOM Group companies	3,348	1,954,562	4,207	2,456,047	4,558	2,660,960
Trade payables and related accounts	38	22,184	39	22,768	42	24,520
Other payables	160	93,408	135	78,813	143	83,483
Total loans	**9,148**	**5,340,602**	**9,997**	**5,836,249**	**11,870**	**6,929,706**
Currency translation account	-	-	-	-	-	-
Total liabilities and equity	**13,192**	**7,701,490**	**14,553**	**8,496,041**	**17,124**	**9,996,991**

Source: Statutory Audited accounts – March 2008, March 2009 and March 2010

Other Financial data	As on March 31, 2008		2009		2010	
	(Eur)	*(Rs.)*	*(Eur)*	*(Rs.)*	*(Eur)*	*(Rs.)*
Dividend (%)	-	-	-	-	-	-
Earnings per share	76.29	4,453.70	14.92	871.23	37.59	2,194.70
Return on networth (%)	53.76	53.76	9.52	9.52	19.34	19.34
Book value per share	141.91	8,284.45	156.83	9,155.68	194.42	11,350.38

Source: Statutory Audited accounts – March 2008, March 2009 and March 2010

2.24 **Contingent liabilities** (*Source: Statutory Audited Accounts – March 2008, March 2009 and March 2010)*

Contingent Liabilities (already provided for in the balance sheet)	As at March 31,					
	2008		2009		2010	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Risks on contracts	0	-	0	-	-	-
Exchange rate losses	3	1,751	2	1,168	2	1,168
Redundancy plans	2	1,168	1	584	-	
Risks on subsidiaries	286	166,967	409	238,774	121	70,640
Other miscellaneous risks	16	9,341	14	8,173	11	6,422
Total	**307**	**179,227**	**426**	**248,699**	**134**	**78,229**

2.25 **Explanation of the variation in total income and net profit in the recent years**

FY 2010 vs. FY 2009

- Management fees and other operating income decreased by 6% (six percent) in FY 2010 compared to FY 2009 due to the decrease in the cost recharge to subsidiaries.
- Net financial income increased by 167% (one hundred and sixty seven percent) in FY 2010 mainly due to a reduction in financial expenses by 30.7%
- Net profit increased by 152% (one hundred and fifty two percent) due to the improvement of the financial income

FY 2009 vs. FY 2008

- Management fees and other operating income decreased by 6% (six percent) in FY 2009 compared to FY 2008, driven by increase in management fees charged to French subsidiaries (11% (eleven percent) increase for foreign subsidiaries).
- Net financial income dropped by 83% (eighty three percent) in FY 2009 due to an 86% (eighty six percent) decline in dividends.
- Net profit fell by 80% (eighty percent) due to the fall in financial income.

2.26 **Significant Accounting Policies** (*Source: Statutory Audited Accounts – March 2010)*

The statutory financial statements for the year ended March 31, 2010 have been prepared in accordance with the provisions of the following rules applicable in France:

- the Parliament Act dated April 30, 1983 and the related Decree dated November 29, 1983;
- the 1999 French Chart of Accounts as described by the Regulation 1999-03 issued by the CRC" (French Accounting Ruling Committee); and
- the subsequent regulations which amend the Chart of Accounts.

Accounting Principles

a) Financial transactions related to subsidiaries and associates

Investments in subsidiaries and associates and other investments

Investments are recorded at acquisition cost, excluding transaction costs. The year end valuations is based on current value in use which is estimated using various assessment methods, notably return on investment and appraised net assets. When the recoverable value of the investment is lower than the book value, an impairment loss is recognized.

Loans and borrowings with subsidiaries and associates and currents accounts of ALSTOM Group companies

Amounts lent and borrowed to/from ALSTOM Group companies are shown in the balance sheet at their face value. Whenever necessary and based on the available information when preparing the accounts, allowances for bad debts are recorded in case of uncertainty about their recovery.

Provisions for risks on subsidiaries and associates

Such provisions are booked when, on top of the write-down on assets (equity investments and loans), the difficulties faced by a subsidiary and the commitments as parent company require the recognition of a liability.

Presentation of additions and releases of impairments and provisions related to subsidiaries and associates in the income statement

The additions and releases of impairment losses on equity investments and amounts lent as well as the additions and releases of provisions for risks, are recorded as financial expense and income except when the releases arise from a disposal or liquidation. In that latter situation, releases of impairments or provisions are recorded as non-recurring income at the same level as the gains and losses on disposals and liquidations.

b) Other transactions

Tangible fixed assets

The tangible fixed assets are recognized at acquisition cost (purchase price and directly attributable expenses). Depreciation is calculated based on the straight-line method taking into account the actual useful lives of the assets:

Buildings	25 years
Fixtures	10 years
Other tangible fixed assets :	
IT equipment	3 or 5 years
Office furniture	5 or 7 years
Management software	1 or 3 years

Foreign currency transactions

Market risks of the ALSTOM Group are centrally managed by Alstom Holdings.

Alstom Holdings puts in place derivative financial instruments in order to cover almost all of its exposure arising from amounts lent to or borrowed from group companies that are denominated in foreign currencies. The gains or losses recognized on those instruments are recorded as exchange gains or losses in the income statement in the same caption as the effects of re-measurement of exposures.

In exceptional circumstances where the exposure is unhedged, the differences resulting from the re-measurement of assets and liabilities from spot rate at initial recognition to closing rate are shown in the balance sheet in an account called 'Currency translation adjustment account'. Unrealized exchange losses arising from this re-measurement are recognized in a provision for risks.

In addition, Alstom Holdings acts as a front financial operator between the banks and the operating units of the Group in respect of foreign currency risk management. Internal and external derivatives are booked at the mark to market value at the closing date. The net between the fair value of intra-group instruments and that of external instruments is recorded as foreign currency gains or losses within financial income/expense and as other receivable or other payable on the balance sheet.

2.27 Change in Accounting Policies in FY 2010

When preparing the accounts of FY 2010, Alstom Holdings has amended the presentation of its income statement.

a) Additions and releases of impairments and provisions related to subsidiaries and affiliates

The additions and releases of impairment on investments in subsidiaries and affiliates, on advances to subsidiaries and on other investments were previously booked as financial expense or income whereas the additions and releases of provisions for risks related to these subsidiaries and associates were accounted for as non-recurring items. Using Article 120-2 of the Chart of Accounts, Alstom Holdings has made the following modifications to the presentation of its income statement:

- Additions to provisions for risks presented previously as non-recurring items have been reclassified as financial charges;
- The releases of impairment on assets were previously systematically booked as financial income. From now on, when they arise from a disposal or liquidation, these releases are reported as non-recurring items, at the same level as the gains and losses on disposals/liquidations of these assets.

Alstom Holdings considers that these restatements give a truer and fairer view of the current income of its Holding activity as well as that of the net non-recurring income or expense. The income statement for the year ended March 31, 2009 has been modified accordingly:

- Transfer from non-recurring charges to financial charges of the additions to provisions for risks on subsidiaries and associates (Eur 162,000,000 (Euro one hundred and sixty two million));
- Transfer from non-recurring income to financial income of the releases of provisions for risks on subsidiaries and associates other than those arising from disposals (Eur 36,000,000 (Euro thirty six million)).

Compared to the presentation used for the preparation of the financial statements for the year ended March 31, 2009, the net financial income has reduced by (Eur 126,000,000 (Euro one hundred and twenty six million)), whereas the non-recurring income has increased by the same amount.

b) Presentation of foreign currency exchange gains and losses

The review of the accounting processes previously used for the preparation of its annual financial statements has highlighted an identical overvaluation of foreign currency exchange gains and losses that had originated by re-measurement at the end of each accounting period of current accounts and bank accounts denominated in foreign currencies.

In the restated income statement for the year ended March 31, 2009, financial income and financial expenses have accordingly been reduced by Eur 3,709,000,000 (Euro three billion and seven hundred and nine million), compared to financial statements published at that date. The net difference between exchange gains and exchange losses, as well as the net financial income and the net profit for the year are not affected by this change.

2.28 Alstom Holdings (then known as 'ALSTOM France SA') acquired from GEC ALSTHOM NV 66.49% (sixty six point four-nine percent) of the subscribed and paid-up share capital of the Target Company on August 2, 1999. This transaction was duly exempted by SEBI from the SEBI (SAST) Regulations by its order dated April 7, 1999. As a result of a scheme of amalgamation pursuant to Sections 391 to 394 of the Companies Act, 1956, ALSTOM T&D Distribution Transformers Limited merged into the Target Company and the shareholding of Alstom Holdings in the Target Company reduced to 66.35% (sixty six point three-five percent). Subsequently, in the year 2005, Alstom Holdings and AREVA T&D SA entered into a share purchase agreement for sale of 66.35% (sixty six point three-five percent) of the subscribed and paid-up share capital of the Target Company held by Alstom Holdings at a price of Euro 0.5481 per equity share (Rs. 30.45 (Rupees thirty and paise forty five) per equity share). Subsequently, in terms of the open offer made by AREVA T&D SA to the Shareholders under Regulations 10 and 12 of the SEBI (SAST) Regulations, AREVA T&D SA further acquired 119,445 (one hundred and nineteen thousand and four hundred and forty five) equity shares of the Target Company at Rs. 75.03 (Rupees seventy five and paise three) per equity share which brought the total holdings of AREVA T&D SA to 66.65% (sixty six point six-five percent). Alstom Holdings had complied with the applicable provisions of chapter II of the SEBI (SAST) Regulations, except a delay of 138 (one hundred and thirty) days in case of compliance with Regulation 8(2) on December 20, 2004.

2.29 Details of the company incorporated and promoted by Alstom Holdings in India in the period of 3 (three) years preceding the date of the Public Announcement along with the limited audited financials are as follows:

1. ALSTOM Bharat Forge Private Limited:

Date of incorporation	January 8, 2010
Nature of business	Manufacturing of super-critical and sub-critical steam turbines, generators and associated auxiliaries and systems (Turbine Island).
Financials based on audited accounts	No financial information is available since this company has been recently incorporated (and its first audited accounts will be prepared for the period ending March 31, 2011). The issued and paid-up equity share capital of this company is Rs. 527,850,000 (Rupees five hundred and twenty seven million and eight hundred and fifty thousand).

C. Schneider Electric Industries SAS

2.30 Schneider Electric Industries SAS, a French Société par actions simplifiée, was incorporated on August 27, 1942 under the laws of France and is registered with the Register of Trade and Companies of Nanterre with number 954 503 439. The registered office of Schneider Electric Industries SAS is located at 35, rue Joseph Monier, 92500 Rueil - Malmaison, France; Tel. No. +33 1 41 29 70 00; Fax No. +33 1 41 29 71 00. Schneider Electric Industries SAS was incorporated under the name Union Lyonnaise Pour Le Financement De L'Industrie. Its name was changed to Schneider Electric on December 16, 1993, to Schneider Electric SA on November 15, 1994 and subsequently to its present name, Schneider Electric Industries SAS on May 7, 1999.

2.31 Schneider Electric Industries SAS is engaged in the activities of electrical distribution and industrial engineering equipment.

2.32 Schneider Electric Industries SAS is a part of the Schneider group of companies. 100% (one hundred percent) of the issued and paid-up share capital of Schneider Electric Industries SAS is held by Schneider Electric SA (which is the ultimate parent company of Schneider group of companies).

2.33 The total issued and paid-up share capital of Schneider Electric Industries SAS is Eur 896,313,776 (Euro eight hundred and ninety six million and three hundred and thirteen thousand and seven hundred and seventy six) i.e. Rs. 52,326,798,242.88 (Rupees fifty two billion and three hundred and twenty six million and seven hundred and ninety eight thousand and two hundred and forty two and paise eighty eight) consisting of 56,019,611 (fifty six million and nineteen thousand and six hundred and eleven) shares each of a value of Eur 16 (Euro sixteen) i.e. Rs. 934.08 (Rupees nine hundred and thirty four and paise eight).

2.34 Schneider Electric Industries SAS does not hold any Shares. Therefore, the obligations stipulated in chapter II of the SEBI (SAST) Regulations are not applicable to it.

2.35 The details of the board of directors of Schneider Electric Industries SAS, as on the date of the Public Announcement, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
1	**Mr. Jean-Pascal Tricoire** (French Passport 09PF25304)	May 4, 2006	▪ Mr. Jean-Pascal Tricoire graduated from ESEO, Angers. He also holds a Master of Business Administration from EM Lyon. ▪ In his early years, he has been associated with the Alcatel group, Schlumberger group and Saint Gobain group. ▪ He joined the Schneider Electric group in 1986. Since then he has held various positions within the Schneider Electric group including a number of line positions	34 boulevard Franklin Roosevelt – 92500 Rueil Malmaison

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			and was the Vice-President - Strategic Global Accounts with a specific responsibility for the Schneider 2000+ programme and Executive Vice President - Schneider Electric's International Division. In October, 2003, he was appointed the Chief Operating Officer of Schneider Electric before becoming the Chairman of Schneider Electric SA Management Board on May 3, 2006 and the Chairman and Chief Operating Officer of Schneider Electric Industries SAS on May 4, 2006. ▪ In the preceding 5 years, he has also held directorships in Clipsal Asia Holding Limited, Digital Electronics Corporation, Schneider Electric Venezuela SA, Schneider Toshiba Inverter SAS and PDL Holding Ltd. ▪ Currently, Mr. Jean-Pascal Tricoire is the Chairman and the Chief Executive Officer of Schneider Electric Industries SAS, the Chairman of Schneider Electric SA Management Board and is also a Director of Schneider Electric USA Inc., Delixi Electric (Ningbo) LTD and Delixi Electric Limited.	
2	**Mr. Emmanuel Babeau** (French Passport: 09PH84653)	September 18, 2009	▪ Mr. Emmanuel Babeau graduated from the École Supérieure de Commerce de Paris. He also holds a diplôme d'études supérieures comptables et financières. ▪ He began his career at Arthur Andersen in 1990. He joined Pernod Ricard group in 1993 where he held different positions within the Finance Department. ▪ He subsequently held several executive positions at Pernod Ricard group, notably outside France, before becoming the Vice President - Development in 2001, the Chief Financial Officer in June, 2003 and the Group Deputy Managing Director in charge of Finance in 2006 where he remained thus till 2009. ▪ In 2009, he joined the Schneider Electric group as a member of the Schneider Electric SA Management Board on May 3, 2009 and on July 1, 2009 as the Executive Vice President - Finance of Schneider Electric.	104 rue Perronet F-92200 Neuilly Sur Seine, France.

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			He is also a Director of Schneider Electric USA Inc.	
3.	**Mr. Marc Bochirol** (French Passport: 06AK14561)	September 22, 2008	■ Mr. Marc Bochirol is a graduate from the Institut d'Administration des Entreprises of Aix en Provence and has a Masters in Economical Sciences. ■ He started his career with the Credit Agricole Bank in 1987 and thereafter joined Merlin Gerin (Schneider Electric Group) in 1990. ■ From 1987 to 2005, he has held various positions in the field of Human Resources and during 2002 to 2005, he was the Vice President - Human Resources for France, Schneider group. ■ Since 2006, he has been appointed as Senior Vice President for Human Resources in the International Operating Division and the European Operating Division of the Schneider group and since the middle of 2009, he has been serving as the Senior Vice President for Human Resources in Power Europe, Middle East Africa, and South America Organisation. ■ Mr. Bochirol is also the Chairman of the Europe Works Council of Schneider Electric.	Carrer Ferran Valls I Taberner 13 08006 Barcelona España.

None of the directors of Schneider Electric Industries SAS are on the Board of Directors of the Target Company.

2.36 The shares of Schneider Electric Industries SAS are not listed on any stock exchange.

2.37 Based on the statutory financial statements, audited by Mazars & Guerard and prepared in accordance with the accounting rules and principles applicable in France, the financial information of Schneider Electric Industries SAS is as follows:

	12 month period ending December 31,					
Income Statement	**2007**		**2008**		**2009**	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Sales	**3,267**	**1,907,333**	**3,518**	**2,053,808**	**2,756**	**1,609,186**
Manufactured products	3,262	1,904,414	3,513	2,050,598	2,747	1,603,757
Services	5	2,919	6	3,211	9	5,429
Stocked production	**(21)**	**(12,026)**	**(10)**	**(5,896)**	**(39)**	**(22,827)**
Change in work-in-progress	0	58	0	58	(0)	(175)
Change in finished products	(21)	(12,085)	(10)	(5,955)	(39)	(22,651)
Capitalised production	**169**	**98,896**	**193**	**112,790**	**164**	**95,626**
Operating subsidies	**10**	**5,604**	**19**	**11,092**	**14**	**7,881**

Income Statement	12 month period ending December 31,					
	2007		2008		2009	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Reversals of provisions and depreciation	**36**	**21,017**	**51**	**29,657**	**48**	**27,964**
Expense transfers	**(2)**	**(1,226)**	**1**	**292**	**20**	**11,851**
Other operating revenues	**652**	**380,579**	**809**	**472,002**	**795**	**464,179**
Operating revenues	**4,111**	**2,400,177**	**4,580**	**2,673,746**	**3,758**	**2,193,862**
Purchases and external charges	**3,499**	**2,042,658**	**3,890**	**2,270,690**	**3,223**	**1,881,704**
Purchase of raw materials and other supplies	2,261	1,320,205	2,373	1,385,241	1,846	1,077,812
Change in inventory	(1)	(467)	(1)	(759)	1	467
Other purchases and external charges	-		-		-	
Contracting	32	18,506	50	29,190	26	14,945
Non stocked purchases of raw materials and supplies	278	162,005	427	249,341	370	216,064
External services	-		-		-	
External staff	21	12,085	16	9,107	37	21,367
Lease rents	0	0	0	58	2	1,051
Other external services	908	530,324	1,025	598,512	942	549,998
Taxes other than on income	**34**	**19,557**	**37**	**21,834**	**32**	**18,390**
Social security taxes	13	7,531	15	8,523	12	6,772
Other taxes	21	12,026	23	13,311	20	11,618
Payroll costs	**356**	**207,833**	**387**	**225,697**	**369**	**215,305**
Wages	245	143,206	263	153,656	253	147,877
Social contributions and others	111	64,627	123	72,041	116	67,429
Depreciation and amortization expense	**120**	**70,173**	**130**	**76,069**	**165**	**96,035**
Amortization of intangibles	62	36,312	79	46,237	81	47,054
Provisions on intangibles	1	642	0	0	6	3,620
Provisions on current assets	6	3,269	7	3,970	4	2,160
Provisions for risks and charges	51	29,949	44	25,862	74	43,201
Other expenses	16	9,341	12	6,889	28	16,463
Operating expenses	**4,025**	**2,349,561**	**4,456**	**2,601,179**	**3,816**	**2,227,898**
Operating income	**87**	**50,615**	**124**	**72,566**	**(58)**	**(34,036)**
Dividend income	482	281,100	948	553,151	1,061	619,237
Other interest income	11	6,305	21	12,318	37	21,309
Reversal of provisions and expense transfers	16	9,224	10	5,780	20	11,501
Translation gain	4	2,569	10	5,896	10	5,663
Financial income	**513**	**299,198**	**989**	**577,145**	**1,127**	**657,709**
Depreciation and provisions on financial items	5	2,977	9	5,313	10	5,546
Interest and assimilated expenses	334	195,164	492	286,996	235	137,427
Translation losses	3	1,985	26	15,004	6	3,503
Financial expense	**343**	**200,127**	**526**	**307,312**	**251**	**146,475**
Net financial income	**170**	**99,071**	**462**	**269,832**	**876**	**511,234**
Recurring income before tax	**256**	**149,686**	**586**	**342,399**	**817**	**477,198**
Exceptional operating gains	0	58	1	467	1	817
Exceptional capital gains	331	193,296	366	213,612	102	59,606
Release of provisions and expense transfers	18	10,508	10	5,780	8	4,670
Total exceptional income	**349**	**203,863**	**377**	**219,859**	**112**	**65,094**
Exceptional operating losses	8	4,729	1	525	12	6,714
Exceptional capital losses	59	34,678	352	205,673	177	103,216

Income Statement	12 month period ending December 31,					
	2007		2008		2009	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Exceptional depreciation and provisions	59	34,386	19	11,034	57	33,101
Regulated provisions expense	10	5,604	17	9,925	22	12,552
Amortization and other provision expense	49	28,781	2	1,109	35	20,550
Total exceptional expense	**126**	**73,792**	**372**	**217,232**	**245**	**143,031**
Exceptional results	**223**	**130,071**	**5**	**2,627**	**(134)**	**(77,937)**
Employee profit sharing	2	1,051	6	3,561	0	58
Income tax	35	20,258	35	20,141	12	6,889
Net income	**443**	**258,448**	**550**	**321,324**	**672**	**392,314**

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009.

Balance Sheet	As at December 31,					
	2007		2008		2009	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Assets						
Non current assets	**13,780**	**8,044,822**	**14,210**	**8,295,564**	**14,579**	**8,511,045**
Intangible Assets	**724**	**422,730**	**860**	**502,185**	**895**	**522,676**
Research and development costs	103	60,365	194	113,491	193	112,615
Concessions, patents, similar rights	36	21,134	23	13,544	21	12,377
Goodwill	305	177,825	345	201,353	346	201,820
Other intangible assets	280	163,406	298	173,797	336	195,865
Tangible assets	**112**	**65,502**	**81**	**47,288**	**92**	**53,418**
Land	1	350	1	817	1	759
Buildings	23	13,311	21	12,493	27	15,704
Equipment	19	10,859	20	11,910	21	12,318
Other non current tangible assets	4	2,569	4	2,277	7	3,795
Tangible assets in progress	37	21,309	26	15,004	30	17,689
Prepayments and deposits	29	17,105	8	4,787	5	3,153
Investments	**12,944**	**7,556,590**	**13,268**	**7,746,092**	**13,592**	**7,934,951**
Shares in subsidiaries and affiliates	11,025	6,436,512	11,529	6,730,689	11,828	6,905,070
Advances to subsidiaries and affiliates	317	185,006	54	31,525	106	61,941
Other non current stock	1,347	786,379	1,431	835,301	1,403	819,130
Loans	0	175	0	175	0	175
Other investments	254	148,519	254	148,402	255	148,635
Current assets	**1,448**	**845,342**	**1,438**	**839,213**	**1,114**	**650,353**
Stock	**180**	**104,909**	**175**	**101,990**	**138**	**80,564**
Raw materials and other supplies	1	350	1	350	1	350
Work-in-progress	0	175	0	234	0	58
Intermediate and finished products	170	99,246	165	96,210	130	76,128
Goods	9	5,137	9	5,196	7	4,028
Advances	**9**	**5,313**	**10**	**5,546**	**7**	**3,911**
Receivables	**1,224**	**714,630**	**1,205**	**703,304**	**943**	**550,290**
Trade receivables	967	564,359	983	573,875	718	419,052
Other receivables	257	150,270	222	129,428	225	131,238
Financial securities	**5**	**2,744**	**0**	**0**	**0**	**0**
Cash	**29**	**17,164**	**47**	**27,439**	**15**	**8,523**

Balance Sheet	As at December 31, 2007		2008		2009	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Accrued expenses	**1**	**584**	**2**	**934**	**12**	**7,064**
Other	87	50,907	38	22,009	62	36,254
Total	**15,315**	**8,941,072**	**15,685**	**9,156,786**	**15,755**	**9,197,652**
Liabilities and shareholders' equity						
Share capital	**896**	**523,260**	**896**	**523,260**	**896**	**523,260**
Share, merger and contribution premiums	**3,073**	**1,793,842**	**3,073**	**1,793,842**	**3,073**	**1,793,842**
Reserves	**48**	**28,256**	**71**	**41,216**	**94**	**54,819**
Legal reserve	44	25,746	66	38,706	90	52,308
Other reserves	4	2,510	4	2,510	4	2,510
Retained earnings	**865**	**505,104**	**384**	**224,062**	**384**	**224,296**
Net income for the year	**443**	**258,448**	**550**	**321,324**	**672**	**392,314**
Regulated provisions	**21**	**12,260**	**31**	**18,098**	**46**	**26,913**
Shareholders' equity	**5,346**	**3,121,170**	**5,005**	**2,921,802**	**5,165**	**3,015,444**
Conditioned advances	1	467	2	1,226	4	2,335
Other equity	**1**	**467**	**2**	**1,226**	**4**	**2,335**
Provisions for risks	71	41,333	52	30,591	105	61,182
Provisions for charges	121	70,815	146	85,176	170	99,480
Provisions for risks and charges	**192**	**112,148**	**198**	**115,768**	**275**	**160,662**
Financial debts	**8,583**	**5,010,989**	**9,306**	**5,433,018**	**9,327**	**5,445,161**
Other bond debt	1,171	683,805	1,239	723,153	1,197	698,633
Bank debt	17	9,633	9	5,137	3	1,927
Various interest bearing debt	7,396	4,317,551	8,059	4,704,727	8,127	4,744,601
Prepayments and deposits	**0**	**0**	**1**	**467**	**6**	**3,678**
Operating debts	**1,053**	**614,858**	**1,125**	**656,892**	**897**	**523,785**
Trade payables	911	531,842	968	565,294	750	437,558
Accrued taxes and payroll costs	142	83,016	157	91,598	148	86,227
Other debt	64	37,305	19	11,151	15	8,523
Debt on fixed assets	7	4,028	10	6,072	6	3,736
Other debt	57	33,277	9	5,079	8	4,787
Deferred income	**0**	**175**	**1**	**350**	**3**	**1,460**
Liabilities	**9,701**	**5,663,327**	**10,452**	**6,101,878**	**10,248**	**5,982,607**
Other	75	44,019	28	16,113	63	36,604
Total	**15,315**	**8,941,072**	**15,685**	**9,156,786**	**15,755**	**9,197,652**

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009.

Other financial data	As at December 31, 2007		2008		2009	
	(Eur)	*(Rs.)*	*(Eur)*	*(Rs.)*	*(Eur)*	*(Rs.)*
Dividend (%)	100.63	100.63	58.75	58.75	74.97	74.97
Earnings per share	7.90	461.35	9.83	573.59	12.00	700.31
Return on networth (%)	8.28	8.28	11.00	11.00	13.01	13.01
Book value per share	95.44	5,571.57	89.34	5,215.68	92.20	5,382.84

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009.

2.38 **Contingent liabilities** (*Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009)*

Contingent Liabilities (already provided for in the balance sheet)	**As at December 31,**					
	2007		**2008**		**2009**	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Provisions for contingencies	**71**	**41,333**	**52**	**30,591**	**105**	**61,182**
Lawsuits provisions	0	234	1	467	1	409
Technical risks	28	16,405	29	16,813	75	43,668
Exchange rate losses	2	1,109	1	292	1	817
Other contingencies	40	23,586	22	13,019	28	16,288
Provisions for charges	**121**	**70,815**	**146**	**85,176**	**170**	**99,480**
Pension provisions	113	65,911	137	79,922	136	79,514
Medal of labour provisions	2	1,051	2	1,051	2	1,051
Restructuring provisions	7	3,853	7	4,203	32	18,915
Total	**192**	**112,148**	**198**	**115,768**	**275**	**160,662**

2.39 **Explanation of the variation in total income and net profit in the recent years**

CY 2009 vs. CY 2008

- Sales decreased by 22% (twenty two percent) in 2009 from 2008, with French sales having declined by 14% (fourteen percent) and foreign sales by 23% (twenty three percent).
- Net financial income improved by 89% (eighty nine percent) in 2009, mainly due to a 52% (fifty two percent) reduction in interest costs.
- Net profit increased by 22% (twenty two percent) mainly due to increase in net financial income and sales.

CY 2008 vs. CY 2007

- In 2008, sales improved by 8% (eight percent) from 2007, with French sales growing by 9% (nine percent) and foreign sales by 7% (seven percent).
- Net financial income gained by 172% (one hundred and seventy two percent) in 2008, driven by dividends which went up by 97% (ninety seven percent) as 3 (three) subsidiaries resumed paying dividends in 2008 (Schneider Electric Holding Europe, MGE Finances SAS and APC).
- Net profit increased by 24% (twenty four percent) mainly due to substantial increase in net financial income.

2.40 **Significant accounting policies** (*Source: Statutory Audited Accounts –December 2009)*

The statutory financial statements have been prepared in compliance:

- with the French GAAP;
- with the French Code of Commerce;
- with decree of the November 29, 1983;
- with Rule number 1999-03 dated April 29, 1999 of the CRC (French Accounting Ruling Committee), regarding the amendment of the French General Accounting Chart

The statements are presented in Eur mm, unless otherwise stated.

1. <u>Fixed tangible and intangible assets</u>

1.1 Gross value (Fixed tangible and intangible assets)

Fixed tangible and intangible assets are stated either at their purchase cost or at contribution value, except legal revaluation performed in 1977 and 1978.

Purchase cost includes purchase price including duties and non reimbursable taxes as well as all expenses directly related to the preparation of the asset in view of the contemplated use (transfer taxes, cost of staff benefits related to the implementation and the preparation, set up and assembling costs, trials).

Schneider Electric Industries SAS uses the component approach as stated by CRC in Rule 2002-10.

Analyses and investigations performed by Schneider Electric Industries SAS and the Schneider group of companies have made sure that the current split of non current assets complied with the fact that elements with different useful lives were accounted for separately with a specific depreciation chart.

1.2 Intangible assets

1.2.1 Intangible assets acquired separately or within the framework of a business combination

Intangible assets which have been acquired separately are accounted for in the balance sheet at their historical cost. They are valued at amortised cost.

Intangible assets acquired within the framework of a business combination are accounted for in the balance sheet at fair value, determined on the basis of external valuations. These valuations are performed in accordance with generally accepted methods, based on future revenues. Their value is subject to a regular monitoring in order to make sure that no impairment has to be accounted for.

Other intangible assets included in this category:

- Merger loss/deficit/depreciation on shares: (origin: transfer of total assets)
- Goodwill: (valuation)

1.2.2 Internally generated intangible fixed assets

Development costs related to research and development projects are accounted as intangible fixed assets if they fulfil criteria stated in Article 311-3 of Rule CRC 2004-6.

Such projects are part of the category ‘new offer’ and ‘renewing of the offer’ defined and monitored within the Schneider group.

Costs of projects included in the category ‘anticipation’ are still accounted for as expenses.

Costs incurred for quality and value engineering projects cannot be capitalized.

1.3 Tangible fixed assets

These are the incurred expenses which fulfil the following criteria: the good is owned by the entity either to be used in the production or the furnishing of goods or services, or to be lent to third parties, or for administrative purposes; the expected useful life is more than 1 (one) FY; or the incurred expense will generate future economic benefits for the entity. Special case of spare parts, split into 2 (two) categories depending on their use and their amount: first category (useful life >1 (one) year): accounted for as fixed assets if the amount is more than 10% (ten percent) of the amount of the good into which they are incorporated; second category (used during the FY): accounted for as inventory. Parts < to the tax threshold (Eur 500 (Euro five hundred)) which are used during the FY are accounted for as expenses over the FY.

1.4 Amortization

1.4.1 Intangible fixed assets

1.4.1.1 Research and Development costs

Depreciation is calculated based on following useful lives, except in the case of particular exceptions:

Developed technology	**Useful life**
Software	3 years
Equipment/Electronic	5 years
Electrotechnic	10 years

For some group-scale projects the useful life can be different from the above mentioned ones. In such cases it is subject to an approval from the finance department.

Please note that the Project Bridge Core System is amortized over 9 (nine) years depending on the number of users and the expected useful life of the fixed asset.

1.4.1.2 Goodwill

The Merlin Gerin goodwill is amortized over 40 (forty) years.
The Telemecanique and Schneider Automation goodwills are not amortized.

1.4.2 Tangible fixed assets

Rates are as recommended by the Schneider group, and are derived from the following useful lives:

- land (fixtures): 10 (ten) years;
- buildings (on own land): 40 (forty) years*;
- technical installations and industrial equipment: From 3 (three) to 15 (fifteen) years;
- industrial tools and transport equipment: From 3 (three) to 5 (five) years;
- others: From 4 (four) to 10 (ten) years;

  * From 01.10.2001 (25 (twenty five) years previously).

The straight-line method is used as economic amortization. Tax options for further amortization are recognized as exceptional amortization.

Spare parts:

The amortization period for spare parts accounted for as fixed assets is the likely useful life of the component they replace. It can thus be shorter than the one of the fixed asset if the spare is worn before the component in which it is incorporated.

1.4.3 Depreciation

At each balance sheet and at each interim date, if there is any indication showing that an asset may have significantly lost value, an impairment test is performed. The method used to perform this test is based on discounted cash flows ("**DCF**").

Accounting for depreciation will modify the amortization basis of the asset.

2. Financial fixed assets

Investments in non-consolidated companies are initially recorded at acquisition cost, including directly related costs.

Provisions for depreciation can be recognized if the accounting value is more than the useful value estimated at FY end. This estimate is determined mainly by reference to the net accounting value of the stake, and by taking into account estimated elements based on the profitability perspectives of the company and macroeconomic trends.

In case there is an indication of a value loss, an impairment test (based on a DCF method) is performed in order to assess the recognition of a provision or an adjustment in constituted provisions.

For the most recent investments in non-consolidated companies, acquired goodwill values are also taken into account for this analysis.

3. Inventory and work-in-progress

Inventory and work-in-progress are valued in the following way:

The acquisition cost of raw materials, supplies and goods corresponds to the acquisition price, increased by the amount of incidental acquisition expenses.

The cost of work-in- progress, intermediate and finished goods includes raw materials and direct labour costs, subcontracting costs, all production selling general and administrative costs, on the basis of the normal production capacity.

Inventory is stated at the lower of their initially recorded cost (acquisition cost for raw materials, other supplies and spare parts, or production cost for intermediate and finished products) and estimated net realizable value.

The historical cost of inventories and work-in-progress is stated based on the weighted average cost method accepted by the Schneider group.

Net realizable value corresponds to the estimated selling price net of remaining expenses to complete and/or sell the products.

Provisions for depreciation are recognized:

- When the net realizable value is less than the historical cost;
- Depending on the economic value of inventories due to their commercial or technical obsolescence and risks related to their low turnover.

For contracts spread over several FY(s), results are recognized at the time of successive deliveries. A provision is recognized for the foreseeable amount of losses.

4. Receivables and debts

Receivables and debts are stated at their face value (historical cost). Whenever necessary receivables are amortized with a provision to take into account the risk that they may not be collected.

Following the implementation of a centralized foreign exchange management by the Schneider group, receivables and debts expressed in foreign currencies are converted and accounted for based on the exchange rate corresponding to the rate guaranteed by Boissière Finance.

This guaranteed rate also applies to client orders and intra-company ‘products’ invoices. At balance sheet date, translation gain/losses are computed for all currencies (hedged or not). This conversion of receivables and debts is based on the official closing exchange rate and the difference is recognized in assets or liabilities ‘translation accounts’.

Latent foreign exchange losses are estimated by taking into account foreign exchanges hedges. A provision for contingencies is recognized for the part that is not hedged.

Provisions for doubtful receivables:

An allowance for doubtful accounts is recorded when it is probable that receivables will not be collected and the amount of the loss can be reasonably estimated. Doubtful accounts and the related allowances are identified and determined based on historical loss experience, the age of the receivables and a detailed assessment of related credit risks.

Once it is known with certainty that a doubtful account will not be collected, the doubtful account and the related allowance are written off to the income statement.

5. Pensions and post retirement benefits

When retiring, the staff of Schneider Electric Industries SAS receives post retirement benefits according to the rules defined in the collective agreement and the company agreement.

In order to value these defined benefits plans, commitments are determined at the closing of the accounts using the projected unit credit method.
The amount recognized in the balance sheet corresponds to the present value of the obligation, adjusted for unrecognized past service cost and reduced by the fair value of plan assets at the balance sheet date.

Changes resulting from periodic adjustments to actuarial assumptions regarding general financial and business conditions or demographics (i.e., changes in the discount rate, annual salary increases, return on plan assets, years of service, etc.) are amortized using the so called 'corridor method'. This method consists of amortizing over the remaining service life of active employees only the portion of net cumulative actuarial gains and losses that exceeds the greater of 10% (ten percent) of either the projected benefit obligation or the fair value of the plan assets.

6. Long service awards

Long service awards entitle employees to a bonus based on their length of service.

The amount is determined by the collective agreement of Schneider Electric Industries SAS.

The corresponding commitment is subject to an actuarial valuation and a provision is recognized accordingly.

Additional information relative to the computation methods of this provision, including main actuarial assumptions, is stated in the provisions section.

2.41 Schneider Electric Industries SAS has not incorporated and promoted in India any company in the period of 3 (three) years preceding the date of the Public Announcement except CST Sensors India Pvt. Ltd. (indirectly through Schneider Electric India Private Limited), details of which are provided in paragraph 2.66.

For more details visit its website (www.schneider-electric.com)

D. Schneider Electric Services International

2.42 Schneider Electric Services International was incorporated on December 23, 2005 as a Société anonyme, under the laws of Belgium and is registered with the Commerce Register with number 0878 191181. On January 10, 2008, the legal status of Schneider Electric Services International was changed to a Société privée à responsabilité limitée. The registered office of Schneider Electric Services International is located at 5, place du Champs de Mars, Tour Bastion, 1050 Brussels, Belgium; Tel. No. +32 0 221 33 111; Fax No. +32 0 221 33 142.

2.43 Schneider Electric Services International is a holding company. Subsequent to the date of the Public Announcement and in accordance with the terms of the Consortium Agreement, Schneider Electric Services International subscribed to such number of shares of the Acquirer on June 7, 2010, such that Schneider Electric Services International now holds 30% (thirty percent) (the final proportion of the shareholding will be determined in due course, subject to post closing adjustments, if any) of the increased issued and paid-up share capital of the Acquirer. Further, on June 7, 2010, Schneider Electric Services International subscribed to a D preferred share of a nominal value of Eur 10 (Euro ten) i.e. Rs. 583.80 (Rupees five hundred and eighty three and paise eighty) of the Acquirer. The purpose of the D preferred share is to entitle Schneider Electric SA (which is the ultimate parent company of the Schneider group of companies) to consolidate the results and benefit from the cash flows and value of the distribution business as from completion of the Global Acquisition. The D preferred share will automatically convert into an ordinary share on the date on which Schneider Electric Services International will cease to be a shareholder of the Acquirer.

2.44 Schneider Electric Services International is a part of the Schneider group of companies. 79.51% (seventy nine point five-one percent) of the issued and paid-up share capital of Schneider Electric Services International is held by Schneider Electric Industries SAS and 20.49% (twenty point four-nine percent) of the issued and paid-up share capital of Schneider Electric Services International is held by Schneider Electric Espana SA (a Spanish company, part of the Schneider group of companies which is engaged in the business of designing, production, sale and distribution of electrical products and equipment).

2.45 The total issued and paid-up share capital of Schneider Electric Services International is Eur 2,440,000,000 (Euro two billion and four hundred and forty million) i.e. Rs. 142,447,200,000 (Rupees one hundred and forty two billion and four hundred and forty seven million and two hundred thousand) consisting of 244,000,000 (two hundred and forty four million) shares each of a value of Eur 10 (Euro ten) i.e. Rs. 583.80 (Rupees five hundred and eighty three and paise eighty).

2.46 Schneider Electric Services International does not hold any Shares. Therefore, the obligations stipulated in chapter II of the SEBI (SAST) Regulations are not applicable to it.

2.47 The details of the board of directors of Schneider Electric Services International, as on the date of the Public Announcement, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
1	**Mr. Guy RENARD** (French Passport 09PA04658)	December 23, 2005	■ Mr. Guy RENARD holds a Masters in Law from Lille University. He also graduated as Tax Inspector from the Ecole Nationale des Impôts. ■ He was a Tax Auditor at the French Ministry of Finance from 1973 to 1980. He was also the Vice President – Tax, within the Eurotunnel group, for 4 years. ■ In 1992, he joined Schneider Electric group as the Vice President - Tax and Customs. He was appointed as the Chief Executive Officer of Schneider Electric Services International in December, 2005.	Chaussée de Waterloo 412 d 1050 Bruxelles, Belgium.
2	**Mr. Emmanuel BABEAU** (French Passport: 09PH84653)	July 1, 2009	■ Mr. Emmanuel BABEAU graduated from the École Supérieure de Commerce de Paris. He also holds a diplôme d’études supérieures comptables et financières. ■ He began his career at Arthur Andersen in 1990. He joined Pernod Ricard group in 1993 where he held different positions within the Finance Department. ■ He subsequently held several executive positions at Pernod Ricard group, notably	104 rue Perronet F-92200 Neuilly Sur Seine, France.

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			outside France, before becoming the Vice President - Development in 2001, the Chief Financial Officer in June, 2003 and the Group Deputy Managing Director in charge of Finance in 2006, where he remained thus till 2009. ▪ In 2009, he joined the Schneider Electric group as a member of the Schneider Electric SA Management Board on May 3, 2009 and on July 1, 2009 as the Executive Vice President - Finance of Schneider Electric. ▪ He is also a Director of Schneider Electric USA Inc.	
3	**Mr. Juan Pedro SALAZAR** (French Passport 04KI17273)	December 23, 2005	▪ Mr. SALAZAR is a qualified Lawyer from Paris-Pantheon University and was the General Counsel of several entities of the Schneider Electric group for about 20 years. ▪ He is currently advising the Schneider Electric group for legal matters.	660 Chemin du Manival. 38330 Saint-Ismier.
4	**Mr. Cyril HELBERT** (French Passport 02ZC18322)	February 01, 2010	▪ Mr. HELBERT holds a diplôme d'école de Commerce from Reims Management School / ESC Reims (France). ▪ He has been with different entities of the Schneider Electric group since 1997 as Schneider Electric High Voltage Financial Controller.	Avda.Garcia Faria, 81 / 5º1ª 08019-Barcelona (Spain).
5.	**Ms. Véronique BLANC** (French Passport 08CH37101)	December 23, 2005	▪ Ms. Véronique BLANC acquired a degree in Engineering from Ecole supérieur d'électricité - Supelec, 1985 ISA in 1981. ▪ In 1983, Ms. Blanc was working with Framatome (on automation of safety systems in nuclear power generation). During 1983 to 1985, she was with the Société Générale in the Mergers and Acquisitions department. During 1986 to 1992, she was working with Finacor, on future and option markets and on the creation of the broker Exane. ▪ Ms. Blanc joined Schneider Electric group in 1992 and during 1992 to 1994, she was in-charge of financial communication, equity related financing and long term	189, rue de l'Université 75007 Paris.

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			financing. In 1995, she was in-charge of financial control of subsidiairies of the Schneider group, which included 600 companies in 130 countries. From 2000 onwards, she has been in charge of Treasury (cash management, forex and raw material hedging), Credit Management and Trade Finance.	
6.	**Mr. Jean-Pierre CHERIGNY** (French Passport 04EF71230)	December 23, 2005	▪ Mr. CHERIGNY holds a Masters in Business Administration from Ecole Supérieure des Sciences Economiques et Commerciales - ESSEC, Expert Comptable. ▪ He was a Manager at Arthur Andersen Paris during 1982 to 1992. ▪ He joined Schneider Electric group in 1992 as Vice President - Audit to start the Audit Department. He has also been the Chief Financial Officer for the North American division of the Schneider Electric group between 1997-2003.	4 rue Peron 78290 Croissy sur Seine.

None of the directors of Schneider Electric Services International are on the Board of Directors of the Target Company.

2.48 The shares of Schneider Electric Services International are not listed on any stock exchange.

2.49 Based on the statutory non-consolidated financial statements, audited by Ernst & Young and prepared in accordance with the accounting rules and principles applicable in Belgium, the financial information of Schneider Electric Services International is as follows:

	12 month period ending December 31,					
Income Statement	**2007**		**2008**		**2009**	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Total operating revenues	**95**	**55,452**	**112**	**65,667**	**121**	**70,565**
Sales	0	0	0	0	0	0
Other operating revenues	95	55,452	112	65,667	121	70,565
Operating expenses	**70**	**40,945**	**62**	**35,931**	**73**	**42,400**
Services and various goods	3	1,542	3	1,737	8	4,438
Payroll costs	1	567	1	628	2	912
Depreciation and amortization expense	52	30,289	52	30,425	55	32,087
Other operating expenses	15	8,546	5	3,141	9	4,963
Operating income	**25**	**14,506**	**51**	**29,736**	**48**	**28,165**
Financial income	**81**	**47,485**	**142**	**83,105**	**134**	**78,327**

Income Statement	12 month period ending December 31, 2007		2008		2009	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Income from non current financial assets	76	44,307	142	82,612	134	78,047
Income from current financial assets	4	2,448	1	493	0	280
Other financial income	1	730	0	0	0	0
Financial expense	115	66,956	8	4,808	39	22,561
Interest expense	1	654	4	2,476	4	2,340
Other financial expense	114	66,302	4	2,332	35	20,221
Recurring income before tax	**(9)**	**(4,965)**	**185**	**108,032**	**144**	**83,932**
Non recurring income	0	0	0	0	0	175
Non recurring expense	0	0	0	0	0	0
Income before tax	**(9)**	**(4,965)**	**185**	**108,032**	**144**	**84,107**
Income tax	0	0	0	0	0	0
Net income	**(9)**	**(4,965)**	**185**	**108,032**	**144**	**84,107**
Net income to be affected	**(9)**	**(4,965)**	**185**	**108,032**	**144**	**84,107**

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

Balance Sheet	As at December 31, 2007		2008		2009	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Assets						
Non current assets	**2,194**	**1,281,091**	**2,405**	**1,404,232**	**2,332**	**1,361,279**
Intangible assets	**436**	**254,654**	**391**	**228,316**	**354**	**206,671**
Property, plant and equipment	**0**	**139**	**0**	**137**	**0**	**106**
Furniture	0	42	0	37	0	32
Other	0	97	0	100	0	74
Investments	**1,758**	**1,026,299**	**2,014**	**1,175,779**	**1,978**	**1,154,502**
Advances to subsidiaries and affiliates	1,252	731,138	1,508	880,618	1,472	859,340
Prepayments	506	295,161	506	295,161	506	295,162
Current assets	**227**	**132,518**	**201**	**117,136**	**267**	**155,895**
Less than 1 year receivables	**227**	**132,381**	**201**	**117,094**	**267**	**155,892**
Trade receivables	25	14,689	23	13,707	9	5,185
Other receivables	202	117,691	177	103,387	258	150,707
Cash	**0**	**103**	**0**	**41**	**0**	**3**
Other	**0**	**34**	**0**	**0**	**0**	**0**
Total	**2,421**	**1,413,609**	**2,606**	**1,521,368**	**2,599**	**1,517,174**
Liabilities and shareholders' equity						
Shareholders' equity	**2,420**	**1,412,645**	**2,448**	**1,429,283**	**2,455**	**1,433,487**
Share capital	2,440	1,424,472	2,440	1,424,472	2,440	1,424,472
Legal reserve	0	0	8	4,810	15	9,007
Retained earnings	(20)	(11,827)	0	1	0	8
Liabilities	**2**	**964**	**158**	**92,068**	**143**	**83,687**

Balance Sheet	As at December 31, 2007		2008		2009	
	(Eur mm)	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*	*(Eur mm)*	*(Rs. lacs)*
Trade payables	1	344	1	386	6	3,646
Accrued taxes and payroll costs	**0**	**144**	**0**	**287**	**1**	**307**
Accrued taxes	0	10	0	14	0	7
Accrued payroll costs	0	134	0	274	1	299
Other	1	476	157	91,394	137	79,734
Total	**2,421**	**1,413,609**	**2,606**	**1,521,350**	**2,599**	**1,517,174**

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

Other financial data	As at December 31, 2007		2008		2009	
	(Eur)	*(Rs.)*	*(Eur)*	*(Rs.)*	*(Eur)*	*(Rs.)*
Dividend (%)	0.0	0.0	6.42	6.42	5.60	5.60
Earnings per share	(0.03)	(2.03)	0.76	44.28	0.59	34.40
Return on networth (%)	(0.35)	(0.35)	7.56	7.56	5.86	5.86
Book value per share	9.92	578.95	10.03	585.77	10.06	587.49

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

2.50 As per the statutory audited accounts of the Schneider Electric Services International, there are no contingent liabilities.

2.51 **Explanation of the variation in total income and net profit in the recent years**

CY 2009 vs. CY 2008

- Operating revenue increased by 7% (seven percent) in 2009 from 2008 due to growth in the Asia Pacific region, driving the amounts billed for brand royalties.
- Financial income fell marginally by 6% (six percent) in 2009, due to a lower foreign exchange gain of Eur 11,000,000 (Euro eleven million) in 2009 vs. Eur 55,000,000 (Euro fifty five million) in 2008, partially offset by a new loan to MGE UPS which generated an additional Eur 9,000,000 (Euro nine million) in financial income.
- Net profit decreased by 22% (twenty two percent) mainly due to decrease in net financial income and lower foreign exchange gains.

CY 2008 vs. CY 2007

- Operating revenue increased by 18% (eighteen percent) in 2008 from 2007 largely due to increase in the amount of royalties billed to the Asia Pacific region.
- Financial income gained by 75% (seventy five percent) in 2008, driven by the revaluation of the company's long term loans labelled in US Dollars, triggering a foreign exchange gain of Eur 55,000,000 (Euro fifty five million) vs. a foreign exchange loss of Eur 112,000,000 (Euro one hundred and twelve million) in 2007.
- In 2008, it reported positive net profit driven by reduced financial expenses (93% (ninety three percent) and increase in financial income as the company did not bear any withholding tax in 2008 on interests received from the US, which had a positive impact close to Eur 9,000,000 (Euro nine million).

2.52 **Significant accounting policies** (*Source: Statutory Accounts – December 2009)*

The statutory financial statements have been prepared in compliance with the laws of Belgium and the accounting rules applicable in Belgium.

The statements are presented in Eur mm, unless otherwise stated.

2.53 Schneider Electric Services International has not incorporated and promoted any company in India in the period of 3 (three) years preceding the date of the Public Announcement.

For more details visit its website (www.schneider-electric.com)

E. Schneider Electric India Private Limited

2.54 Schneider Electric India Private Limited, a private limited company, was incorporated on February 24, 1995 under the laws of India. The registered office of Schneider Electric India Private Limited is located at 9th Floor, DLF Building No. 10, Tower C, DLF Cyber City, Phase II, Gurgaon – 122002 Haryana, India; Tel. No. +91 124 3940400; Fax No. +91 124 4222036. It was incorporated as a private limited company with the name Schneider Electric India Private Limited. Then on July 1, 1998, it became a deemed public company and the word "private" in its name was deleted pursuant to Section 43A (1-A) of Companies Act, 1956 (as a result of exceeding the sales limit for a private limited company, as then applicable). As a result of deletion of the aforesaid section from the Companies Act, 1956, it again became a private limited company from May 31, 2000 and its name was changed to its present name, i.e. Schneider Electric India Private Limited.

2.55 Schneider Electric India Private Limited is engaged in the business of manufacturing and trading of industrial, electrical and electronic items.

2.56 Schneider Electric India Private Limited is a part of the Schneider group of companies. 100% (one hundred percent) of the issued and paid-up share capital of Schneider Electric India Private Limited is held by Schneider Electric Industries SAS.

2.57 The total issued and paid-up share capital of Schneider Electric India Private Limited is Rs. 3,654,354,660 (Rupees three billion and six hundred and fifty four million and three hundred and fifty four thousand and six hundred and sixty) consisting of 365,435,466 (three hundred and sixty five million and four hundred and thirty five thousand and four hundred and sixty six) shares of Rs. 10 (Rupees ten) each.

2.58 Schneider Electric India Private Limited does not hold any Shares. Therefore, the obligations stipulated in chapter II of the SEBI (SAST) Regulations are not applicable to it.

2.59 The details of the board of directors of Schneider Electric India Private Limited, as on the date of the Public Announcement, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
1.	**Mr. Olivier Pascal Marius Blum** (DIN Number: 02075443)	January 1, 2008	▪ Mr. Olivier Pascal Marius Blum is a post-graduate in Business, Administrative and Financial Studies from Ecole de Management, Grenoble. ▪ He joined Schneider Electric group in France in 1993, as Marketing Engineer and became the Sales Engineer from September, 1994 and later assumed different leadership roles. He has held many senior positions such as that of Vice-President of France Sales Division and Secretary of the Executive Committee and Company Program - Vice President in 2001, where in both positions he was directly reporting to the Chief Executive Officer of Schneider Electric group. ▪ In 2003, he was posted in China as the Final	3/35, Shanti Niketan, New Delhi, 110021, India.

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			Low Voltage Activity Director and was subsequently promoted to Director – Marketing, China. ▪ He moved to India in January, 2008 as the Managing Director of Schneider Electric India Private Limited.	
2.	**Ms. Rajani Kesari** (DIN Number: 01469848)	October 11, 2008	▪ Ms. Rajani Kesari is a qualified Chartered Accountant, Cost Accountant and Certified Public Accountant from the USA. ▪ She has worked with Dr. Reddy's Laboratories for several years in various positions such as that of Chief Financial Officer - Europe, Chief Internal Auditor, Head of Global Taxation and Finance Head for a large business unit of Dr. Reddy's Laboratories. ▪ She has also worked with KPMG in Dubai in their Assurance business, supervising audits of manufacturing and banking sectors. She also has extensive exposure to mergers and acquisitions activity in Europe followed by integration of acquisitions.	C-31, Westend Apartment, DLF City, Phase-V, Gurgaon, Haryana, India.
3.	**Mr. Zeljko Kosanovic** (DIN Number: 02384170)	April 2, 2007	▪ Mr. Zeljko Kosanovic holds a Diplome d' Etudes Superieures Specialisees en Commerce International from Universite Pierre Mendes France, Academie de Grenoble. ▪ From 1993 to 1995, he worked as the Finance and Control Manager at Merlin Gerin in Pakistan. He then joined the Schneider Electric Contracting, Services and Systems Business Unit, Grenoble as the Control Officer. ▪ In October, 1996, he moved to Schneider Electric Services, Grenoble as the Control Officer. ▪ In October, 1997, he joined NUMArgenteuil as the Control Officer. ▪ From November, 1998 until the middle of 2001, he was working in the Mergers and Acquisitions Unit in Corporate Finance Control and Legal Affairs, where he reported to the Chief Financial Officer of the Schneider Electric group. ▪ From July, 2001 till March, 2002, he was with Schneider Electric, Brazil as the Regional Financial Controller, Colombia-Ecuador-Venezuela-Caribbean. From April, 2002 till March, 2004, he was the Chief Financial Officer at Schneider Electric, Brazil.	Suite 3402, de Ricou, The Repulse Bay, 109 Repulse Bay Road, Hong Kong.

None of the directors of Schneider Electric India Private Limited are on the Board of Directors.

2.60 The shares of Schneider Electric India Private Limited are not listed on any stock exchange.

2.61 Based on the statutory financial statements, audited by S.R. Batliboi & Co. and prepared in accordance with the Notified Accounting Standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, the financial information of the Schneider Electric India Private Limited is as follows:

	12 month period ending March 31,		
Income Statement	**2007**	**2008**	**2009**
	(Rs. lacs)	*(Rs. lacs)*	*(Rs. lacs)*
Income			
Turnover (Gross)	108,650	128,266	138,825
Less: Excise duty	7,901	10,620	8,511
Turnover (Net)	**100,749**	**117,645**	**130,314**
Other income	29	136	197
Total	**100,778**	**117,781**	**130,511**
Expenditure			
Purchase of trading goods	38,896	40,763	44,519
Raw material and components consumed	34,379	39,983	42,925
Manufacturing and other expenses	26,402	34,037	40,927
(Increase)/ Decrease in stocks	(2,556)	(2,707)	3,206
Depreciation / Amortization	2,141	2,238	2,704
Financial expenses	1,822	3,240	3,478
Total	**101,085**	**117,553**	**137,760**
Profit/ (Loss) before tax	**(307)**	**228**	**(7,249)**
Provision for Tax			
Current tax	-	54	-
Deferred tax charge/ (credit)	280	15	84
Prior year tax charge/ (written back)	(199)	3	(8)
Fringe benefit tax	265	280	290
Total Tax Expenses	**347**	**352**	**367**
Loss after tax	**(653)**	**(124)**	**(7,616)**
Prior period items	**-**	**-**	**-**
Net profit	**(653)**	**(124)**	**(7,616)**

Source: Statutory Audited Accounts – March 2007, March 2008 and March 2009

	As at March 31,		
Balance Sheet	**2007**	**2008**	**2009**
	(Rs. lacs)	*(Rs. lacs)*	*(Rs. lacs)*
Sources of funds			
Shareholders' funds			
Share capital	6,012	17,012	17,012
Share application money	4,000	-	-
Reserves and surplus	2,199	2,075	-
Total shareholder's funds	**12,211**	**19,087**	**17,012**

Balance Sheet	As at March 31, 2007	2008	2009
	(Rs. lacs)	*(Rs. lacs)*	*(Rs. lacs)*
Loan funds			
Secured loans	-	-	-
Unsecured loans	30,169	34,419	33,269
Total loan funds	**30,169**	**34,419**	**33,269**
Total	**42,380**	**53,506**	**50,281**
Application of funds			
Fixed assets			
Gross block	19,126	20,908	24,657
Less : Accumulated depreciation	8,819	10,946	13,131
Net block	**10,308**	**9,962**	**11,527**
Capital work-in-progress (including capital advances)	1,215	2,912	1,975
Total fixed assets	**11,522**	**12,874**	**13,501**
Investments	217	614	614
Deferred tax assets	100	84	-
Current assets, loans and advances			
Inventories	19,322	21,642	18,314
Sundry debtors	36,679	43,561	35,035
Cash and bank balances	30	1,796	633
Loans and advances	5,810	8,676	9,253
Total current assets, loans and advances	**61,840**	**75,676**	**63,235**
Less: Current liabilities and provisions			
Current liabilities	30,232	33,980	30,887
Provisions	1,067	1,762	1,721
Total current liabilities and provisions	**31,299**	**35,742**	**32,609**
Net current assets	**30,541**	**39,934**	**30,626**
Profit and loss account	-	-	5,540
Total	**42,380**	**53,506**	**50,281**

Source: Statutory Audited Accounts – March 2007, March 2008 and March 2009

Other financial data	As at March 31, 2007	2008	2009
	(Rs.)	*(Rs.)*	*(Rs.)*
Dividend (%)	-	-	-
Earnings per share	(1.09)	(0.15)	(4.48)
Return on networth (%)	(5.35)	(0.65)	(44.77)
Book value per share	20.31	11.22	10.00

Source: Statutory Audited Accounts – March 2007, March 2008 and March 2009

Income Statement	12 month period ending December 31, 2009
	(Rs. lacs)
Net sales	91,702
Net sales of projects and equipment (no more used)	23,568
Net sales of services (no more used)	2,676
Net sales	**117,947**
DVC material (including subcontracting)	8,995,852
DVC labour	(42,528)
DVC other	(53,911)
Total direct variable costs	**8,899,413**
Margin on DVC	**9,017,360**
MBC depreciation and amortization	(159,219)
MBC personnel costs	(279,474)
MBC other	(110,174)
Total manufacturing base costs	**(548,867)**
Total cost of goods sold	**8,350,546**
COGS - Of which restructuring costs and provisions	0
Gross margin	**8,468,493**
SFC research and anticipation (gross)	33,094
SFC commercial base costs	(1,128,236)
SFC administrative base costs (No more used)	(733,265)
SFC corporate allocations	(331,041)
Total support function costs	**(2,159,448)**
SFC - Of which restructuring costs and provisions	0
Gain/(loss) on disposal of fixed assets	3,435
Other operating revenues	10,342
Total other operating income and expenses	**13,777**
EBITA before restructuring	**6,322,822**
Restructuring costs	0
Restructuring provisions	0
Other unusual items	0
EBITA	**6,322,822**
Goodwill - Impairment	(51,155)
Amortization of PA intangibles	0
Impairment of PA intangibles	0
Income from current operations	**6,271,667**
Interest expenses on financial debt	(285,524)
Income and expenses from ST deposit and Cash equivalent	24,227

Income Statement	12 month period ending December 31, 2009
	(Rs. lacs)
Cost of net financial debt	**(261,297)**
FX differences	(72,313)
Other financial income and expenses	(20,586)
Other financial income and expenses	**(92,899)**
Financial income/(loss)	**(354,196)**
Net income/(loss) before tax	**5,917,471**
Tax not based on taxable income of period	(100,517)
Deferred income tax	105,147
Income tax	**4,630**
Net income of fully integrated companies	**5,922,101**
Equity investments	0
Minority Interests	0
Net income / (loss)	**5,922,101**

Balance Sheet	As on December 31 2009
	(Rs. lacs)
Goodwill_Q	1,401,708
Goodwill – Impairment	3
Goodwill	**1,401,711**
Software - GV	129,852
Intern. gain and loss on intangibles (ICP Elim)	0
Intangible assets - GV_Q	**129,852**
Software - Amortization	(56,767)
Intangible assets - depreciation	(56,767)
Intangible assets - net_Q	**73,085**
Land – GV	43,767
Buildings and improvement fixture - GV	136,363
Plant/machinery and equipment – GV	1,369,694
Other fixed assets – GV	486,334
Construction in progress	189,436
Internal gain and loss on PP and E (ICP Elim)	0
Property, lease, plant and equipment	**2,225,594**
Land – depreciation	(5,601)
Buildings and improvement fixture – depreciation	(53,757)
Plant /machinery and equipment – depreciation	(559,754)
Other fixed assets – depreciation	(313,207)
Property, lease, plant and equipment - depreciation	**(932,319)**
Property, lease, plant and equipment - net	**1,293,275**
NC available for sale	1,871,409
NC Available for sale LA (Cies held)	0
NC Available for sale LA (Cies holding)	0
Non current financial assets	**1,871,409**

Balance Sheet	**As on December 31** **2009**
	(Rs. lacs)
Deferred tax assets	205,124
Non current income tax assets	**205,124**
Other non current non operating assets	166,609
Other non current non operating assets	**166,609**
Non current assets	**5,011,213**
Inventory : materials - GV	901,949
Inventory : work-in-progress - GV	63,774
Inventory : GV inside group - (IG)	0
Inventory : finished goods - GV	1,271,634
Inventories - GV_Q	**2,237,357**
Inventory : materials – depreciation	(59,683)
Inventory - depreciation inside group (IG)	0
Inventory : finished goods - depreciation	(128,715)
Inventories – depreciation	**(188,398)**
Net inventories	**2,048,959**
Trade receivables – GV	4,715,650
Trade receivables - Important doubtful debt	(327,114)
Gross amt due for customer for contract work	31,741
Advances to suppliers – GV	76,392
Trade receivables - net_Q	**4,496,669**
Advances to FA suppliers - GV	72,444
Fixed assets receivable (net)	**72,444**
Current income tax receivable	81,627
Current income tax assets	**81,627**
Other non operating debtors	38,905
Current non operating debtors - net	**38,905**
Taxes receivables (other than income tax)	333,132
Prepaid expenses	109,461
Other operating debtors	238,756
Other operating debtors – net_Q	**681,349**
Cash and cash equivalents	216,453
Cash and cash equivalents	**216,453**
Current assets	7,636,406
Total assets	**12,647,619**
Share capital	3,910,513
Additional paid-in capital	(6,557)
Retained earnings (local restated)	(167,073)
Retained earnings (consolidated)	77,096
Cumulative translation adjustment	64,066
Cumulative translation adjustment (consolidated)	(90,796)
OCI - Actuarial gain and loss	7,471
Net income - year to date	(341,723)
Net Income (consolidated)	0
OCI - Actuarial gain and loss (group)	0
Shareholder's equity	**3,452,997**
Cumulative translation adjustment (sub-group)	(28,328)

Balance Sheet	As on December 31 2009
	(Rs. lacs)
Shareholder's equity (sub-group)	**(28,328)**
Equity	**3,424,669**
Deferred tax liabilities	(14)
Non current income tax liabilities	**(14)**
NC warranty provisions	29,272
Other NC and postretirement benefits	35,553
NC Pension	5,518
Non current operating provisions_Q	**70,343**
Government grants received	20,588
Other non current non financial liabilites	2,412
Other non current liabilities	**23,000**
Non-current liabilities	**93,329**
Trade and notes payables	3,624,817
Customers deposits	393,499
Trade payables (ICP Elim)	0
Trade payables_Q	**4,018,316**
Payables on fixed assets suppliers	8,742
Fixed assets payable	**8,742**
Warranty provisions	67,050
Estimated losses on uncompleted contract	43
Technical (product) provisions	1,191
Current operating provisions_Q	**68,284**
Trade and other operating creditors (ICP Elim)	14
Accrued wages and salaries	176,231
Corporate allocations – payables	92,954
Other operating creditors	19,414
Other operating creditors_Q	**288,613**
Current financial debt	4,745,666
Current financial liabilities	**4,745,666**
Current liabilities	**9,129,621**
Total liabilities	**12,647,619**

Source: Consolidated Accounts of Schneider Electric Industries SAS for December 31, 2009

2.62 **Contingent liabilities not provided for**: (*Source: Statutory Audited Accounts – March 2007, March 2008 and March 2009)*

Contingent Liabilities	As at March 31, 2007	2008	2009
	(Rs. lacs)	*(Rs. lacs)*	*(Rs. lacs)*
Demand from income tax authority disputed by Schneider Electric India Private Limited[1]	260	122	7,150
Demand from sales tax authority disputed by Schneider Electric India Private Limited [1]	596	596	612
Demand from excise authority disputed by Schneider Electric India Private Limited [1]	-	633	607
Liquidated damages deducted by the customer not provided for[2]	621	664	243

[1]Based on the favorable decision in similar cases/ legal opinions taken by Schneider Electric India Private Limited/ discussions with the solicitors etc., Schneider Electric India Private Limited believes that there is a fair chance of decision in its favor for all items listed above and hence no provision there against is considered necessary.

[2]With regard to liquidated damages, Schneider Electric India Private Limited is in process of discussion with customer and is hopeful that no additional liability would devolve on Schneider Electric India Private Limited.

2.63 **Explanation of the variation in total income and net profit/loss in the recent years**

FY 2009 vs. FY 2008

- Total income increased by 11% (eleven percent) in FY 2009 from FY 2008 due to significant contribution made by final low voltage, medium voltage, building management system and low voltage panels.
- Net loss increased from Rs. 12,000,000 (Rupees twelve million) to Rs. 761,000,000 (Rupees seven hundred and sixty one million) mainly due to the huge exchange devaluation of 12% (twelve percent) as compared to the corresponding period.

FY 2008 vs. FY 2007

- Total income increased by 17% (seventeen percent) in FY 2008 from FY 2007 related to a good growth in the business across the segments.
- In FY 2008, the net loss decreased by 81% (eighty one percent) due to increase in sales volume resulting in the operating leverage.

2.64 **Significant accounting policies** (*Source: Statutory Audited Accounts - March 2009):*

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by Schneider Electric India Private Limited and are consistent with those used in the previous year.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent that they relate to the period till such assets are ready to be put to use.

(d) Depreciation

Depreciation is provided using the straight-line method as per the useful lives of the assets estimated by the management on the basis of technical evaluation of the related assets and these rates are higher than the rates prescribed under Schedule XIV of the Companies Act, 1956.

	Rates (SLM) %	Schedule XIV Rates (SLM) %
Buildings	4.00	3.34
Plant and machinery	10.00	4.75
Moulds (included in plant and machinery)	20.00	11.31
Furniture and fixtures	10.00	6.33
Office equipments	25.00	4.75
Data processing equipments	25.00	16.21
Vehicles	25.00	9.50

Leasehold land and leasehold improvements are depreciated over the period of primary period of lease. An asset below Rs. 5,000 (Rupees five thousand) is fully depreciated in the year of capitalization.

(e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Intangible assets

Goodwill

Goodwill is amortized using the straight-line method over a period of 10 (ten) years.

Software

Computer software is amortized using the straight-line method over its license period.

(g) Leases

Where Schneider Electric India Private Limited is the Lessee

Finance leases, which effectively transfer to Schneider Electric India Private Limited substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that Schneider Electric India Private Limited will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

(h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(i) Inventories

Raw materials, components, stores and spares, work-in-progress, finished goods and contract work-in-progress are valued at cost or at net realizable value, whichever is lower. Cost is ascertained on following basis:

Raw materials, components, stores and spares	Weighted average basis
Work-in-progress and finished goods	Cost includes material cost plus appropriate share of labour and manufacturing overheads. Cost of finished goods also include excise duty.
Contract work-in-progress	Direct material, labour cost and appropriate overheads

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Schneider Electric India Private Limited and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty, sales tax and value added tax deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability that has arisen during the year.

Income from Services

Revenues from services are recognized when such services are rendered.

(k) Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Schneider Electric India Private Limited's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(iv) Forward Exchange Contracts not Intended for Trading or Speculation Purpose

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(l) Retirement and Other Employee Benefits

(i) Retirement benefits in the form of provident fund and superannuation fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trust.

(ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each FY. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

(iii) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(m) Segment Reporting Policies

Identification of segments

The operating businesses of Schneider Electric India Private Limited are organized and managed separately according to the nature of products manufactured/traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

Allocation of common costs

Common allocable costs are allocated to each segment in proportion on reasonable basis.

Unallocated items

All the common income, expenses, assets and liabilities, which are not possible to be allocated to different segments, are treated as unallocated items.

(n) Income Taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where Schneider Electric India Private Limited has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, Schneider Electric India Private Limited re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(o) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the 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 effects of all dilutive potential equity shares.

(p) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(q) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of 3 (three) months or less.

(r) Derivative Instruments

Schneider Electric India Private Limited uses derivative financial instruments such as forward exchange contracts to hedge its risks associated with foreign currency fluctuations. Accounting policy for forward exchange contracts is given in paragraph 2.64 (k)(iv).

(s) Warranty

Provision for claims arising during the warranty period is made as per technical estimates by the management based on past trends.

2.65 **Change in Accounting Policies in FY 2008**

Adoption of Accounting Standard AS15 (Revised) Employee Benefits

Schneider Electric India Private Limited was providing gratuity and leave encashment liability based on the actuarial valuation as per Accounting Standard 15 (old) “Retirement Benefits” till March 31, 2007. Schneider Electric India Private Limited has adopted the Accounting Standard 15 (Revised 2005) “Employee Benefits” which is mandatory from April 1, 2007. This change does not have material impact on the profit for the current year as well as opening gratuity and leave encashment liability as of April 1, 2007.

Change in Method of Valuation of Inventories

In the current year, Schneider Electric India Private Limited changed its method of valuation of inventories from first in first out basis to weighted average cost basis.

Had Schneider Electric India Private Limited continued to use the earlier basis of valuation of inventories, the charge to the profit and loss account after tax for the current year would have been higher by Rs. 6,185,000 (Rupees six million and one hundred and eighty five thousand) (Net of tax of Rs. 3,185,000 (Rupees three million and one hundred and eighty five thousand)) and the closing stock would correspondingly have decreased by Rs. 9,370,000 (Rupees nine million and three hundred and seventy thousand).

Adoption of Accounting Standard 11 “The Effects of Changes in Foreign Exchange Rates”

Schneider Electric India Private Limited has adopted the Companies (Accounting Standard) Rules, 2006 with effect from April 1, 2007. As per Accounting Standard 11 “The Effects of Changes in Foreign Exchange Rates”, the exchange difference on foreign currency transactions relating to fixed assets acquired from a country outside India and also the exchange difference on liability relating to fixed assets acquired within India have been adjusted to revenue as against the hitherto followed practice of adjusting the same to the carrying amount of fixed assets acquired from a country outside India.

Had Schneider Electric India Private Limited continued to use the earlier basis of accounting for foreign exchange fluctuation, the credit to the profit and loss account for the current period would have increased by Rs. 14,369,000 (Rupees fourteen million and three hundred and sixty nine thousand) (net of tax of Rs. Nil) and the net block of fixed assets would correspondingly have increased by Rs. 14,369,000 (Rupees fourteen million and three hundred and sixty nine thousand).

2.66 Details of the company incorporated and promoted by Schneider Electric India Private Limited in India in the period of 3 (three) years preceding the date of the Public Announcement along with the limited audited financials (audited by Kalyaniwalla & Mistry) are as follows:

1. CST Sensors India Pvt Ltd.

Date of incorporation	January 31, 2008		
Nature of business	Trading in micro switches, position sensor and pressure sensors, SSR, motors etc.		
Financials based on audited accounts		**12 month period ending March 31,**	
		2008	**2009**
		(Rs. lacs)	*(Rs. lacs)*
	Equity capital	128	128
	Reserves (excluding revaluation reserve)	-	-
	Total income	-	308
	Profit after tax	-	33
	Earnings per share (Rs. per share)	-	(5.66)
	Net asset value	-	95

For more details visit its website (www.schneider-electric.co.in)

F. T&D Holding (known as 'AREVA T&D Holding SA' as on the date of the Public Announcement)

2.67 As on the date of the Public Announcement, T&D Holding was a Person Acting in Concert with the Acquirer, subject to and conditional upon completion of the Global Acquisition. As noted in paragraph 1.1.9, the Global Acquisition completed on June 7, 2010.

2.68 T&D Holding, a Société Anonyme à Conseil d'Administration (a limited responsibility company), was incorporated on August 13, 2003 under the laws of France and is registered with the Register of Trade and Companies of Paris with number 449 834 308. The registered office of T&D Holding as at the date of the Public Announcement was located at 33, rue La Fayette, 75009 Paris, France, which changed to 3, avenue André Malraux – 92300 Levallois Perret, France, on the date of completion of the Global Acquisition (i.e. on June 7, 2010); Tel. No. +33 1 41 49 20 00; Fax No. +33 1 41 49 2485. It was incorporated as T&D Holding Etranger and later the name was changed to AREVA T&D Holding SA with effect from January 8, 2004. Further, its name has been changed to T&D Holding, as on the date of completion of the Global Acquisition (i.e. on June 7, 2010).

2.69 T&D Holding is engaged in the business of industrial, commercial, maritime, financial, movable and immovable operations in France and in the fields of electrical, mechanical furnaces or nuclear power machinery, devices, equipment and materials, shipbuilding and repair and metal construction, in the rest of the world.

2.70 As on the date of the Public Announcement, AREVA SA held 50,003,694 (fifty million and three thousand and six hundred and ninety four) shares constituting 99.99% (ninety nine point nine-nine percent) of the issued and paid-up share capital of T&D Holding. Upon completion of the Global Acquisition on June 7, 2010, the Acquirer holds 158,437,793 (one hundred and fifty eight million and four hundred and thirty seven thousand and seven hundred and ninety three) shares constituting 99.99% (ninety nine point nine-nine percent) of the issued and paid-up share capital of T&D Holding.

2.71 As on the date of this Letter of Offer, the total issued and paid-up share capital of T&D Holding is Eur 158,437,793 (Euro one hundred and fifty eight million and four hundred and thirty seven thousand and seven hundred and ninety three) i.e. Rs.

9,249,598,355.34 (Rupees nine billion and two hundred and forty nine million and five hundred and ninety eight thousand and three hundred and fifty five and paise thirty four) consisting of 158,437,793 (one hundred and fifty eight million and four hundred and thirty seven thousand and seven hundred and ninety three) shares each of a value of Eur 1 (Euro one) i.e. Rs. 58.38 (Rupees fifty eight and thirty eight paise).

2.72 T&D Holding directly holds 27,893,950 (twenty seven million and eight hundred and ninety three thousand and nine hundred and fifty) Shares constituting 11.67% (eleven point six-seven percent) of the subscribed and paid-up share capital of the Target Company.

2.73 T&D Holding has been in compliance with the applicable provisions of chapter II of SEBI (SAST) Regulations. The details of the change in shareholding of T&D Holding in the Target Company is set forth below:

Date of Allotment	**No. of shares Issued / (sold)**	**Cumulative No. of shares held**	**Mode of Acquisition**	**% of shares outstanding as on date of Public Announcement**
24.9. 2007	79,33,335 (16.59%)	79,33,335	In terms of the scheme of amalgamation, sanctioned by the High Courts at Kolkata, New Delhi and Chennai, 55,78,790 equity shares of Rs. 10 each to T&D Holding and 23,54,545 equity shares of Rs. 10 each to Long & Crawford Ltd., the shareholders of the transferor companies, i.e. AREVA T&D Systems India Limited, AREVA T&D Instrument Transformers India Private Limited and AREVA T&D Lightning Arresters Private Limited respectively, were allotted at the board meeting held on September 24, 2007.	11.67% corresponding to 2,78,93,950 (Consequent upon sub-division of share capital of the company each equity share of Rs. 10 each was divided into 5 equity shares of Rs. 2 each)

2.74 The details of the board of directors of T&D Holding, as on the date of the Public Announcement, are set forth below:

S. No.	**Name**	**Date of Appointment**	**Qualifications and Experience**	**Residential Address**
1.	**Mr. François Ailleret** (French Passport 05RT21112)	January 8, 2004	▪ Mr. François Ailleret is a graduate of École Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées. ▪ Between 1996- 2002, he was the President of EDF International SA. Between 1997 to 1999, he has also served as the Vice President of EDF. ▪ Since 2005, he has been the President of Institute Pasteur.	22 rue Rouelle, 75015 Paris, France
2	**Ms. Anne Lauvergeon** (French Passport 10AD63587)	January 08, 2004	▪ Ms. Lauvergeon is a graduate of École Normale Supérieure and holds a Doctorate in Physical Sciences. She also holds the rank of Ingénieur en chef in the Corps des Mines. ▪ In 1984, she was in charge of studying Chemical Safety Issues in Europe for the	14 avenue Pierre 1er de Serbie – 75016, Paris, France

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			French Atomic Energy Commission. In 1985, she managed underground resources in the Ile-de-France region. In 1988, she also became Deputy to the Department Head of the Conseil Général des Mines. In 1990, Ms. Lauvergeon became a special assistant for International Economics and Trade to the President of the French Republic, for whom she also served as Deputy Secretary General responsible for the organization of the G7 summits in 1991. In 1995, Ms. Lauvergeon became a General Partner at Lazard Frères and Cie and in 1997 she was appointed as the Executive Vice President within the Alcatel group. She has been the Chief Executive Officer of AREVA since July 3, 2001.	
3	**Mr. Gérald Arbola** (French Passport 02Z178933)	January 08, 2004	▪ Mr. Arbola is a graduate of the Institut d'Études Politiques of Paris. He also holds an advanced degree in Economics from Université Paris 1 ▪ Mr. Arbola has been a member of the Executive Board of AREVA since July 3, 2001. Mr. Arbola has been the Chief Operating Officer of AREVA since June 29, 2006. ▪ Mr. Arbola has held several positions in the COGEMA group (now AREVA NC) before joining the AREVA group in 2001 as the Chief Financial Officer and a member ofthe Executive Board of COGEMA. In 1982, he joined the COGEMA group as Director - Planning and Strategy for SGN. He subsequently served as the Chief Financial Officer from 1985 to 1989 and as the Executive Vice President in 1988.He became the Chief Financial Officer in COGEMA group in 1992 and a member - Executive Committee in 1999, while also serving as Chairman of SGN in 1997 and 1998.	134, boulevard Pereire – 75017, Paris, France

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
4	**Mr. Karim Vissandjee** (DIN Number: 00276556)	March 05, 2010	▪ Mr. Karim Vissandjee graduated with an honors degree in Economics and Finance from HEC, Montréal – Canada. ▪ His career started in 1985 at Olivetti, France and held reponsibilities in Management Control & Accounting until 1989. From 1990 to 1992, he was the Finance Director of Olivetti Office. ▪ In 1992, he joined the Valeo Group where he held top positions in Finance of several Divisions (Engine Coooing - Clutches - Ligthing) and was during 2 years, the Chief Financial Officer of Valeo, North America based in Detroit - Michigan. ▪ In 2001, he joined LVMH (Moet-Hennessey - Louis Vuitton) as the Group Controller. ▪ Before joining the AREVA Group, he was the Chief Financial Officer of Vedior France. ▪ Mr. Vissandjee is also a Director on the board of directors AREVA India Private Limited.	15 bis rue Louis David 75116 Paris, France

Subsequent to the date of the Public Announcement and on completion of the Global Acquisition on June 7, 2010, François Ailleret, Anne Lauvergeon, Gérald Arbola and Karim Vissandjee have resigned from the board of directors of T&D Holding and Henri Poupart-lafarge, Marie-José Donsion, Stéphane Dubois, Ruben Lazo, Michel Crochon and Robert Immelé have been appointed on the board of directors of T&D Holding on June 7, 2010.

Mr. Karim Vissandjee, a former director of T&D Holding is also on the Board of Directors of the Target Company. Mr. Karim Vissandjee has recused himself and has not participated in any matter concerning or relating to the Offer including any preparatory steps leading to the Offer.

None of the directors of T&D Holding are on the Board of Directors of the Target Company.

2.75 The shares of T&D Holding are not listed on any stock exchange.

2.76 Based on the statutory financial statements, audited by Deloitte & Associes and Mazars, and prepared in accordance with the accounting rules and principles applicable in France, the financial information of T&D Holding is as follows:

	12 month period ending December 31,					
Income Statement	**2007**		**2008**		**2009**	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Sales of goods	0	0	0	0	0	0
Sales of manufactured products and services	111,951	65,357	165,537	96,641	185,025	108,018

Income Statement	12 month period ending December 31, 2007		2008		2009	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Turnover	**111,951**	**65,357**	**165,537**	**96,641**	**185,025**	**108,018**
Stocked production	0	0	0	0	0	0
Capitalised production	0	0	0	0	0	0
Operating subsidies	0	0	0	0	0	0
Expense transfers	0	0	0	0	0	0
Write backs of provisions	0	0	0	0	7,145	4,171
Other income	490	286	755	441	0	0
Total operating income	**112,441**	**65,643**	**166,292**	**97,081**	**192,170**	**112,189**
Purchase of goods	0	0	0	0	0	0
Purchase of raw materials and other supplies	0	0	0	0	0	0
Change in inventory	0	0	0	0	0	0
Other purchases and external charges	136,498	79,688	203,625	118,876	246,261	143,767
Taxes and similar payments	335	196	2,427	1,417	664	388
Wages and salaries	3,461	2,021	3,878	2,264	4,474	2,612
Social security taxes	1,391	812	1,307	763	1,691	987
Depreciation allowances and provisions for fixed assets	0	0	0	0	0	0
Provisions for losses on current assets, risks and charges	69	40	8,250	4,816	0	0
Other expenses	1,456	850	3,824	2,232	3,184	1,859
Total operating expenses	**143,211**	**83,607**	**223,312**	**130,370**	**256,273**	**149,612**
Operating result	**(30,769)**	**(17,963)**	**(57,019)**	**(33,288)**	**(64,103)**	**(37,423)**
Income from investments	98,229	57,346	146,363	85,447	270,294	157,798
Income from other capitalized securities and receivables	0	0	0	0	0	0
Other interest and similar income	13,925	8,129	100	58	2,675	1,562
Write-backs of provisions and expense transfers	0	0	12,816	7,482	4,247	2,479
Foreign exchange gains	251	147	1,496	873	137	80
Total financial income	**112,405**	**65,622**	**160,776**	**93,861**	**277,352**	**161,918**
Depreciation allowances and provisions	52,977	30,928	17,733	10,353	49,796	29,071
Interest and similar expenses	29,228	17,063	40,838	23,841	24,153	14,101
Foreign exchange losses	269	157	357	208	168	98
Total financial expenses	**82,474**	**48,148**	**58,928**	**34,402**	**74,117**	**43,270**
Financial result	**29,931**	**17,474**	**101,848**	**59,459**	**203,235**	**118,649**
Current result	**(838)**	**(489)**	**44,828**	**26,171**	**139,132**	**81,225**
Extraordinary income from management transactions	3,000	1,751	573	335	1,274	744
Extraordinary income from capital transactions	39,186	22,877	30,204	17,633	1,557	909
Write-backs of provisions and expense transfers	20,923	12,215	5,675	3,313	28,096	16,402
Total extraordinary income	**63,110**	**36,844**	**36,452**	**21,281**	**30,927**	**18,055**
Extraordinary expenses on management transactions	487	284	0	0	17,266	10,080
Extraordinary expenses on capital transactions	10,128	5,913	7,408	4,325	0	0
Provisions	0	0	1,175	686	1,373	802
Total extraordinary expenses	**10,615**	**6,197**	**8,583**	**5,011**	**18,639**	**10,881**

Income Statement	12 month period ending December 31, 2007		2008		2009	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Extraordinary result	**52,494**	**30,646**	**27,868**	**16,269**	**12,288**	**7,174**
Corporate income tax	0	0	6,644	3,879	12,275	7,166
Net income for FY	**51,656**	**30,157**	**66,053**	**38,562**	**139,146**	**81,233**

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

Balance Sheet	As at December 31, 2007		2008		2009	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Assets						
Intangible assets	0	0	0	0	0	0
Tangible assets	0	0	0	0	0	0
Land and layout	0	0	0	0	0	0
Buildings	0	0	0	0	0	0
Technical installations, equipments and industrial tools	0	0	0	0	0	0
Other tangible assets	0	0	0	0	0	0
Tangible assets in progress	0	0	0	0	0	0
Prepayments and deposits	0	0	0	0	0	0
Total tangible assets	**0**	0	**0**	0	**0**	0
Financial assets						
Holdings	1,307,181	763,132	1,395,089	814,453	1,397,348	815,772
Loans	0	0	0	0	0	0
Other financial assets	3,141	1,834	1,144	668	5,115	2,986
Total financial assets	**1,310,322**	**764,966**	**1,396,233**	**815,121**	**1,402,463**	**818,758**
Total fixed assets	**1,310,322**	**764,966**	**1,396,233**	**815,121**	**1,402,463**	**818,758**
Inventories and work-in-progress	0	0	0	0	0	0
Raw materials and other supplies	0	0	0	0	0	0
Work-in-progress	0	0	0	0	0	0
Intermediate and finished products	0	0	0	0	0	0
Goods	0	0	0	0	0	0
Prepayments and deposits on order	0	0	8,388	4,897	0	0
Trade accounts receivable	134,116	78,297	11,535	6,734	7,624	4,451
Other receivables	49,607	28,961	42,058	24,553	14,852	8,671
Cash	0	0	1,542	900	3	2
Prepaid expenses	0	0	497	290	229	134
Unrealized foreign exchange losses	190	111	1,107	646	958	559
Total assets	**1,494,235**	**872,334**	**1,461,359**	**853,141**	**1,426,130**	**832,575**
Liabilities						
Capital	500,037	291,922	500,037	291,922	500,037	291,922
Share, merger and contribution premiums	0	0	0	0	0	0
Legal reserve	3,459	2,019	6,583	3,843	9,885	5,771
Other reserves	0	0	0	0	0	0
Retained earnings	65,635	38,318	89,167	52,056	51,909	30,304

	As at December 31,					
Balance Sheet	**2007**		**2008**		**2009**	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Result of FY	51,656	30,157	66,053	38,562	139,146	81,233
Regulated provisions	0	0	0	0	0	0
Total equity	**620,787**	**362,415**	**661,839**	**386,382**	**700,977**	**409,230**
Other equity capital	0	0	0	0	0	0
Total other equity capital	**0**	**0**	**0**	**0**	**0**	**0**
Provisions for risks	10,830	6,323	39,701	23,177	9,809	5,726
Provisions for charges	32,666	19,070	962	562	835	487
Total provisions for risks and charges	**43,496**	**25,393**	**40,663**	**23,739**	**10,644**	**6,214**
Financial debts						
Bank borrowings and debts	66	39	1,943	1,134	982	573
Sundry borrowings and debts	638,851	372,961	723,535	422,400	702,219	409,955
Total financial debts	**638,917**	**373,000**	**725,478**	**423,534**	**703,200**	**410,528**
Operating debts						
Prepayments and deposits from clients	0	0	1,548	904	0	0
Trade accounts payable	167,225	97,626	19,605	11,445	8,679	5,067
Tax and social security liabilities	22,656	13,227	2,984	1,742	2,178	1,272
Debts on fixed assets and related accounts	0	0	0	0	0	0
Total operating debts	**189,881**	**110,853**	**24,138**	**14,092**	**10,857**	**6,338**
Other debts	1,154	674	9,241	5,395	421	246
Cash instruments	0	0	0	0	0	0
Deferred income	0	0	0	0	0	0
Unrealized foreign exchange gains	0	0	0	0	30	18
Total liabilities	**1,494,235**	**872,334**	**1,461,359**	**853,141**	**1,426,130**	**832,575**

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

	As at December 31,					
Other financial data	**2007**		**2008**		**2009**	
	(Eur)	*(Rs.)*	*(Eur)*	*(Rs.)*	*(Eur)*	*(Rs.)*
Dividend (%)	-	-	5.00	5.00	20.00	20.00
Earnings per share	1.03	60.31	1.32	77.12	2.78	162.45
Return on networth (%)	8.32	8.32	9.98	9.98	19.85	19.85
Book value per share	12.41	724.78	13.24	772.71	14.02	818.40

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

2.77 **Contingent liabilities** *(Source: Statutory Audited Accounts – December 2009)*

(i) Competition investigations

On January 24, 2007, the European Commission fined 11 (eleven) companies more than Eur 750,000,000 (Euro seven hundred and fifty million) following its investigation into the gas isolated switchgear ("**GIS**") sector. ALSTOM and AREVA T&D were jointly fined Eur 54,000,000 (Euro fifty four million) and have lodged an appeal against the decision of the European Commission. This appeal lodged by the aforementioned companies contrary to the Commission's decision remains under review before the Court of First Instance of the European communities.

In 2009, 2 (two) pending investigations were concluded respectively by the competent authorities in South Africa and New Zealand, without any specific anti-competitive effects on these national markets.

Following the appeal lodged by AREVA T&D SAS, T&D Holding and AREVA T&D AG contrary to the conviction of an approximate amount of Eur 1,500,000 (Euro one million and five hundred thousand) rendered on December 27, 2007 by the Slovak competition authority, AREVA T&D SAS, T&D Holding and AREVA T&D AG in the Slovak Republic were given a favourable decision from the Council of Anti-Monopoly Office Slovaque (AMO) on September 29, 2009 corresponding to a substantial reduction of the fined amounts, for a total of Eur 265,530 (Euro two hundred and sixty five and five hundred and thirty) against AREVA T&D SAS, T&D Holding and AREVA T&D AG. Significant fines were also imposed upon other incriminating companies (ALSTOM, Siemens, Toshiba and Hitachi). Considering the reduced sum of the fines and the moderate risk of private action in damages, AREVA T&D SAS, T&D Holding and AREVA T&D AG decided that in order to end these proceedings, they would not appeal this decision and would proceed to pay the fine.

At the present time, only the additional investigations, of lesser importance, by the other competition authorities in the Czech Republic and Brazil remain with respect to the GIS. In the Czech Republic the fine which had been pronounced against AREVA T&D SAS, T&D Holding and AREVA T&D AG was cancelled by the judgment of June 25 2008, which resulted in the competition authorities returning Eur 5,700,000 (Euro five million and seven hundred thousand) to AREVA.

The competition authorities appealed the judgment of June 25, 2008. The appeal decision from the President of the Competition Authority on March 9, 2009, rejected the claim for payment of interest on the sums reimbursed, and was then cancelled by a decision of the Supreme Court on April 10, 2009, which quashed the first instance judgment and returned the case to the Brno Court of Appeal. AREVA T&D SAS, T&D Holding and AREVA T&D AG were granted time to pay the fine until January 31, 2010. ALSTOM has also appealed the Supreme Court's judgment which will also benefit AREVA T&D SAS, T&D Holding and AREVA T&D AG. There are several ongoing investigations in Brazil following the searches carried out in 2004, as well as some administrative and judicial procedures, especially concerning the issue of the confidentiality of the documents seized by the Brazilian authorities.

In England, the National Grid brought an action for damages before the High Court of London on November 17, 2008, against the companies targeted by the European Commission in the ‘GIS’ case, with AREVA T&D UK Limited, T&D Holding and AREVA SA as parties. This is a claim for damages for the losses the National Grid alleges it suffered due to the existence of the GIS cartel, and the supply of the GIS used in substations. The High Court of Justice handed down the following decisions on June 13, 2009: (i) The claim was struck out against AREVA T&D as the company was not cited in the European GIS decision, (ii) a stay of judgment was ordered until a final decision is taken in the proceedings before the European Courts involving GIS, and (iii) a number of procedural stages must be performed (such as the conservation documents and the partial discovery of evidence) which are being considered by the High Court in London. AREVA T&D continues to be a special supplier to the National Grid. The European Commission began an investigation into the power transformer sector and sent several companies in the sector including AREVA T&D SAS, a notification of complaints on November 24, 2008.

The Commission handed down a decision on October 7, 2009 which said that a cartel had existed between 1999 and 2003, and handed out fines to a certain number of power transformer suppliers (ABB, ALSTOM, AREVA T&D, Fuji Electric, Hitachi, Toshiba). The Commission ordered ALSTOM SA to jointly pay, with AREVA T&D SAS, Eur 13,500,000 (Euro thirteen million and five hundred thousand), for their involvement in this cartel. AREVA T&D has appealed this decision to the Court of First Instance of the European communities.

There is also an investigation in Germany by the Federal Cartel Office in the power transformers sector. ALSTOM and AREVA concluded a deal in April, 2007 concerning their guarantee obligations during their dealings, and in particular ALSTOM paying the majority of the financial consequences of the proceedings for anti competitive practices. This agreement puts an end to a series of claims by AREVA against ALSTOM, and certain guarantee commitments. This agreement has not entailed a significant financial impact for T&D Holding. However, the guarantees in the purchase agreement continue to apply to environmental matters (for a period of 10 (ten) years from the purchase date - this guarantee is limited to Eur 250,000,000 (Euro two hundred and fifty million), with a Eur 12,000,000 (Euro twelve million) deductible, and the payment of costs is divided - 80% (eighty percent) by ALSTOM, 20% (twenty percent) by AREVA), industrial diseases (for 20 (twenty) years from the purchase date and without limitation on the amounts for asbestos related diseases) and in tax matters.

(ii) Administrative sanction against a Mexican subsidiary

Following a decision of August 23, 2007, the Secretaria de fa Funcion Publica, ordered a sanction, published in September 2007, against AREVA T&D SA de C.V. prohibiting it from participating in public invitations for bids for 1 (one) year, 11 (eleven) months and 13 (thirteen) days and ordering it to pay a fine of 310,050 pesos. Despite various litigious claims, AREVA T&D SA de C.V. therefore had to refrain from participating in invitations for bids in Mexico up to October 14, 2009, the date on which AREVA T&D SA de C.V. rapidly resumed its full participation in public invitations for bids in Mexico.

(iii) CFE/San Nicolas litigation involving AREVA T&D's Mexican subsidiary

Following a fire on March 19, 1998, in the San Nicolas substation in Mexico, which is owned by the CFE public electricity company, there are 2 (two) claims opposing AREVA T&D SA de C.V and CFE on the liability for this incident and the apportionment of the alleged financial Court handed down a judgment favourable to CFE on June 18, 2008, ordering AREVA T&D SA de C.V to reimburse CFE a sum of around US$ 5,700,000 (US Dollar five million and seven hundred thousand), excluding interest.

AREVA T&D lodged an appeal against this decision, and the Second Superior Tribunal handed down a final judgment on June 30, 2009 quashing the Federal Civil Court's judgment in favour of AREVA T&D SA de C.V. CFE then lodged a constitutional appeal, and as the judgment is still pending, the Court's judgment cannot be considered to be res judicata. A decision is expected in the first 6 (six) months of 2010, the final outcome of which is difficult to predict.

AREVA T&D SA de C.V filed an official request for conciliation with CFE on September 29, 2009, to reach a negotiated solution and settlement of this dispute which is now more than 10 (ten) years old with the internal control department, the personnel of which come from the Secretaria de fa Funcion Publica and is continuing its action with the CFE for this.

There are no other governmental, judicial, or arbitral procedures including any procedure which T&D Holding knows of, which is either in abeyance, or which is threatened, or liable to have, or has had significant impact on T&D Holding financial position or profitability in the last 12 (twelve) months.

2.78 **Explanation of the variation in total income and net profit in the recent years**

CY 2009 vs. CY 2008

- Sales increased by 11.8% (eleven point eight percent) in CY 2009 compared to CY 2008 due to the increase of corporate services rendered to the affiliates and associated fees.
- Operating income decreased by 12.4% (twelve point four percent) in CY 2009 compared to CY 2008 mainly due to provision accrued on affiliates and non-recurrent profit booked in 2008 on sales of shares.
- Net profit increased by 110.7% (one hundred and ten point seven percent) in CY 2009 compared to CY 2008 due to dividend from affiliates.

CY 2008 vs. CY 2007

- Sales increased by 47.9% (forty seven point nine percent) in CY 2008 compared to CY 2007 due to the reinforcement of international sales organization to support the worldwide growth and the associated fees invoiced to affiliates.
- Operating income decreased by 85.3% (eighty five point three percent) in CY 2008 compared to CY 2007 due to accruals of provision and reduction of profit linked to settlement of raw materials hedge.
- Net profit increased 27.9% (twenty seven point nine percent) in CY 2008 compared to CY 2007 due to increased dividend from affiliates and lower provision for risk.

2.79 **Significant accounting policies** *(Source: Statutory Audited Accounts – December 2009):*

The annual accounts of T&D Holding are drawn up in compliance with French legal and regulatory provisions mainly provided for by the Commercial Code and By-law no. 99-03 of the Accounting Regulatory Committee. These annual balance sheets are established in observing prudence, time period and continuity concepts.

Holdings

Equity securities appear on balance sheet assets at net accounting value or purchase price. Cost price refers to the purchase price plus directly attributable cost, including equity acquisition costs. All financial assets have been valued at their nominal value. Equity securities, if the case arises, are subject to depreciation, when required by the subsidiaries' financial position and economic conditions. Provision is calculated depending on the share of net assets held at the end of the FY, taking into consideration, in the estimation, events or situations subsequent to the closing of accounts known at the time of the settlement of accounts, as well as the expected profitability, calculated on the future DCF or the market value of the subsidiaries.

Loans

Loans appear on balance sheet assets for their historical cost. The historical cost for loans granted in foreign currency corresponds to the exchange value of each loan on the day it is granted and is revaluated at the closing rate which results in the recognition of translation adjustments.

Receivables from holdings

Receivables from holdings are entered on the balance sheet assets for their historical value. Any foreign currency receivables from holdings are revaluated at the end of the FY at closing rate, and, if applicable, give rise to translation adjustments on the balance sheet. The unrealized foreign exchange losses give rise to a provision for risks and charges.

Other financial assets

The other financial assets (deposits, guarantees, etc) are entered on the balance sheet assets for their historical cost.

Operating receivables and debts

Receivables and debts are evaluated at their nominal value. Where collection difficulties may arise, receivables are depreciated by means of provision, according to the information known when the accounts are settled. Receivables and debts in foreign currency are converted and accounted in Euros on the basis of the exchange rate at the end of the FY. Receivables and debts with specific hedging are accounted in Euros at the rate fixed by this hedge. Unrealized losses and gains compared to previously recognized amounts are entered on the balance sheet as translation adjustments. Unrealized foreign exchange losses result in a provision for risks being entered.

Provisions

Provisions for risks and charges are established for liabilities whose maturity date or amount is not specifically known. Liabilities correspond to a bond towards a third party for which it is likely or certain that it will cause an outflow of funds without any expected compensation, at least equal. These bonds may result from planned restructuring and current disputes.

Any liability is subject to an appended information document and does not give rise to the recognition of a provision since it corresponds to a potential bond on the making-out date or to a bond for which the outflow of funds is neither likely nor certain.

Financial Instruments

T&D Holding implemented on behalf of its subsidiaries, material hedges for all of T&D business parks in order to cover the purchasing budget for transformed copper and aluminium and to therefore secure the margin of current offers. T&D Holding initiates hedging transactions through the group treasury unit over 6 (six) to 24 (twenty four) months. These transactions are performed in favour of the subsidiaries as expressed in the signed agreements with certain subsidiaries regarding material hedges.

The gains and losses for hedging transactions entered in the financial result correspond to transactions performed on behalf of the subsidiaries with which no agreement is signed. T&D Holding also covers exchange risks identified on foreign currency transactions by means of forward purchase and sale, i.e. foreign currency invoicing and purchases, capitalisation and financing of subsidiaries and dividend disbursement.

The gains and losses from unwinding hedging transactions are entered in T&D Holding's financial result (excluding hedges concluded as part of agreements with subsidiaries). Agreements signed with subsidiaries concerning material hedges lead to implementing hedge accounting in the corporate accounts, pursuant to general accounting rules.

2.80 T&D Holding has not incorporated and promoted any companies in India in the period of 3 (three) years preceding the date of the Public Announcement.

For more details visit its website (www.areva-td.com)

G. AREVA T&D SAS

2.81 As on the date of the Public Announcement, AREVA T&D SAS was a Person Acting in Concert with the Acquirer, subject to and conditional upon completion of the Global Acquisition. As noted in paragraph 1.1.9, the Global Acquisition has completed on June 7, 2010.

2.82 AREVA T&D SAS, a Société par Actions Simplifiée (a simplified limited company), was incorporated on November 16, 1992 under the laws of France and is registered with the Register of Trade and Companies of Nanterre with number 389 191 800. The registered office of AREVA T&D SAS is located at 1, Place Jean Millier, TOUR AREVA, 92084 PARIS-LA DEFENSE, France; Tel. No. + 33 01 34 96 30 00; Fax No. +33 1 34 96 62 45. It was incorporated as Kleber Eylau and its name was changed to GEC ALSTHOM T&D SA from February 5, 1993. Its name was further changed to ALSTOM T&D SA from June 22, 1998 and again to AREVA T&D SA from January 12, 2004 and to its present name, AREVA T&D SAS on July 21, 2009. Its legal status was changed to that of a simplified joint stock company on July 21, 2009.

2.83 AREVA T&D SAS is engaged in the business of all industrial, commercial, financial, movable and immovable operations in France and abroad in the field of energy transportation and distribution.

2.84 T&D Holding holds 100% (one hundred percent) of the issued and paid-up share capital of AREVA T&D SAS. AREVA T&D SAS is a wholly owned subsidiary of T&D Holding.

2.85 The total issued and paid-up share capital of AREVA T&D SAS is Eur 74,478,096 (Euro seventy four million and four hundred and seventy eight thousand and ninety six) i.e. Rs. 4,348,031,244.48 (Rupees four billion and three hundred and forty eight million and thirty one thousand and two hundred and forty four and paise forty eight) consisting of 4,654,881 (four million and six hundred and fifty four thousand and eight hundred and eighty one) shares each of a value of Eur 16 (Euro sixteen) i.e. Rs. 934.08 (Rupees nine hundred and thirty four and paise eight).

2.86 AREVA T&D SAS directly holds 132,919,225 (one hundred and thirty two million and nine hundred and nineteen thousand and two hundred and twenty five) Shares constituting 55.59% (fifty five point five-nine percent) of the subscribed and paid-up share capital of the Target Company.

2.87 AREVA T&D SAS has been in compliance with the applicable provisions of chapter II of SEBI (SAST) Regulations. The details of the change of shareholding of AREVA T&D SAS in the Target Company is set forth below:

Date of Allotment	No. of shares Issued/(sold)	Cumulative No. of shares held	Mode of Acquisition	% of shares outstanding as on date of Public Announcement
8.8.2005	2,65,83,845 (66.65%)	2,65,83,845	Consequent to acquiring ALSTOM T&D's business worldwide, the entire shareholding of ALSTOM Holdings SA, comprising of 26,464,400 equity shares (66.35%) were acquired by AREVA T&D SA on August 8, 2005. Further, as required under the SEBI (SAST) Regulations, AREVA T&D SA made an open offer to the minority shareholders of the Target	55.59%* corresponding to 13,29,19,225 equity shares. (Consequent upon sub-division of share capital of the Target Company each equity share of Rs. 10 each was divided into 5 equity shares of Rs. 2 each)

Date of Allotment	No. of shares Issued/(sold)	Cumulative No. of shares held	Mode of Acquisition	% of shares outstanding as on date of Public Announcement
			Company on April 7, 2005. In response to the said open offer, 1,19,445 (0.30%) equity shares were acquired by AREVA T&D SA increasing its holdings to 2,65,83,845 shares (66.65%).	*The change in percentage was on account of issue of shares made by the Target Company to T&D Holding and Long & Crawford Ltd. pursuant to schemes of amalgamation sanctioned by the High Courts.)

2.88 The details of the committee of directors of AREVA T&D SAS, as on the date of the Public Announcement, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
1.	**Mr. Jean-Michel Cornille** (French Passport 05DP81204)	April 27, 2009	■ Mr. Jean-Michel Cornille is a graduate from Ecole Polytechnique in Engineering and has completed his Post-Masters in Software from Paris VII University. ■ He was the Vice President - Business Strategy at Alcatel Carriers Business Group. Currently, he is the Executive Vice President - Automation Business Unit at AREVA T&D.	19 rue Le Marois 75016 Paris.
2.	**Mr. Gerhard Seyrling** (Austrian Passport P2282709)	April 1, 2008	■ Mr. Gerhard Seyrling has a Diploma in Electrical Engineering from the Technical University, Vienna. ■ He has 22 years of professional experience in the field of transmission and distribution of electrical energy. ■ He joined ALSTOM group in 1987 and has worked at various research centers in France. He was appointed as the Managing Director of ALSTOM T&D from 1999 to 2003. ■ Currently, he is the Country President - France, the Legal representative of AREVA T&D SAS and social relationship with employee representations at AREVA T&D SAS.	13bis rue des Louviers 78100 St Germain en Laye.
3	**Mr. Thierry Noircler** (French Passport 03KE03790)	April 1, 2008	■ Mr. Thierry Noircler holds a Masters in Financial Controlling and Management from the University of Nancy. ■ He started his career at COGEMA group in 1990 as the Financial Controller of a Fuel Business Unit. ■ In 1996, he became the Deputy Chief Financial Officer of Eurodif. In 2000, in addition to his role	42, avenue de la Division Leclerc 92320 Chatillon

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			at Eurodif, he became the Chief Financial Officer of the enrichment division of COGEMA . ▪ Since 2002, he has been the Deputy Chief Financial Officer of AREVA NP.	

Subsequent to the date of the Public Announcement and subsequent to the completion of the Global Acquisition, on June 8, 2010, Thierry Noircler has resigned from the committee of directors of AREVA T&D SAS and Marie-José Donsion, Michel Crochon, Robert Immelé and Michel Serra have been appointed on the committee of directors of AREVA T&D SAS on June 8, 2010.

None of the directors of AREVA T&D SAS are on the Board of Directors of the Target Company

2.89 The shares of AREVA T&D SAS are not listed on any stock exchange.

2.90 Based on the statutory financial statements, audited by Deloitte & Associes and Mazars, and prepared in accordance with the accounting rules and principles applicable in France, the financial information of AREVA T&D SAS is as follows:

	12 month period ending December 31,					
Income Statement	**2007**		**2008**		**2009**	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Sales of goods	1,822	1,064	309,070	180,435	187,117	109,239
Sales of manufactured products and services	1,131,816	660,754	1,184,872	691,728	1,404,174	819,757
Turnover	**1,133,638**	**661,818**	**1,493,943**	**872,164**	**1,591,291**	**928,996**
Stocked production	(141)	(82)	10,168	5,936	(11,292)	(6,592)
Capitalised production	45	26	34	20	11,667	6,811
Operating subsidies	129	75	413	241	248	145
Expense transfers	226,405	132,175	268,314	156,642	279,375	163,099
Write backs of provisions	125,674	73,368	181,867	106,174	225,218	131,482
Other income	18,310	10,689	24,065	14,049	29,845	17,424
Total operating income	**1,504,060**	**878,070**	**1,978,804**	**1,155,226**	**2,125,715**	**1,240,992**
Purchase of goods	302	176	10,420	6,083	12,401	7,240
Purchase of raw materials and other supplies	333,785	194,864	428,411	250,106	227,866	133,028
Change in inventory	(4,971)	(2,902)	(6,764)	(3,949)	15,362	8,968
Other purchases and external charges	536,726	313,341	738,433	431,097	939,497	548,478
Taxes and similar payments	42,316	24,704	31,811	18,571	37,174	21,702
Wages and salaries	225,138	131,436	253,253	147,849	287,385	167,775
Social security taxes	101,089	59,016	111,219	64,930	123,881	72,322
Depreciation allowances and provisions for fixed assets	24,635	14,382	25,471	14,870	30,274	17,674
Provisions for losses on current assets, risks and charges	169,477	98,941	229,545	134,008	402,781	235,144
Other expenses	21,888	12,778	16,604	9,693	12,428	7,255
Total operating expenses	**1,449,385**	**846,151**	**1,838,403**	**1,073,260**	**2,089,048**	**1,219,586**
Operating result	**54,675**	**31,919**	**140,401**	**81,966**	**36,667**	**21,406**
Income from investments	8,488	4,955	15,820	9,236	4,820	2,814
Income from other capitalized securities and receivables	0	0	0	0	0	0

Income Statement	12 month period ending December 31, 2007		2008		2009	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Other interest and similar income	4,333	2,530	5,316	3,103	1,267	740
Write-backs of provisions and expense transfers	4,068	2,375	5,587	3,262	8,502	4,963
Foreign exchange gains	15,511	9,055	40,044	23,378	54,170	31,624
Total financial income	**32,400**	**18,915**	**66,766**	**38,978**	**68,759**	**40,142**
Depreciation allowances and provisions	3,887	2,269	10,085	5,888	7,408	4,325
Interest and similar expenses	2,340	1,366	1,681	981	5,061	2,955
Foreign exchange losses	23,446	13,688	39,492	23,055	41,016	23,945
Total financial expenses	**29,673**	**17,323**	**51,258**	**29,924**	**53,486**	**31,225**
Financial result	**2,727**	**1,592**	**15,508**	**9,054**	**15,273**	**8,916**
Current result	**57,402**	**33,511**	**155,909**	**91,020**	**51,940**	**30,323**
Extraordinary income from management transactions	3,352	1,957	2,046	1,194	1,609	939
Extraordinary income from capital transactions	4,513	2,635	6,248	3,648	899	525
Write-backs of provisions and expense transfers	55,255	32,258	33,804	19,735	20,475	11,953
Total extraordinary income	**63,120**	**36,849**	**42,098**	**24,577**	**22,983**	**13,417**
Extraordinary expenses on management transactions	37,721	22,022	22,370	13,060	19,434	11,346
Extraordinary expenses on capital transactions	2,484	1,450	506	295	113	66
Provisions	15,105	8,818	12,684	7,405	7,666	4,475
Total extraordinary expenses	**55,310**	**32,290**	**35,560**	**20,760**	**27,213**	**15,887**
Extraordinary result	**7,810**	**4,559**	**6,538**	**3,817**	**(4,230)**	**(2,469)**
Employee profit sharing	(1,558)	(910)	8,708	5,084	5,161	3,013
Corporate income tax	0	0	5,789	3,380	19,334	11,287
Net income for FY	**66,770**	**38,980**	**147,950**	**86,373**	**23,214**	**13,552**

Source: Statutory Audited Accounts– December 2007, December 2008 and December 2009

Balance Sheet	As at December 31, 2007		2008		2009	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Assets						
Intangible assets	**29,945**	**17,482**	**27,913**	**16,296**	**54,620**	**31,887**
Tangible assets						
Land and layout	11,035	6,442	14,025	8,188	13,857	8,090
Buildings	22,516	13,145	36,511	21,315	44,264	25,841
Technical installations, equipments and industrial tools	23,391	13,656	28,871	16,855	45,176	26,374
Other tangible assets	12,657	7,389	7,189	4,197	7,324	4,276
Tangible assets in progress	9,786	5,713	25,377	14,815	13,818	8,067
Prepayments and deposits	1	1	520	304	1,337	781

Balance Sheet	As at December 31, 2007		2008		2009	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Total tangible assets	**79,386**	**46,346**	**112,493**	**65,673**	**125,776**	**73,428**
Financial assets						
Holdings	16,878	9,853	17,996	10,506	17,732	10,352
Loans	757	442	6,212	3,627	9,541	5,570
Other financial assets	1,533	895	1,408	822	1,696	990
Total financial assets	**19,168**	**11,190**	**25,617**	**14,955**	**28,969**	**16,912**
Total fixed assets	**128,499**	**75,018**	**166,023**	**96,924**	**209,366**	**122,228**
Inventories and work-in-progress						
Raw materials and other supplies	39,756	23,210	48,381	28,245	25,690	14,998
Work-in-progress	102,137	59,628	101,067	59,003	112,338	65,583
Intermediate and finished products	19,387	11,318	30,253	17,662	17,702	10,334
Goods	0	0	0	0	0	0
Total inventories and work-in-progress	**161,280**	**94,155**	**179,701**	**104,909**	**155,731**	**90,916**
Prepayments and deposits on order	137,048	80,009	161,781	94,448	187,420	109,416
Trade accounts receivable	1,928,880	1,126,080	2,267,241	1,323,615	2,912,311	1,700,207
Other receivables	179,760	104,944	177,764	103,779	63,375	36,998
Cash	97,678	57,024	53,241	31,082	140,608	82,087
Prepaid expenses	8,884	5,186	24,876	14,523	32,003	18,683
Unrealized foreign exchange losses	10,596	6,186	14,368	8,388	11,306	6,600
Total assets	**2,652,625**	**1,548,602**	**3,044,996**	**1,777,669**	**3,712,120**	**2,167,136**
Liabilities						
Capital	74,478	43,480	74,478	43,480	74,478	43,480
Share, merger and contribution premiums	1	1	1	1	1	1
Legal reserve	7,448	4,348	7,448	4,348	7,448	4,348
Other reserves	640	374	640	374	640	374
Retained earnings	(90,495)	(52,831)	(23,503)	(13,721)	70,947	41,419
Result of FY	66,770	38,980	147,950	86,373	23,214	13,552
Regulated provisions	9,113	5,320	10,955	6,396	14,937	8,720
Total equity	**67,955**	**39,672**	**217,969**	**127,250**	**191,665**	**111,894**
Other equity capital	118	69	-	0	-	0
Total other equity capital	**118**	**69**	**-**	**0**	**-**	**0**
Provisions for risks	309,461	180,663	362,984	211,910	541,326	316,026
Provisions for charges	83,338	48,653	70,343	41,066	64,731	37,790
Total provisions for risks and charges	**392,799**	**229,316**	**433,327**	**252,976**	**606,057**	**353,816**
Financial debts						
Bank borrowings and debts	1,339	782	14,171	8,273	58,960	34,421
Sundry borrowings and debts	361	211	185	108	93,023	54,307
Total financial debts	**1,700**	**992**	**14,356**	**8,381**	**151,983**	**88,728**
Operating debts						
Prepayments and deposits from clients	1,397,835	816,056	1,697,556	991,033	1,992,918	1,163,466
Trade accounts payable	612,469	357,559	465,978	272,038	349,224	203,877
Tax and social security liabilities	115,502	67,430	106,840	62,373	121,363	70,852
Debts on fixed assets and related accounts	279	163	484	283	142	83
Total operating debts	**2,126,085**	**1,241,208**	**2,270,858**	**1,325,727**	**2,463,647**	**1,438,277**

Balance Sheet	As at December 31, 2007		2008		2009	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Other debts	26,199	15,295	61,092	35,666	243,637	142,235
Cash instruments	7,683	4,485	2,584	1,509	2,666	1,556
Deferred income	17,426	10,173	31,159	18,191	36,473	21,293
Unrealized foreign exchange gains	12,660	7,391	13,650	7,969	15,990	9,335
Total liabilities	**2,652,625**	**1,548,602**	**3,044,996**	**1,777,669**	**3,712,120**	**2,167,136**

Source: Statutory Audited Accounts– December 2007, December 2008 and December 2009

Other financial data	As at December 31, 2007		2008		2009	
	(Eur '000s)	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*	*(Eur '000s)*	*(Rs. lacs)*
Dividend (%)	-	-	-	-	80.56	80.56
Earnings per share	14.34	837.41	31.78	1,855.54	4.99	291.14
Return on networth (%)	98.26	98.26	67.88	67.88	12.11	12.11
Book value per share	14.60	852.27	46.83	2,733.70	41.18	2,403.80

Source: Statutory Audited Accounts– December 2007, December 2008 and December 2009

2.91 **Contingent liabilities** *(Source: Statutory Audited Accounts – December 2009)*

On January 24, 2007, the European Commission fined 11 (eleven) companies more than Eur 750,000,000 (Euro seven hundred and fifty million) following its investigation into the GIS (gas isolated switchgear) sector. ALSTOM and AREVA T&D were jointly fined Eur 54,000,000 (Euro fifty four million) and have lodged an appeal against the decision of the European Commission. This appeal lodged by the aforementioned companies contrary to the Commission's decision remains under review before the Court of First Instance of the European communities. In 2009, 2 (two) pending investigations were concluded respectively by the competent authorities in South Africa and New Zealand, without any specific anti competitive effects on these national markets.

Following the appeal lodged by the companies AREVA T&D SAS, T&D Holding and AREVA T&D AG contrary to the conviction of an approximate amount of Eur 1,500,000 (Euro one million and five hundred thousand) rendered on December 27, 2007 by the Slovak competition authority, AREVA T&D SAS, T&D Holding and AREVA T&D AG in the Slovak Republic were given a favourable decision from the Council of Anti-Monopoly Office Slovaque on September 29, 2009 corresponding to a substantial reduction of the fined amounts, for a total of Eur 265,530 (Euro two hundred and sixty five and five hundred and thirty) against AREVA T&D SAS, T&D Holding and AREVA T&D AG. Significant fines were also imposed upon other incriminating companies (ALSTOM, Siemens, Toshiba and Hitachi). Considering the reduced sum of the fines and the moderate risk of private action damages, AREVA T&D SAS, T&D Holding and AREVA T&D AG decided that in order to end these proceedings, they would not appeal this decision and would proceed to pay the fine before the end of the year 2009.

At the present time, only the additional investigations, of lesser importance, by the other competition authorities in the Czech Republic and Brazil remain with respect to the GIS. In the Czech Republic, the fine which had been pronounced against AREVA T&D SAS, T&D Holding and AREVA T&D AG was cancelled by the judgment of June 25, 2008, which resulted in the competition authorities returning Eur 5,700,000 (Euro five million and seven hundred thousand) to AREVA. The competition authorities appealed the judgment of June 25, 2008. The appeal decision from the President of the Competition Authority on March 9, 2009, rejected the claim for payment of interest on the sums reimbursed, and was then cancelled by a decision of the Supreme Court on April 10, 2009, which quashed the first instance judgment and returned the case to the Brno Court of Appeal. AREVA T&D SAS, T&D Holding and AREVA T&D AG were granted time to pay the fine until January 31, 2010. ALSTOM has also appealed the Supreme Court's judgment which will also benefit AREVA T&D SAS, T&D Holding and AREVA T&D AG. There are several ongoing investigations in Brazil following the searches carried out in

2004, as well as some administrative and judicial procedures, especially concerning the issue of the confidentiality of the documents seized by the Brazilian authorities.

The European Commission began an investigation into the power transformer sector and sent several companies in the sector including AREVA T&D SAS, a notification of complaints on November 24, 2008. The Commission handed down a decision on October 7, 2009 which said that a cartel had existed between 1999 and 2003, and handed out fines to a certain number of power transformer suppliers (ABB, ALSTOM, AREVA T&D, Fuji Electric, Hitachi, and Toshiba). The Commission ordered ALSTOM SA to jointly pay, with AREVA T&D SAS, Eur 13,500,000 (Euro thirteen million and five hundred thousand), for their involvement in this cartel. AREVA T&D has appealed this decision to the Court of First Instance of the European communities. There is also an investigation in Germany by the Federal Cartel Office in the power transformers sector.

ALSTOM and AREVA concluded a deal in April, 2007 concerning their guarantee obligations during their dealings, and in particular ALSTOM paying the majority of the financial consequences of the proceedings for anticompetitive practices. This agreement puts an end to a series of claims by AREVA against ALSTOM, and certain guarantee commitments. However, the guarantees in the purchase agreement continue to apply to environmental matters (for a period of 10 (ten) years from the purchase date - this guarantee is limited to Eur 250,000,000 (Euro two hundred and fifty million), with a Eur 12,000,000 (Euro twelve million) deductible, and the payment of costs is divided - 80% (eighty percent) by ALSTOM, 20% (twenty percent) by AREVA), industrial diseases (for 20 (twenty) years from the purchase date and without limitation on the amounts for asbestos related diseases) and in tax matters.

2.92 **Explanation of the variation in total income and net profit in the recent years**

CY 2009 vs. CY 2008

- Sales increased by 7% (seven percent) in CY 2009 compared to CY 2008 due to product and service activities. Product sales' increase has been driven by the invoicing of large long term contracts mainly in near Middle East.
- Operating income decreased by 74% (seventy four percent) in CY 2009 compared to CY 2008 primarily due to the economical crisis which has affected the development cycle of long term contracts and notably the project Qatar Phase VIII.
- Net profit fell by 84% (eighty four percent) in CY 2009 compared to CY 2008 mainly due to tax increase driven by use of losses carried forward.

CY 2008 vs. CY 2007

- Sales increased by 32% (thirty two percent) in CY 2008 compared to CY 2007, mainly due to product and system activities which benefit from a high worldwide demand and production capacity increase in Gas Insulated Switchgear activity (GIS).
- Operating income increased by 157% (one hundred and fifty seven percent) in CY 2008 compared to CY 2007 due to a high level of invoicing, an overall productivity increase and good monitoring of long term contracts.
- Net profit increased by 122% (one hundred and twenty two percent) in CY 2008 compared to CY 2007 with net financial income growing by over 6 (six) times of that in CY2007.

2.93 **Significant Accounting Policies** *(Source: Statutory Audited Accounts – December 2009)*

AREVA T&D SAS annual accounts are drawn up in compliance with French legal and regulatory provisions, with due regard for By-law CRC 99-03 of April 29, 1999 on the Chart of Accounts as well as subsequent notices from the *Conseil national de la comptabilite* (National Accounting Council).

These annual balance sheets are established and submitted in accordance with the Chart of Accounts, observing prudence, time period and continuity concepts.

AREVA T&D SAS proceeded to change their methods as of January 1, 2009. AREVA T&D SAS adopted the preferred method of accounting for development costs as assets, under the terms stipulated by Article 361-1 of the Chart of Accounts modified by Article 14-1 of the By-law CRC no. 200406.

The impact of the new method is insignificant and the comparability of information over time is not affected, so there is no need to establish pro-forma accounts.

The impact on the balance sheet and the income statement are presented as follows:

Eur ('000s)	FY ending on 31.12.2008	Change in method	01.01.2009
Equity	217,969	6,500	224,469
Net fixed assets	166,023	6,500	172,523
Balance sheet	7,296	0	0

The impact stated in the table with regard to the balance sheet for the 2008 FY (Eur 7,296 (Euro seven thousand and two hundred and ninety six)) corresponds to the research and development gross value costs entered on January 1, 2009, the (Eur 6,500 (Euro six thousand and five hundred)) variation indicated in the change of method is the depreciation that should have been identified in late 2008.

(i) Fixed Assets

(a) Intangible Assets

The intangible assets consist of:

- Production and automation patents, acquired on January 1, 2004 during the buyback of ALSTOM's transmission and distribution activities. The latter are paid off over a period of 7 (seven) to 12 (twelve) years.
- Software for internal use; this software is paid off over a period of 1 (one) to 5 (five) years.
- Development costs related to improve AREVA T&D SAS products.

Business capital was established in 2002 during a partial contribution of assets and does not result in impairment.

The costs relating to product development are capitalised once they reveal:

- technical feasibility of execution;
- use or sales perspectives;
- future economic advantages (presence of a market for the product or internal use)
- availability of financial and technical resources;
- possibility to reliably identify the attributable costs for the development phase

Accordingly, during the project review, the studies and the test results, the capitalised costs related to development projects prove the technical feasibility in accordance with the technical specification. Only the costs generated after the technical feasibility confirmation phase are capitalised if they amount to more than (Eur 500,000).

Depreciation of research and development costs are based on the product's life expectancy or the number of units manufactured.

(b) Tangible assets

Tangible assets are assessed at their original cost (purchase price and ancillary costs), paid-in value or production cost. Interests of loans specific to the production of fixed assets will not be included in the production cost of these assets. Depreciation is calculated following linear mode and life expectancy, included between the following ranges:

	Minimum duration	Maximum duration
Buildings	17 years	25 years
Fittings	8 years	10 years
Industrial equipment and tools:		
Heavy equipment	5 years	10 years

	Minimum duration	Maximum duration
Laboratory equipment	3 years	5 years
Other equipment	5 years	10 years
Minor tooling	2 years	3 years
Computer and industrial equipment	1 year	5 years
Office equipment	3 years	7 years

A study conducted in 2004 when ALSTOM T&D SA was repurchased by AREVA did not lead, due to their value or nature, to the identification of fixed assets that could originally be broken down. When additional depreciation of a fiscal nature is observed, it is recorded as extraordinary profit or loss and is compensated as regulated provisions.

(c) Equity securities

Equity securities appear on balance sheet assets at net accounting value or cost price. Cost price refers to the purchase price plus directly attributable cost, including equity acquisition costs. All financial assets have been valued at their nominal value.

Equity securities, if the case arises, are subject to depreciation when required by the subsidiaries' financial position and economic conditions. Provision is calculated depending on the share of net assets held at the end of the fiscal year, taking into consideration, in the estimation, events or situations subsequent to the closing of accounts known at the time of the settlement of account, as well as the expected profitability.

(ii) Current assets and liabilities

(a) Stocks and work-in-progress

Stocks of material and goods are assessed following the weighted average unit cost system. Cost price includes purchasing ancillary costs.

Valuation of intermediate, finished and in progress products includes the cost of equipment and supplies used, direct production costs, all indirect manufacturing costs, depreciation and research expenses necessary for the development of each product.

The production cost thus obtained does not include any research and development expenditure, overheads, distribution and financial costs.

(b) Receivables and debts

Receivables and debts are valued at their nominal value. Release of progress-based turnover is the method adopted as part of long-term agreements. Milestones used for revenue recognition are technical, such as defined in the agreement, matching the main project phases. Since the effective client invoicing only takes place at the end of the project, contractual calls for funds are carried out during the project's life to finance its achievement.

Advances paid are to be added to progress-based receivables mentioned in the receivables and liabilities section of the balance sheet. In accordance with the legislation in force, it is specified that trade receivables on progress based turnover and prepayments paid are submitted in the assets and liabilities respectively (no compensation of receivables and debts).

Receivables, when applicable, are depreciated by means of provisions so that collection difficulties likely to entail according to the information known at the date of the settlement of accounts are taken into consideration. Provisions related to doubtful or actionable debts are based on a risk evaluation for each debt, depending on the debtor's situation or the disagreement and factual elements such as client bankruptcy, repeated reminders, notification of a dispute. Moreover, a statistically-based provision is set up based on the average percentage of receivables that have become bad debts over the past 3 (three) fiscal years, compared to the current FY turnover.

(c) Financial instruments and foreign currency transactions

The parent company AREVA T&D Holding implemented material hedges on behalf of AREVA T&D SAS in order to cover the purchasing budget for transformed copper and aluminium and to therefore secure the margin of current offers. T&D Holding initiates forward hedging transactions through the group Treasury Unit over 6 (six) to 24 (twenty four) months.

AREVA T&D SAS recorded the gains and losses carried out on the hedging settlements as well as the unrealized gains and losses in operating income. T&D Holding also covers exchange risks identified on foreign currency transactions by means of forward purchase and sale, i.e. foreign currency invoicing and purchases, capitalisation and financing of subsidiaries and dividend disbursement.

Foreign currency income and expenses are recorded for their conversion value on the transaction date. Foreign exchange debts, receivables and holdings are mentioned in the balance sheet for their conversion rate at the end of the FY. Differences with historical costs are recorded in asset-liability adjustment accounts (prepaid expenses and deferred income). A provision on exchange risk is set up for unrealised losses after suppressing transactions subject to currency hedging. Foreign currency receivables and debts with a specific foreign currency hedge are calculated in Euros at the rate applicable to such hedge.

(iii) Provisions

(a) Regulated provisions

Regulated provisions are set up in compliance with tax opportunities. This category includes accelerated depreciation, i.e. the surplus of capital cost allowance over economic depreciation, as well as tax reserves due to price increase.

(b) Provisions for risks and charges

Provisions for risks and charges are established for liabilities whose maturity date or amount is not specifically known. Liabilities correspond to a bond towards a third party for which it is likely or certain that it will cause an outflow of funds without any expected compensation, at least equal. These bonds may result from planned restructuring and current disputes.

Any liability is subject to an appended information document and does not give rise to the recognition of a provision since it corresponds to a potential bond on the making-out date or to a bond for which the outflow of funds is neither likely nor certain.

These provisions are intended to cover the following risks when applicable:

- restructuring;
- environmental risks;
- foreign exchange risk due to potential impact of conversion rate adjustment of assets calculated during revaluation of foreign exchange debts and receivables;
- any other type of risk and charges requiring a provision.

(c) Provisions for transaction risks

This concerns risks of late payment charges, technical penalties (consumption, output, etc.) and other risks of any nature whatsoever contractually seeming to be imputable to AREVA T&D SAS.

These provisions are set up when an event aggravating the initial risk occurs. They are included in the data-to-completion of contracts for long-term contract business or included in the liabilities for any other business. They are used or recovered as they are observed or as the risks disappear, and no later than the signature of the final acceptance certificate or when any remaining reserve has been released.

(d) Provisions for loss at completion

These provisions are set up in case an overall loss is expected on a transaction. They are calculated for the total amount of the possible loss as soon as it is known.

(e) Provisions for work completion and material

These provisions are set up when each deal is recognised in income. On the one hand, they correspond to expenses to be invoiced by suppliers and on the other hand, to risks included in data-to-completion of a contract.

Particularly for complex contracting activities, guarantee costs are included in provisions for work completion until the provisional reception of projects. Once the project, product or service is received by the client, a specific provision on guarantee is recorded when applicable.

(f) Provisions for guarantee

Each year these provisions are completed, used or recovered depending on the discounting of expenses still to incur and of charges observed during the FY. They are recovered no later than on the signature of the acceptance certificate or when any remaining reserve has been released.

A statistical-based provision for guarantee is set up based on the average guarantee expenditure for the past 3 (three) years. Once the project, product or service is received by the client, a specific provision for guarantee is recorded if a risk on the quality, running or specifications of the project, product or service is identified. As regards system activities with complex projects, the provisional reception date is the starting date when the provision for guarantee is set up.

(g) Provisions for contentious cases

They refer to cases for which an arbitration or legal procedure has been initiated, either by a third party or by ourselves, whether it concerns clients or suppliers, third parties, staff, etc. The amount to fund, results on an individual basis, from a risk assessment according to technical and legal information on the relevant cases.

(h) Provisions for restructuring costs

The estimated costs of restructuring measures is borne as soon as they have been decided, before the end of the FY and are subject to a notification to relevant third parties.

(i) Commitments on retirement and service award

The provision for retirement allowances covers potential rights of all staff members, free of any insurance assets and unidentified items. It is calculated on an actuarial basis, taking into account the length of service and payment of the relevant people as well as chances of departure or death before retirement age. Moreover, this commitment is partially covered by an insurance policy taken out with AXA Stocks and work-in-progress.

Commitments for retirement allowances are calculated individually and actuarial assumptions have been reviewed on December 31, 2009. Commitments are assessed in accordance with Recommendation CNC No 2003-R.0 I.

Actuarial gains and losses (variation of the commitment and financial assets due to changes of assumptions and experience adjustments) are spread out over the average remaining working life expected from staff taking part in those schemes, for the part exceeding by over 10% (ten percent) the highest of the following values:

- present value of the bond on the opening date for defined services;
- fair market value of plan assets on the opening date

The provision for service awards has been calculated based on populations and assumptions used to assess the retirement provisions. It corresponds to likely payments connected with salaried employees present at the end of the FY.

(iv) Turnover - Business Results

For long-term contracts exceeding in duration of 12 (twelve) months and for amounts greater than Eur 1,000,000 (Euro one million), the turnover and corresponding results will be recorded according to the advancement method depending on the percentage of completion of technical milestones defined for each project. For other contracts, turnover and results are recognized upon transfer of property. For each customer order affected by the advancement method, the technical milestones are defined according to the execution of the contract and corresponding to the main stages in the project to completion. The turnover identified upon completion of a milestone is calculated by applying the advancement percentage of the technical milestone to the total amount of the contract. The advancement percentage of the milestone is defined by the ratio of the provisional cost of the milestone to that of the overall contract.

As a result:

- If the costs recorded at the end of a technical milestone are higher than the forecast costs multiplied by the advancement percentage for the technical milestone, then the excess is retained in outstanding discounted bills and as a result is not recorded in the turnover.

- If the costs recorded at the end of a technical milestone are lower than the total forecast costs multiplied by the advancement percentage of the technical milestone, then a provision for completion of work will be counted (see paragraph 2.93 (iii)(e)) in exchange for a charge in the nominal account.

Probable completion losses will be covered for as soon as they are known.

2.94 AREVA T&D SAS has not incorporated and promoted any companies in India in the period of 3 (three) years preceding the date of the Public Announcement.

For more details visit its website (www.areva-td.com)

H. Long & Crawford Ltd.

2.95 As on the date of the Public Announcement, Long & Crawford Ltd. was a Person Acting in Concert with the Acquirer subject to and conditional upon completion of the Global Acquisition. As noted in paragraph 1.1.9, the Global Acquisition has been completed on June 7, 2010.

2.96 Long & Crawford Ltd., a private limited company, was incorporated on October 12, 1911 under the laws of England and Wales with number 118040. The registered office of Long & Crawford Ltd. is located at St Leonards Avenue, ST17 4LX Stafford, Great Britain; Tel. No. + 44 1785 223251; Fax No. + 44 1785 223251. It was incorporated as Long & Crawford Ltd. and its name was changed to Long and Crawford Limited with effect from September 18, 1984. Further, with effect from November 1, 1993, its name was changed to Long & Crawford (1988) Limited and on May 6, 1998, to its present name, Long & Crawford Ltd.

2.97 Long & Crawford Ltd. is engaged in the business of electrical engineering, contracting and dealing in electrical and mechanical apparatus, machines, accessories, and engineering specialties of all kinds.

2.98 T&D Holding holds 100% (one hundred percent) of the issued and paid-up share capital of Long & Crawford Ltd. Long & Crawford Ltd. is a wholly owned subsidiary of T&D Holding.

2.99 The total issued and paid-up share capital of Long & Crawford Ltd. is GBP 250,000 (Pound Sterling two hundred and fifty thousand) i.e. Rs. 16,910,875 (Rupees sixteen million and nine hundred and ten thousand and eight hundred and seventy five) consisting of 250,000 (two hundred and fifty thousand) shares each of a value of GBP 1 (Pound Sterling one) i.e. Rs. 67.64 (Rupees sixty seven and paise sixty four).

2.100 Long & Crawford Ltd. directly holds 11,772,725 (eleven million and seven hundred and seventy two thousand and seven hundred and twenty five) Shares constituting 4.92% (four point nine-two percent) of the subscribed and paid-up share capital of the Target Company.

2.101 Long & Crawford Ltd. has been in compliance with the applicable provisions of chapter II of SEBI (SAST) Regulations. The details of the change in shareholding of Long & Crawford Ltd. in the Target Company is set forth below:

Date of Allotment	No. of shares Issued/(sold)	Cumulative No. of shares held	Mode of Acquisition	% of shares outstanding as on date of Public Announcement
24.9. 2007	79,33,335 (16.59%)	79,33,335	In terms of the scheme of amalgamation, sanctioned by the High Courts at Kolkata, New Delhi and Chennai, 55,78,790 equity shares of Rs. 10/- each to T&D Holding and 23,54,545 equity shares of Rs. 10/- each to Long & Crawford Ltd., the shareholders of the transferor companies, i.e. AREVA T&D Systems India Limited, AREVA T&D Instrument Transformers India Private Limited and AREVA T&D Lightning Arresters Private Limited respectively, were allotted at the board meeting held on September 24, 2007.	4.92% corresponding to 1,17,72,725 equity shares (Consequent upon sub-division of share capital of the company each equity share of Rs. 10 each was divided into 5 equity shares of Rs. 2 each)

2.102 The details of the board of directors of Long & Crawford Ltd., as on the date of the Public Announcement, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
1.	**Mr. Iain G R MacDONALD** (UK Passport: 400206624)	December 23, 2003	▪ Mr. Iain G R MacDONALD has completed his Law from Aberdeen University and re-qualified in English law from BPP Law School. Subsequently, he completed his Masters in Business Administration from the Kingston Business School. ▪ He is the Company Secretary of AREVA T&D UK Limited since January, 2004, the Executive Director of AREVA T&D UK Limited since December, 2006, the Company Secretary of AREVA Risk Management Consulting Limited since April, 2007 and the Regional Legal Director for UK, Norway, Sweden, Denmark and Finland since October, 2006. ▪ Currently, he is the Regional Legal Director, United Kingdom and Northwest Europe and the Deputy Compliance Officer, AREVA T&D UK Limited where he manages United Kingdom and French defence in follow-on cartel damages action from National Grid.	Radford House, The Avenue, Stone Staffordshire, ST15 8DG, UK
2.	**Mr. Maurice Williams** (UK Passport: 107152951)	June 19, 2003	▪ Mr. Maurice Williams is a Chartered Accountant from the the Institute of Chartered Management Accountants and is a Bachelor of Arts in Business Studies from Lanchester	8 Yelverton Close, Weeping Cross, Stafford, Staffordshire, ST17

S. No.	Name	Date of Appointment	Qualifications and Experience	Residential Address
			Polytechnic. ■ He joined English Electric in 1966 and worked in various capacities there including that of the Financial Controller and the Finance Director for various product divisions. ■ Prior to his current designation, he was the Finance and Administration Director at ALSTOM T&D in the UK. Currently, he is also the Finance Director and Executive Director of AREVA T&D UK Limited.	0HE, United Kingdom

None of the directors of Long & Crawford Ltd. are on the Board of Directors of the Target Company.

2.103 The shares of Long & Crawford Ltd. are not listed on any stock exchange.

2.104 Based on the statutory financial statements, audited by Deloitte LLP and prepared in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles), the financial information of Long & Crawford Ltd. is as follows:

	12 month period ending December 31,					
Income Statement	**2007**		**2008**		**2009**	
	(GBP '000s)	*(Rs. lacs)*	*(GBP '000s)*	*(Rs. lacs)*	*(GBP '000s)*	*(Rs. lacs)*
Administrative expenses	(18)	(12)	(17)	(11)	(17)	(11)
Operating loss	**(18)**	**(12)**	**(17)**	**(11)**	**(17)**	**(11)**
Dividend received	173	117	265	179	285	193
Net interest payable	-	-	(121)	(82)	(54)	(37)
Profit on operating activities before taxation	**155**	**105**	**127**	**86**	**214**	**145**
Tax on profit on ordinary activities	-	-	-	-	(60)	(41)
Profit on ordinary activities after taxation being profit for the FY	**155**	**105**	**127**	**86**	**154**	**104**

Source: Statutory Audited Accounts – March 2008, March 2009 and March 2010

	As at December 31,					
Balance Sheet	**2007**		**2008**		**2009**	
	(GBP '000s)	*(Rs. lacs)*	*(GBP '000s)*	*(Rs. lacs)*	*(GBP '000s)*	*(Rs. lacs)*
Fixed assets						
Investments	2,998	2,028	2,998	2,028	2,998	2,028
	2,998	**2,028**	**2,998**	**2,028**	**2,998**	**2,028**
Current assets						
Cash	173	117	397	269	665	450
Current liabilities						
Creditors: amounts falling due within 1 year	(3,040)	(2,056)	(3,137)	(2,122)	(253)	(171)
Net current assets/ (liabilities)	**(2,867)**	**(1,939)**	**(2,740)**	**(1,853)**	**412**	**279**
Total assets less current liabilities	**131**	**89**	**258**	**175**	**3,410**	**2,307**

Balance Sheet	As at December 31, 2007		2008		2009	
	(GBP '000s)	*(Rs. lacs)*	*(GBP '000s)*	*(Rs. lacs)*	*(GBP '000s)*	*(Rs. lacs)*
Creditors: amounts falling due after more than 1 year	-	0	-	0	(2,998)	(2,028)
Net assets	**131**	**89**	**258**	**175**	**412**	**279**
Capital and reserves						
Share capital	250	169	250	169	250	169
Profit and loss account	(119)	(80)	8	5	162	110
Shareholder's funds	**131**	**89**	**258**	**175**	**412**	**279**

Source: Statutory Audited Accounts – March 2008, March 2009 and March 2010

Other financial data	As at December 31, 2007		2008		2009	
	(GBP)	*(Rs.)*	*(GBP)*	*(Rs.)*	*(GBP)*	*(Rs.)*
Dividend (%)	-	-	-	-	-	-
Earnings per share	0.62	41.94	0.51	34.36	0.62	41.67
Return on networth (%)	118.32	118.32	49.22	49.22	37.38	37.38
Book value per share	0.52	35.45	1.03	69.81	1.65	111.48

Source: Statutory Audited Accounts – March 2008, March 2009 and March 2010

2.105 As per the statutory audited accounts, no contingent liabilities were reported.

2.106 **Explanation of the variation in total income and net profit in the recent years**

CY 2009 vs. CY 2008

- Net profit increased by 21% (twenty one percent) in CY 2009 compared to CY 2008 with an 8% (eight percent) increase in dividend income and 55% (fifty five percent) reduction in net interest payable.

CY 2008 vs. CY 2007

- Net profit fell by 18% (eighteen percent) in CY 2008 compared to CY 2007 with an increase in net interest payable.

2.107 **Significant Accounting Policies** *(Source: Statutory Audited Accounts – December 2009)*

The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of preparation

The financial statements have been prepared on a going concern basis

Cash flow statement

The directors have taken advantage of the exemption contained in Financial Reporting Standard No 1 (revised) from preparing a cash flow statement on the grounds that Long & Crawford Ltd. is a wholly owned subsidiary of T&D Holding, which itself has prepared a consolidated cash flow statement incorporating Long & Crawford Ltd..

Dividends

Dividend income is included in the profit and loss account when received.

Taxation

Current tax, including United Kingdom corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between its taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Currency Translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or, if hedged at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

2.108 Long & Crawford Ltd. has not incorporated and promoted any companies in India in the period of 3 (three) years preceding the date of the Public Announcement:

3. REASONS FOR THE OFFER, FUTURE PLANS AND DISCLOSURE IN TERMS OF REGULATION 21 (2) OF THE SEBI (SAST) REGULATIONS

3.1 The Acquirer has acquired the entire issued and paid-up share capital of T&D Holding, upon completion of the Global Acquisition. T&D Holding directly and together with its subsidiaries, namely, AREVA T&D SAS and Long & Crawford Ltd., holds 72.18 % (seventy two point one-eight percent) of the subscribed and paid-up share capital of the Target Company. Upon completion of the Global Acquisition, the Acquirer has indirectly acquired 72.18% (seventy two point one-eight percent) of the subscribed and paid-up share capital of and control over the Target Company. Hence, the Acquirer and the Persons Acting in Concert are making the Offer pursuant to Regulations 10 and 12 of the SEBI (SAST) Regulations.

3.2 By acquisition of the transmission business of the Global Business, the ALSTOM group builds, in addition to its power and transport businesses, a third sector constituting high voltage energy transmission business. This sector will benefit from aggregation of all complementarities and means of the ALSTOM group, mainly of its international network expanded in 70 (seventy) countries, its technological and industrial expertise and of existing liaisons between high voltage energy distribution and energy generation. The ALSTOM group's expertise in power generation combined with the capabilities acquired in grid management will give it a unique position in the key market of smart grid.

Further, the Schneider Electric group will combine its teams' expertise in medium voltage and that of the Target Company to create a new business, energy, elevating the Schneider group to the position of global leader in medium voltage. This consolidation reinforces considerably the Schneider group's offers in medium voltage and network automation. It will also strengthen its presence in new economies and access to utilities and electro-intensive customers, and enhance the Schneider group's position at the centre of the smart grid technological revolution.

3.3 As noted in paragraphs 1.1.3 to 1.1.5, Alstom Holdings and Schneider Electric Industries SAS have entered into a Consortium Agreement, which *inter alia* lays down the principles of joint control and management of the Target Company.

3.4 Subject to applicable laws, Alstom Holdings and Schneider Electric Industries SAS intend to transfer the distribution business of the Target Company to the Schneider group (as soon as legally feasible) either through a demerger, slump sale of business or any other method, which is equitable and cost efficient, such that the value of the transmission and distribution business of the Target Company is preserved, the rights of employees of the Target Company are respected and business continuity is not hampered. It has been agreed between Alstom Holdings and Schneider Electric Industries SAS that high voltage product lines will remain with the ALSTOM group and that the medium voltage product lines will be transferred to Schneider group, pursuant to separation of the activities of the Target Company. To the extent possible, the owned and leased properties will be split between the transmission and distribution businesses. Alstom Holdings and Schneider Electric Industries SAS will enter into appropriate arrangements in compliance with applicable laws such that the sites and services of the Target Company, which are common to both the transmission and distribution businesses, will be shared consequent to execution of the separation of the businesses.

3.5 Alstom Holdings and Schneider Electric Industries SAS have agreed that the employees who are mainly dedicated to transmission or distribution activities will be allocated to their respective businesses. The management of the transmission and distribution teams will be involved in the allocation process. As regards employees who are not specialized in the transmission or distribution business, in particular within commercial functions relating to power generation, transmission, rail transportation and aluminum activities; they will be absorbed by the business that will be controlled by the ALSTOM group and those who are within commercial functions relating to distribution, oil and gas, mining and heavy industries will be absorbed by the business that will be controlled by the Schneider group. The management of these teams as well as the research and development teams will be involved in the allocation process of the employees who are not dedicated to either transmission or distribution activities.

3.6 During the transition period (i.e. from the date of completion of Offer formalities and separation of the distribution and transmission businesses of the Target Company), the Target Company will be jointly managed and controlled by Alstom Holdings and Schneider Electric Industries SAS. In the event that the separation of the transmission and distribution business of the Target Company is not effected under any of the above methods due to legal or other constraints, Alstom Holdings and Schneider Electric Industries SAS have agreed to explore alternative options, including but not limited to formation of a joint venture arrangement.

3.7 The Acquirer and the Persons Acting in Concert may dispose off or otherwise encumber any assets of the Target Company in the next 2 (two) years, as may be necessary for the purpose of implementing the separation plan or for restructuring and/or rationalization of assets, investments or liabilities of the Target Company for commercial reasons and to improve operational efficiencies. The Board of Directors of the Target Company will make decisions on these matters in accordance with the requirements of the business of the Target Company.

3.8 Except as otherwise disclosed in the Public Announcement, this Letter of Offer or in the ordinary course of business, the Acquirer and the Persons Acting in Concert undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the Shareholders of the Target Company.

3.9 Subject to the terms of amendment to the share purchase agreement (referred to in paragraph 1.1.7) and the provisions of applicable laws, the Acquirer and the Persons Acting in Concert intend to have their nominee directors appointed to the Board of Directors of the Target Company, upon completion of the Offer formalities. If, pursuant to the terms of the amendment to the share purchase agreement and provisions of Regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer decides to fully fund the escrow account, the same will be notified by way of a public announcement in the same newspapers in which the Public Announcement had appeared.

3.10 As on the date of the Public Announcement, as per the listing agreements with BSE, CSE and NSE ("**Listing Agreement**"), the Target Company was required to maintain at least 10% (ten percent) public shareholding on a continuous basis. Subsequently, as a result of the amendments to the provisions of Securities Contract Regulations Rules, 1957 notified on June 4, 2010, the Target Company is required to maintain at least 25% (twenty five percent) public shareholding on a continuous basis, subject to the provisions of the said amendments. In the event that the acquisition of Shares pursuant to the Offer results in the public shareholding of the Target Company falling below the minimum prescribed level, the Acquirer and the Persons Acting in Concert undertake to comply with the requirements of the Listing Agreement and the amended provisions of Securities Contract Regulations Rules, 1957, in accordance with the terms specified therein.

4. BACKGROUND OF THE TARGET COMPANY

4.1 AREVA T&D India Limited, the Target Company, is a public company limited by shares, incorporated on March 13, 1957 under the Companies Act, 1956, with its registered office located at E-48/7, Okhla Industrial Area, Phase II, New Delhi - 110020, India; Tel. No. + 91 11 47629100; Fax: +91 11 47629129/30 and corporate office at A7, Sector 65, Noida, Uttar Pradesh - 201301, India; Tel. No. + 91 120 4790000; Fax: +91 120 4791140.

4.2 The Target Company was incorporated as a private limited company under the name 'The English Electric Company of India (Private) Limited' and was converted into a public limited company on February 25, 1963 and its name was changed to 'The English Electric Company of India Limited'. As a result of a scheme of amalgamation pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and with the approval of the shareholders, The General Electric Company of India Limited merged into the Target Company, by an order passed by the Hon'ble High Court of Calcutta on March 26, 1993 and effective from April 1, 1992. The name of the merged entity was changed to GEC ALSTHOM India Limited on April 20, 1993. The name of the Target Company was thereafter changed to ALSTOM Limited with effect from September 1, 1998 and subsequently, on September 23, 2005, its name was changed to its present name AREVA T&D India Limited, as a result of acquisition by AREVA T&D SA in accordance with the provisions of Regulations 10 and 12 of the SEBI (SAST) Regulations.

4.3 The registered office of the Target Company was shifted from the State of West Bengal to the National Capital Territory of Delhi with effect from September 1, 2009.

4.4 The Target Company is engaged in the businesses of 'electricity transmission' as well as 'electricity distribution'. The electricity transmission business of the Target Company includes manufacturing, designing, building and servicing technologically advanced products and systems and its product offerings include power transformers, circuit breakers, gas insulated switchgears, generator circuit breakers, instruments transformers, high voltage protection relays and power systems automation equipments. The electricity distribution business of the Target Company includes the business of manufacturing, designing, building and servicing technologically advanced products and systems and its product offerings include distribution transformers, medium voltage switchgears, medium and low voltage protection relays and electricity distribution automation equipments.

4.5 The Target Company has 13 (thirteen) manufacturing units in India. The details of the locations of the manufacturing units are set out below:

S.No.	Site	Address	Contact
1.	Noida	Noida Works, A 88, Sector 57, Noida 201 301	Tel.: +91 120 2583381/83 Fax.: +91 120 2581181
2.	Naini	Naini Works, P.O. Naini, Allahabad 211 008	Tel.: +91 532 2699990 Fax.: +91 532 2699990
3.	Vadodara	Vadodara Works, Kotambi Village, Vadodara-Halol Highway, Milestone No. 87, Taluka Waghodia, Vadodara 391 510	Tel.: +91 2668 662000 Fax.: +91 2668 662000
4.	Hosur	Hosur Works, Plot No. 46, SIPCOT Industrial Works, Hosur 635 126	Tel.: +91 434 4408000 Fax.: +91 434 4408251
5.	Chennai	Pallavaram Works, 19/1 GST Road, Pallavaram, Chennai 600 043	Tel.: +91 44 22640033/37 Fax.: +91 44 22640040

6.	Chennai	Padappai Works, Survey No. 212-217, 142, Salamangalam Village, Vandalur- Wallajabad High Road, Padappai, Chennai 601 301	Tel.: +91 44 67126501
7.	Kolkata	Salt Lake Works, Block BN, Sector V, Salt Lake City, Kolkata 700 091	Tel.: +91 33 23336200 Fax.: +91 33 23677958

4.6 The issued share capital of the Target Company is Rs. 478,213,270 (Rupees four hundred and seventy eight million and two hundred and thirteen thousand and two hundred and seventy). Details of the subscribed and paid-up share capital of the Target Company are set forth below:

Paid-up Shares	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully paid-up equity shares	239,104,035	100%
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	**239,104,035**	**100%**
Total voting rights	**239,104,035**	**100%**

(However, the Offer size has been calculated based on the issued share capital of the Target Company.)

4.7 The build-up of the subscribed and paid-up share capital of the Target Company is as follows:

Date of Allotment	Number of Shares (% of Share Capital)	Cumulative Paid-up Share Capital (Rs.)	Mode of Allotment	Identity of Allottees (promoters / Ex-promoters / Others)	Status of Compliance with the provisions of SEBI (SAST) Regulations and other applicable statutory requirements
11.2.1958 and 18.9.1958	4,00,000 (100%)	40,00,000	Initial subscription by The English Electric Company Limited, UK	The English Electric Company Limited, UK.	CCI Consent Order No. F-21(15)-CCI/56 dated 29.11.56.
8.5.1963	6,00,000 (60%)	1,00,00,000	Of this, 3,50,000 equity shares were allotted to The English Electric Company Limited, UK for consideration other than cash (supplies of plant and machinery). Public offering of 2,50,000 shares was made by prospectus dated 28.2.63.	The English Electric Company Limited, UK - 75%; Public - 25%.	CCI Consent Order No.R-85-CCI/62 dated 28.12.62; RBI Letter No. CA.EC-CI-2795/60-63 dated 30.11.63.
25.3.1966	10,00,000 (50%)	2,00,00,000	Rights Issue of 1:1. This was approved at the extra-ordinary general meeting held on 21.12.1965. The FY was changed to April-March during 1968-1969.	The English Electric Company Limited, UK - 75%; Public - 25%.	CCI Consent Order No. R-353-CCI/65 dated 28.1.66; RBI Letter No. CA.EC-2121/ 606(3)-66 dated14.4.66 and 29.4.66.

Date of Allotment	Number of Shares (% of Share Capital)	Cumulative Paid-up Share Capital (Rs.)	Mode of Allotment	Identity of Allottees (promoters / Ex-promoters / Others)	Status of Compliance with the provisions of SEBI (SAST) Regulations and other applicable statutory requirements
20.3.1972	2,50,000 (11.11%)	2,25,00,000	Second rights issue was made at a premium of Rs.3 per equity share for every 2 equity shares.	The English Electric Company Limited, UK - 66.66%; Public - 33.33%.	CCI Consent Order No.R.41-CCI/672-565 dated 28.4.72; RBI Letter No. CA.EC-CI-204/ 606(3)-72 dated 19.10.72 -only for NRIs.
12.7.1979	22,50,000 (50%)	4,50,00,000	Bonus issue of 1:1 was made during 1979-1980.	The English Electric Company Limited, UK - 66.66%; Public - 34.34%.	CCI Consent Order No.R180-CCI/79-1885 dated 31.5.1979; RBI Letter No. MA.EC/SEC/1111/ 235E4/79 dated 23.6.1979.
12.12.1987	45,00,000 (50%)	9,00,00,000	Bonus issue of 1:1 was made during 1987-1988.	The English Electric Company Limited, UK - 66.66% Public - 33.34%.	CCI Consent Order No. R.530/9/CCI/87-4873 dated 27.10.87; RBI Letter No. MA.ECD.SEC/ 3084/235(4)/87 dated 12.11.87.
1.1.1991	90,00,000 (50%)	18,00,00,000	Bonus issue of 1:1 made during 1990-91. Further, during the FY, 1,20,00,000 equity shares (66.66%) held by The English Electric Company of India Limited were transferred to GEC ALSTHOM NV after obtaining necessary statutory approvals.	GEC ALSTHOM NV - 66.66%; Public - 33.34%.	CCI Consent Order No. R-742/9/CCI/90 dated 17.10.90; RBI Letter No. MA. EC/SEC/2626/ 235/90 dated 3.11.90.
18.5.1993 (GECI) 25.5.94 (PESIL)	1,18,50,000 (39.70%)	29,85,00,000	1,18,50,000 equity shares were issued and allotted as fully paid-up pursuant to the	GEC ALSTHOM NV - 66.49%; Public -	Amalgamation of The General Electric Company of India Limited with The English Electric

Date of Allotment	Number of Shares (% of Share Capital)	Cumulative Paid-up Share Capital (Rs.)	Mode of Allotment	Identity of Allottees (promoters / Ex-promoters / Others)	Status of Compliance with the provisions of SEBI (SAST) Regulations and other applicable statutory requirements
			scheme of amalgamation between The General Electric Company of India Limited and The English Electric Company of India Limited (1,15,20,000 equity shares in the ratio of 4:5) and the scheme of amalgamation between GEC Power Engineering Services of India Limited and GEC ALSTHOM India Limited (3,30,000 equity shares in the ratio of 10:11) without payment being received in cash.	33.51%.	Company of India Limited by Calcutta High Court Order dated 26.3.93. Amalgamation of GEC Power Engineering Services of India Limited with GEC ALSTHOM India Limited by Calcutta High Court Order dated 7.2.94 and the Delhi High Court Order dated 16.3.94.
10.5.1995	99,48,966 (25%) 137 (0.00%)	39,79,91,030	Rights Issue of 1:3 at a premium of Rs. 40 per equity share made during 1994-1995. Out of 99,50,000 shares, 1,034 equity shares were kept in abeyance. Of this, 137 equity shares were allotted on 1.12.94.	GEC ALSTHOM NV - 66.49%; Public - 33.51%.	Draft Letter of Offer vetted by SEBI.
During 1995-96	266 (0.00%)	39,79,93,690	Out of the equity shares kept in abeyance, 266 equity shares were allotted during 1995-1996.	GEC ALSTHOM NV- 66.49%; Public - 33.51%.	-
During 1996-97	66 (0.00%)	39,79,94,350	Out of the equity shares kept in abeyance, 66 equity shares were	GEC ALSTHOM NV - 66.49%;	-

Date of Allotment	Number of Shares (% of Share Capital)	Cumulative Paid-up Share Capital (Rs.)	Mode of Allotment	Identity of Allottees (promoters / Ex-promoters / Others)	Status of Compliance with the provisions of SEBI (SAST) Regulations and other applicable statutory requirements
			allotted during 1996-1997.	Public - 33.51%	
During 1997-98	45 (0.00%)	39,79,94,800	45 equity shares allotted during 1997-1998.	GEC ALSTHOM NV- 66.49%; Public - 33.51%.	-
6.6.2000	87,992 (0.22%)	39,88,74,720	87,992 equity shares were allotted pursuant to a scheme of amalgamation between ALSTOM T&D Distribution Transformers Limited and the Target Company in the ratio of 1:1.	Alstom Holdings - 66.35%; Public - 33.65%;	By Calcutta High Court Order dated 6.3.2000 and Kerala High Court Order dated 29.3.2000.
8.8.2005	-	39,88,74,720	Consequent to acquiring ALSTOM T&D's business worldwide, the entire shareholding of ALSTOM Holdings SA, comprising of 2,64,64,400 equity shares (66.35%) were acquired by AREVA T&D SA on August 08, 2005. Further, as required under the SEBI (SAST) Regulations, AREVA T&D SA made an open offer to the minority shareholders of the Target Company on April 7, 2005. In response to the said open offer, 1,19,445 (0.30%) equity shares were acquired by AREVA T&D SA increasing its holding to 2,65,83,845 shares (66.65%).	AREVA T&D SA - 66.65% Public - 33.35%	Draft Letter of Offer vetted by SEBI

Date of Allotment	Number of Shares (% of Share Capital)	Cumulative Paid-up Share Capital (Rs.)	Mode of Allotment	Identity of Allottees (promoters / Ex-promoters / Others)	Status of Compliance with the provisions of SEBI (SAST) Regulations and other applicable statutory requirements
24.9.2007	79,33,335 (16.59%)	47,82,08,070	In terms of the scheme of amalgamation, sanctioned by the High Courts at Kolkata, New Delhi and Chennai, 55,78,790 equity shares of Rs. 10 each to T&D Holding and 23,54,545 equity shares of Rs. 10 each to Long & Crawford Ltd., the shareholders of the the transferor companies, AREVA T&D Systems India Limited, AREVA T&D Instrument Transformers India Private Limited and AREVA T&D Lightning Arresters Private Limited respectively, were allotted at the board meeting held on September 24, 2007.	AREVA T&D SA - 55.59 % T&D Holding - 11.66 % Long & Crawford Ltd. -4.93% Public - 27.82 %	Scheme of Amalgamation sanctioned by the Hon'ble High Court of Kolkata by Order dated July 5, 2007, Hon'ble High Court at New Delhi by Order dated August 14, 2007, Hon'ble High Court at Chennai by Order dated August 31, 2007, the 3 transferor Companies i.e. AREVA T&D Instrument Transformers India Private Limited, AREVA T&D Systems India Limited and AREVA T&D Lightning Arresters Private Limited amalgamated with the Target Company.
22.10.2008	-	47,82,08,070	Each equity share of Rs. 10 each of the Target Company was sub-divided to 5 equity shares of Rs. 2 each to improve the liquidity of the Target Company's shares in the stock market and to make it affordable to the small investors.	AREVA T&D SA - 55.59 % T&D Holding - 11.66 % Long & Crawford Ltd. -4.93% Public - 27.82 %	The shareholders, through a postal ballot on September 19, 2008, had accorded their approval for the sub-division of every equity share of Rs. 10 each to 5 Equity Shares of Rs. 2 each.

4.8 The Target Company's Shares (i.e. 39,887,472 (thirty nine million and eight hundred and eighty seven thousand and four hundred and seventy two) Shares of Rs. 10 (Rupees ten) each) were delisted from the Madras Stock Exchange with effect from October 28, 2003 in accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003.

4.9 The Target Company has no convertible instruments or stock options or any other instruments which may result in issuance of Shares by the Target Company prior to the expiration of 15 (fifteen) days after the Closure of the Offer. Further, there are no partly paid shares of the Target Company.

4.10 None of the Shares, except 6,973,490 (six million and nine hundred and seventy three thousand and four hundred and ninety) Shares constituting 2.92% (two point nine-two percent) of the subscribed and paid-up share capital of the Target Company held by T&D Holding and 2,943,180 (two million and nine hundred and forty three thousand and one hundred and eighty) Shares constituting 1.23% (one point two-three percent) of the subscribed and paid-up share capital of the Target Company held by Long & Crawford Ltd., are subject to any lock-in.

4.11 The Target Company and its promoters have complied with the applicable provisions of chapter II of the SEBI (SAST) Regulations, except for a delay by the Target Company of 62 (sixty two) days each in case of compliance with Regulation 6(2) on July 21, 1997 and compliance with Regulation 6(4) on July 21, 1997; and a delay of 130 (one hundred and thirty) days in case of compliance with Regulation 8(3) on December 21, 2004. SEBI reserves the right to initiate adjudication proceeding in the matter of non-compliance, as it may deem appropriate.

4.12 The Target Company has been in compliance with the listing requirements of the BSE, the CSE and the NSE, and no penal actions (including suspension) have been initiated by any of the aforementioned stock exchanges against the Target Company.

4.13 The details of the Board of Directors of the Target Company are set forth below:

S. No.	Name and Designation	Date of Appointment	Qualifications and Experience	Residential Address
1.	**Dr. Ajay Dua** (DIN Number: 02318948)	July 27, 2009	▪ Dr. Dua is a graduate in Economics from St. Stephens' College, Delhi. He has pursued his M.Sc (Economics) course at the London School of Economics and Politics. He completed his Ph.D from the University of Bombay. He holds diplomas in Business Administration, Marketing Management and the Russian language. ▪ Dr. Ajay Dua joined the Indian Administrative Services in 1971. Thereafter, he held a variety of senior assignments in the Government of Maharashtra and the Government of India, including that of the Managing Director of Industrial Promotion Corporation. He was also the Chief Executive Officer of Housing and Area Development Authority, the Joint Secretary in the Union Ministry of Power and the Director General at the Employees' State Insurance Corporation. ▪ He has served as the Secretary in the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry, Government of India. He has also worked as an industrial consultant in the Solomon Islands on behalf of the Commonwealth Secretariat, UK. ▪ Dr. Dua brings in significant experience of the	B 3, Defence Colony, New Delhi, 110024, India

S. No.	Name and Designation	Date of Appointment	Qualifications and Experience	Residential Address
			electricity industry having worked as a Joint Secretary in the Union Ministry of Power and as the Chairman cum Managing Director of National Hydro Electric Power Corporation and the Rural Electrification Corporation of India. He was an initiator of policy for the Power Sector Reforms in India. As Secretary in the Ministry of Industry and Commerce, he had spearheaded the formulation of policy for industrial development, intellectual property and promotion of domestic and foreign investments.	
2.	**Mr. Rathindra Nath Basu** (DIN Number: 01192973)	February 1, 2007	▪ Mr. Rathindra Basu has been a rank holder in Bachelor of Technology (Electronic Engineering) and Bachelor of Science (Physics) with top first class records. Mr. Basu is also a recipient of "National Scholar" award (1970) at High School from Govt of India. He has also attended 'Advanced Management Programme' at Insead, France and a programme on 'Global Electricity Markets' at the London Business School. ▪ He joined the National Thermal Power Corporation Limited in 1978 and worked as a lead Design and Project Engineer for India's first real time computer system for National Thermal Power Corporation's Power Plants at Singrauli. He worked closely with Black & Veatch Inc., Westinghouse on technology transfer and installed and commissioned projects in record time (the fastest project in India at that time). ▪ During 1983-1985, Mr. Basu worked with ESPL/Westinghouse to lead a start-up Automation business with Westinghouse technology. He succeeded in winning new businesses with utilities and industries and implemented industrial localisation of system design, project management, software development & hardware manufacturing. ▪ During 1985-1989, Mr. Basu headed the Energy	C -302, Pearls Gateway Tower, Plot No. D8A, Sector 44 Noida, Uttar Pradesh – 201301, India

S. No.	Name and Designation	Date of Appointment	Qualifications and Experience	Residential Address
			division of Cegelec India, a start-up at that time. Given the challenge was to enter a market which was highly protected in India, the mission was to deliver turnkey solutions in the field of Electrics and Automation for utilities and infrastructure. His major achievements in 1986 were winning two large automation contracts (6x500 MW) for National Thermal Power Corporation, creation of local engineering & project management team and a system integration facility at Noida for Electrics & Automation technologies. ▪ During 1989-1998, Mr. Basu was the Chief Executive Officer / Managing Director of Cegelec India. He was appointed as Chief Executive Officer in June 1989 with the key challenge to turnaround Cegelec India which was then a loss making company. The business scope was to deliver turnkey solutions of Electrics & Automation for Utilities, Industries & Infrastructure. The company achieved its turnaround by 1990. Thereafter, the company witnessed a profitable growth of over 50 times during this 10 year period. ▪ During 1998-2002, Mr. Basu was the Chief Executive Officer / Managing Director of ALSTOM Systems. He also integrated Cegelec India with the Substation and Protection Control business of the then GEC ALSTHOM, India. He later also looked at the high voltage direct current (HVDC) business. The company achieved accelerated growth in turnkey T&D projects & high voltage AC substations. The company attained market leadership in energy management systems & HVDC sub-station. This resulted in AREVA T&D's technology managing 70% power flow of India's power grid. ▪ Between 2003-2006, Mr. Basu was posted in Paris, as the Vice President - Power Distribution Product Line at AREVA T&D head-quarters to lead the Power Distribution business as a global P&L. While working there, he achieved a major turnaround and delivered strong growth in sales	

S. No.	Name and Designation	Date of Appointment	Qualifications and Experience	Residential Address
			(over Eur 600 million) as well as in net profit. The scope included delivering turnkey Power supply / Substation systems for Utility, Industry and Infrastructure markets spread across different geographies with P&L units reporting to Mr. Basu, located in Canada, United Kingdom, Germany, Poland, Greece, Sweden, Norway, Switzerland, Turkey, Singapore and Australia. ▪ Since January, 2007, Mr. Basu has been working as Country President & Managing Director of the Target Company. Over the last 3 years in net sales of the Target Company has grown at a compound annual growth rate of over 30%. Since 2008, the company became the market leader in T&D domain in India and India became the top country for AREVA T&D Global in 2008 & 2009. The Target Company was awarded the 'Best MNC in India' for 2008 award by Business Standard. ▪ He is also a member of the 'Indian National Committee on Power', formulated by the Confederation of Indian Industries.	
3.	**Mr. Michael Augonnet** (DIN Number: 00276267)	May 09, 2005	▪ Mr. Michael Augonnet is a graduate in Electrical Engineering from Ecole Superieure d'Electricite (France). His career started in 1974 at CEGELEC Energy Division. He has held several key positions at CEGELEC, ALSTOM and ABB ALSTOM. At present, he is also the Executive Vice President-Systems Business, AREVA T&D SA.	47, Rue Perronet 92200 Neuilly Sur Seine France
4.	**Mr. Arthur De Montalembert** (DIN Number: 00307758)	June 13, 2007	▪ Mr. Arthur De Montalembert graduated in Economics and Finance from the Paris Institute for Political Studies in the year 1974. He also holds a degree in Philosophy from the Paris-Sorbornne University and in Regional and Urban Planning from the French School of Civil Engineering. His career in the energy field started in 1979 as an Officer of International Energy Affairs at the French Ministry of Industry. He joined COGEMA, the French nuclear fuel cycle company in 1983 and held various positions for business development, including acting as COGEMA'S chief	18, Rue Pigalle 75009 Paris, France

S. No.	Name and Designation	Date of Appointment	Qualifications and Experience	Residential Address
			representative in Japan. From the beginning of 1995, he was in charge of American affairs at COGEMA's Corporate Strategy and International Development Division. In May, 2000, he was appointed as a Director for International Development.	
5.	**Mr. Chakkam parambil Madhava Menon Arvindakshan Nayar** (DIN Number: 00265660)	June 24, 2003	▪ Mr. Nayar is a B.Tech in Electrical Engineering from IIT, Madras and has also undergone advanced management training at the renowned institute Insead, Paris. He started his career as a project engineer with Alind, Kerala and thereafter became the Chief Executive of its switchgear division. In 1988, he left Alind and joined ALSTOM's power transmission division as a Marketing Manager. In ALSTOM, he had held several key positions.	Ratna, GPO Lane Trivandrum, Kerala - 695001, India
6.	**Mr. Pierre Laporte** (DIN Number: 02146282)	April 25, 2008	▪ Mr. Laporte has a Masters Degree in Business Law. ▪ His career started in 1987 as an attorney specializing in Business Law. He has held several key positions in the GE Group in Europe, Middle East, Africa and Asia Pacific. He joined AREVA in the year 2005 and was also the Senior Vice President, Corporate Legal and General Counsel of AREVA Corporate, France.	8, Rue De La Paroisse 78000 Versailles, France
7.	**Mr. Karim Vissandjee** (DIN Number: 00276556)	May 09, 2005	▪ Mr. Karim Vissandjee graduated with an honors degree in Economics and Finance from H.E.C., Montreal (Canada). His career started in 1985 at Olivetti, France and held reponsibilities in Management Control and Accounting until 1989. From 1990 to 1992, he was the Finance Director of Olivetti Office. ▪ In 1992, he joined the Valeo Group where he held top positions in Finance of several Divisions (Engine Coooing - Clutches - Ligthing) and was during 2 years, the Chief Financial Officer of Valeo, North America based in Detroit - Michigan. ▪ In 2001, he joined LVMH (Moet-Hennessey - Louis Vuitton) as the Group Controller. ▪ Before joining the AREVA Group, he was the Chief Financial Officer of Vedior France. ▪ Presently, Mr. Vissandjee is also a Director on the board of directors of AREVA India Private Limited.	15, Bis Rue Louis David 75116 Paris, France

Mr. Karim Vissandjee, a director of the Target Company, who was also on the board of directors of T&D Holding, as on the date of the Public Announcement, has resigned from the board of directors of T&D Holding on completion of the Global Acquisition (i.e. on June 7, 2010). Further, Mr. Pierre Laporte, a director of the Target Company, acts as an external advisor to the ALSTOM group of companies. Mr. Pierre Laporte acts as the general counsel of ALSTOM's high-voltage transmission business. Both the aforesaid directors on the Board of Directors of the Target Company have recused themselves and have not participated in any matter concerning or relating to the Offer including any preparatory steps leading to the Offer.

4.14 In the year 2007, the Hon'ble High Court of Calcutta by order dated July 05, 2007, the Hon'ble High Court of New Delhi by order dated August 14, 2007 and the Hon'ble High Court of Chennai by order dated August 31, 2007, sanctioned a scheme of amalgamation wherein AREVA T&D Instrument Transformers India Private Limited, AREVA T&D Systems India Limited and AREVA T&D Lightning Arresters Private Limited amalgamated with the Target Company. Consequent to the scheme of amalgamation, the Target Company allotted 7,933,335 (seven million and nine hundred and thirty three thousand and three hundred and thirty five) equity shares of Rs. 10 (Rupees ten) each to the shareholders of the aforementioned transferor companies. Other than the above, the Target Company has not been involved in any other merger, demerger or spin off in the past 3 (three) years. With a view to increasing the Target Company's shares in the market and to make it affordable to small investors, the nominal value of equity shares was sub-divided. The Shareholders, through a postal ballot on September 19, 2008, had accorded their approval for the sub-division of every equity share of Rs. 10 (Rupees ten) each to 5 (five) equity shares of Rs. 2 (Rupees two) each.

4.15 Based on the financial statements, audited by Deloitte Haskins & Sells, and prepared in accordance with the Companies Act, 1956, and the Indian GAAP, the financial information of the Target Company is as follows:

	12 month period ending December 31,		
Income Statement	**2007**	**2008**	**2009**
	(Rs. lacs)	*(Rs. lacs)*	*(Rs. lacs)*
Income			
Sales and Services (Gross)	221,803	282,663	372,412
Less: Excise duty	(21,176)	(18,541)	(15,824)
Sales and Services (Net)	**200,627**	**264,122**	**356,588**
Other income	1,502	1,387	1,731
Total	**202,129**	**265,509**	**358,319**
Expenditure			
Materials and Project Related Costs (Net)	126,712	172,577	249,259
Employee Costs	15,369	20,914	29,244
Other manufacturing, administration and selling expenses	22,755	28,119	37,936
Interest (Net)	663	2,981	5,786
Depreciation / Amortization	2,312	3,403	6,113
Total	**167,811**	**227,995**	**328,338**
Operating Profit before Restructuring, relocation and sale of property	**34,318**	**37,514**	**29,981**
Restructuring and relocation costs	-	(3,962)	(833)
Profit on sale of property	-	1,150	155
Profit Before Tax	**34,318**	**34,702**	**29,303**
Provision for taxation - Current	(12,610)	(12,662)	(7,101)
Provision for taxation - Deferred	317	1,047	(2,871)
Fringe benefit tax	(395)	(455)	(130)
Profit After Tax	**21,630**	**22,632**	**19,201**

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

Balance Sheet	As at December 31, 2007	2008	2009
	(Rs. lacs)	*(Rs. lacs)*	*(Rs. lacs)*
Sources of funds			
Shareholders' Funds			
Share capital	4,782	4,782	4,782
Reserves and surplus	50,153	67,719	81,877
Total shareholder's funds	**54,935**	**72,501**	**86,659**
Loan Funds			
Unsecured loans	10,120	46,922	76,761
Total loan funds	**10,120**	**46,922**	**76,761**
Total	**65,055**	**119,423**	**163,420**
Application of funds			
Fixed Assets			
Gross block	35,339	40,752	108,386
Less : Accumulated depreciation	18,268	21,044	24,547
Net block	**17,071**	**19,708**	**83,839**
Capital work-in-progress (including capital advances)	5,862	44,996	5,189
	22,933	**64,704**	**89,028**
Investments	0	0	0
Deferred Tax Assets	2,826	3,872	1,001
Current Assets, Loans and Advances			
Inventories	27,291	38,621	37,905
Sundry debtors	98,779	118,894	159,944
Cash and bank balances	2,302	4,509	13,253
Other current assets	4,076	25,825	44,747
Loans and advances	13,465	28,160	31,740
Total current assets, loans and advances	**145,913**	**216,008**	**287,589**
Less: Current Liabilities and Provisions			
Current liabilities	95,371	154,049	203,208
Provisions	11,246	11,113	10,989
Total current liabilities and provisions	**106,617**	**165,162**	**214,197**
Net Current Assets	**39,297**	**50,846**	**73,391**
Total	**65,055**	**119,423**	**163,420**

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

Other financial data	As at December 31, 2007	2008	2009
Dividend (%)	90.00	90.00	90.00
Earnings per Share (Rs.)	9.05	9.47	8.03
Return on networth (%)	39.37	31.22	22.16
Book value per Share (Rs.)	22.98	30.32	36.24

Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009

4.16 **Contingent liabilities** (*Source: Statutory Audited Accounts – December 2007, December 2008 and December 2009)*

Contingent Liabilities (not provided for in the balance sheet)	As at December 31, 2007 (Rs. Lacs)	2008 (Rs. Lacs)	2009 (Rs. Lacs)
Legal cases against the Target Company not acknowledged as debts	30	130	230
Sales tax and excise demands against which the Target Company has filed appeals	347	497	656

4.17 Explanation of the variation in total income and net profit in the recent years

CY 2009 vs. CY 2008

- Total income in CY 2009 increased by 35% (thirty five percent) over previous year, driven by strong growth in Systems Business activity and commencement of deliveries from new Greenfield sites.
- Net profit on the contrary fell by 15% (fifteen percent) due to severe price pressure. On an average, the price fall witnessed by the market is of the order of 15% (fifteen percent) to 20% (twenty percent).

CY 2008 vs. CY 2007

- Total income in CY 2008 increased by 32% (thirty two percent) increased by over previous year, driven by market growth.
- Net profit grew by 5% (five percent) due to sales mix and higher interest costs.
- During CY 2008, the Systems and Power transformer business units revised its accounting policy on recognizing revenue and cost, for projects based on certain internal milestones. This has resulted in increase in revenue by Rs 2,108,811,000 (Rupees two billion and one hundred and eight million and eight hundred and eleven thousand) and profit before tax for the year by Rs. 260,221,000 (Rupees two hundred and sixty million and two hundred and twenty one thousand).

4.18 **Significant Accounting Policies** (*Source: Statutory Audited Accounts – December 2009)*

The financial statements are prepared under the historical cost convention (other than land and buildings which have been revalued) on the accrual basis of accounting and in accordance with the Indian GAAP and comply with the accounting standards notified by the Central Government of India, under the Companies (Accounting Standards) Rules, 2006 and relevant provisions of the Companies Act, 1956. The significant accounting policies are as follows:

(a) Revenue recognition

Revenue is recognised on shipment or on unconditional appropriation of goods in accordance with the terms of the sale. Sales are inclusive of excise duties and net of trade discounts, returns and sales tax. Export benefits are accounted for in the year of exports based on eligibility or when there is no uncertainty in receiving the amount, at the estimated realisable value / actual credit earned during the year.

(b) Foreign currency transactions

Transactions in foreign currencies are accounted at the monthly average / daily exchange rates. Monetary assets and liabilities outstanding at the year end are restated at the closing rates. Exchange differences arising on foreign currency transactions settled during the year / restated at the end of the year are recognised in the profit and loss account.

In accordance with Accounting Standard AS-11 ('Revised'), 'The effects of changes in foreign exchange rates', the branches located outside India have been classified as "Integral foreign operation" and exchange differences on translation is charged to profit and loss account.

The Target Company uses forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable transactions. The use of forward contracts is governed by the Target Company's policies on the use of such financial derivatives consistent with the Target Company's risk management strategy. In cases where the Target Company has entered into forward exchange contracts with underlying transactions, the difference between the forward rate and the initial spot rate is recognised as an income or expense over the life of the contract. Exchange gains/losses on intermediary forward contracts relating to firm commitments are recognised in the profit and loss account based on fair value changes as at the balance sheet date. Any profit or loss arising on cancellation of forward exchange contracts is recognised as income or expense for the year. Cash flows arising on account of roll over of forward contracts are recognised as income/expense for the period.

(c) Fixed assets and depreciation

Fixed assets are recorded at cost (except for the revalued land and buildings which are shown at estimated replacement cost as determined by the valuers) less accumulated depreciation. The Target Company capitalises all costs relating to acquisition and installation of fixed assets. Cost of special tools is capitalised as plant and machinery.

Fixed assets, other than land, but including revalued buildings, are depreciated pro-rata to the period of use based on straight-line method over the estimated useful lives of assets, at the following annual rates which are higher than the rates specified under Schedule XIV of the Companies Act, 1956:

Buildings /Leasehold improvements	2.5%, 4% and 33.33%
Plant and machinery	10%, 20% and 33.3%
Computers and electronic data processing equipment	33.3% and 50%
Furniture and fittings, and Office equipment	10%, 15%, and 20%
Motor vehicles	25%
Goodwill	20%

Assets individually costing less than Rs 5,000 (Rupees five thousand) are fully depreciated in the year of addition.

Leasehold land/improvements are depreciated over a period not exceeding that of the lease.

The charge over and above the depreciation calculated on the original cost of the revalued assets is transferred from fixed asset revaluation reserve to the profit and loss account.

Direct expenditure on assets under construction or development is shown under capital work-in-progress, while indirect expenditure is charged off.

(d) Impairment of assets

The Target Company determines whether there is any indication of impairment of the carrying amount of the Target Company's assets. The recoverable amount of such assets are estimated, if any indication exists, and impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount.

(e) Research and development

Revenue expenditure on research and development activities is expensed in the year in which it is incurred.

(f) Technical know-how, testing and certification fees

Technical know-how, testing and certification fee in respect of new products is expensed in the year in which it is incurred.

(g) Inventories

Inventories comprising of raw material, work-in-progress, finished goods and stores and spares are valued at lower of cost (net of CENVAT, where applicable) and net realisable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost in respect of raw materials and stores and spares is established using moving weighted average method. Cost of finished goods and work-in-progress, determined on moving weighted average method, includes all applicable manufacturing overheads. The value of finished goods includes excise duty payable on dispatch. The inventories are stated net of write downs / allowances on account of obsolete, damaged and slow-moving items.

(h) Investments

Long term investments are stated at cost of acquisition. The diminution, if any, in the value of investments stated at cost, is recognised when such diminution is considered other than temporary.

(i) Employee benefits

Defined contribution plans:

i) **Provident Fund:** Contributions are made to the recognised provident fund trusts and are expensed to the profit and loss account. The interest rate payable by the trust to the beneficiaries every year is being notified by the Government. The Target Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the interest cost based on notification and the Target Company recognizes such obligation as an expense. The Target Company also contributes to the Regional Provident Fund on behalf of some of its employees who are not part of the above trusts and the above contributions are expensed to the profit and loss account.

ii) **Superannuation Fund:** The Target Company makes contribution to a scheme administered by the Life Insurance Corporation of India ("**LIC**") to discharge superannuating liabilities to the employees and the same is expensed to the profit and loss account. The Target Company has no liability other than its annual contribution.

Defined benefit plans (Long term employee benefits):

i) **Gratuity:** The Company makes contribution to a scheme administered by the LIC to discharge gratuity liabilities to the employees. Additional gratuity liability is determined based on actuarial valuation and is not funded through separate corpus. The Target Company accounts its liability for future gratuity benefits based on actuarial valuation, as at December 31, 2009, determined by LIC using the projected unit credit method.

ii) **Compensated leave:** The Target Company records its liability on compensated leave based on actuarial valuation as at the balance sheet date, using the projected unit credit method.

Effects of changes in actuarial valuations are immediately recognised in the profit and loss account.

Short term employee benefits:

Short term employee benefits are recognised as an expense as per the Target Company's scheme based on expected obligation on undiscounted basis.

(j) Employee voluntary separation schemes

Lump sum separation payouts are expensed when the scheme is accepted by an employee. In respect of schemes where payments are to be made for a longer period till the age of retirement or death of an employee, whichever is earlier, the liability is actuarially valued and charged to the profit and loss account in the year in which the scheme is accepted by an employee. In case of fixed term obligations, liabilities are valued at net present value. Interest component implicit in the payout during the period is expensed. Further, whenever a management decision is taken to restructure operations, the Target Company considers provision for estimated employee separation costs.

(k) Long-term contracts

Sales revenue and margins on construction contracts and certain services are recognized according to the percentage of completion method ("**PCM**"), as provided in AS 7 ('Revised') – 'Construction contracts'. Sales revenue and income from long-term contracts are recognized over the period of performance of the contract on achievement of certain internal milestones. Depending on the contract terms, the percentage of completion may be based on costs or the stage of physical completion. Under the cost-based PCM formula, the stage of completion is equal to the ratio of costs to the total estimated cost of the contract.

Under the physical completion PCM formula, a predetermined percentage of completion is assigned to each stage of completion of the contract. The sales revenue and costs recognized at the end of the period are equal to the percentage of sales revenue and anticipated costs for the stage of completion achieved at that date. Income recognition arising on these contracts is based on estimated overall profitability of individual contracts reviewed periodically. Direct costs incurred for long term contracts over and above the pro-rata to sales are considered as work-in-progress. Provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue, based on the management's analysis of the risks and exposures on a case to case basis.

(l) Taxation

Current tax is determined on the profit of the year in accordance with the provisions of Income Tax Act. Deferred tax is calculated at the tax rates and laws that have been enacted or substantially enacted by the balance sheet date and is recognised on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that they can be realised. Fringe benefits tax is calculated in accordance with the provisions of the Income Tax Act.

(m) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

(n) Provisions, Contingent assets and liabilities

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 as a liability but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

4.19 The shareholding pattern of the Target Company before and after the Offer is as follows:

	Shareholding/Voting rights prior to Offer (as on the date of the Public Announcement)		**Shares/Voting rights to be acquired in the Offer (assuming full acceptances)**		**Shareholder/Voting rights after the Offer (assuming full acceptances)**	
	(A)		**(B)**		**(A+B)**	
Shareholder Category	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
1. Promoters other than Acquirer / Person Acting in Concert	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (1)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirer / Persons Acting in Concerts						
Acquirer	Nil	Nil	47,821,327	20.00%	47,821,327	20.00%
T&D Holding (Person Acting in Concert)	27,893,950	11.67%	Nil	Nil	27,893,950	11.67%
AREVA T&D SAS (Person Acting in	132,919,225	55.59%	Nil	Nil	132,919,225	55.59%

Concert)						
Long & Crawford Ltd. (Person Acting in Concert)	11,772,725	4.92%	Nil	Nil	11,772,725	4.92%
Other Persons Acting in Concert	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (2)	**172,585,900**	**72.18%**	**47,821,327**	**20.00%**	**220,407,227**	**92.18%**
3. Public (other than Acquirer and Persons Acting in Concert)						
3 (a). Institutions			Nil	Nil	Based on responses to the offer	
Mutual Funds/ UTI	3,842,351	1.61%	Nil	Nil		
Financial Institutions/ Banks	177,450	0.07%	Nil	Nil		
Central Government/ State Government(s)	605	0.0003%	Nil	Nil		
Venture Capital Funds	-	-	Nil	Nil		
Insurance Companies	23,593,659	9.87%	Nil	Nil		
Foreign Institutional Investors	2,261,450	0.95%	Nil	Nil		
Foreign Venture Capital Investors	-	-	Nil	Nil		
Sub-total 3(a)	**29,875,515**	**12.49%**	Nil	Nil		
3 (b). Non-institutions			Nil	Nil		
Bodies Corporate	5,980,202	2.50%	Nil	Nil		
Individuals						
Individual shareholders holding nominal share capital up to Rs. 1 lac	27,464,985	11.49%	Nil	Nil		
Individual shareholders holding nominal share capital in excess of Rs. 1 lac	664,612	0.28%	Nil	Nil		
Trust	12,450	0.01%	Nil	Nil		
Foreign Nationals	605	0.00%	Nil	Nil		
NRIs	951,165	0.40%	Nil	Nil		
Clearing Member	1,568,201	0.66%	Nil	Nil		
OCBs	400	0.0002%	Nil	Nil		
Sub-total 3(b)	**36,642,620**	**15.32%**	Nil	Nil		
Total (3)	**66,518,135**	**27.82%**	**Nil**	**Nil**	**18,696,808**	**7.82%**
TOTAL (1 to 3)	**239,104,035**	**100%**	**47,821,327**	**20.00%**	**239,104,035**	**100%**

4.20 The details of the change in shareholding of the promoters of the Target Company are set forth below:

Date of Allotment	No. of shares Issued/(sold)	Cumulative No. of shares held	Mode of Acquisition	% of shares outstanding as on date of Public Announcement	Status of compliance with Chapter II of the SEBI (SAST) Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
AREVA T&D SAS					
8.8.2005	2,65,83,845 (66.65%)	2,65,83,845	Consequent to acquiring ALSTOM T&D's business worldwide, the entire shareholding of ALSTOM Holdings SA, comprising 2,64,64,400	55.59%* corresponding to 13,29,19,225 equity shares. (Consequent upon sub-division of share capital of the company each	Draft Letter of Offer was vetted by SEBI

Date of Allotment	No. of shares Issued/(sold)	Cumulative No. of shares held	Mode of Acquisition	% of shares outstanding as on date of Public Announcement	Status of compliance with Chapter II of the SEBI (SAST) Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
			equity shares (66.35%) were acquired by AREVA T&D SA on August 08, 2005. Further, as required under the SEBI (SAST) Regulations, AREVA T&D SA made an open offer to the minority shareholders of the Target Company on April 07, 2005. In response to the said open offer, 1,19,445 (0.30%) equity shares were acquired by AREVA T&D SA increasing its holdings to 2,65,83,845 shares (66.65%).	equity share of Rs. 10 each was divided into 5 equity shares of Rs. 2 each) *The change in percentage was on account of issue of shares made by the Target Company to T&D Holding and Long & Crawford Ltd. pursuant to the schemes of amalgamation sactioned by High Courts.	
T&D Holding and Long & Crawford Limited					
24.9. 2007	79,33,335 (16.59%)	79,33,335	In terms of the scheme of amalgamation, sanctioned by the High Courts at Kolkata, New Delhi and Chennai, 55,78,790 equity shares of Rs. 10 each to T&D Holding and 23,54,545 equity shares of Rs. 10 each to Long & Crawford Ltd., the shareholders of the transferor companies, i.e. AREVA T&D Systems India Limited, AREVA T&D Instrument Transformers India Private Limited and and AREVA T&D Lightning Arresters Private Limited respectively, were allotted at the board meeting held on	11.67% T&D Holding and 4.92% Long & Crawford Ltd. corresponding to 2,78,93,950 and 1,17,72,725 equity shares respectively (Consequent upon sub-division of share capital of the Target Company each equity share of Rs. 10 each was divided into 5 equity shares of Rs. 2 each)	N.A.

Date of Allotment	No. of shares Issued/(sold)	Cumulative No. of shares held	Mode of Acquisition	% of shares outstanding as on date of Public Announcement	Status of compliance with Chapter II of the SEBI (SAST) Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
			September 24, 2007.		

4.21 The promoters of the Target Company have been complying with the applicable provisions of the SEBI (SAST) Regulations and other statutory requirements.

4.22 The Target Company has been complying with the corporate governance requirements as are prescribed in Clause 49 of the Listing Agreement. The compliance of these conditions has been certified by the auditors of the Target Company for the fiscal years 2007, 2008 and 2009 by certificates dated February 28, 2008, February 20, 2009 and February 12, 2010 respectively.

4.23 Brief details of pending material litigations / proceedings involving the Target Company are set forth below:

4.23.1 The Target Company has applied for a renewal of the lease agreement in respect of 4.84 (four point eight-four) acres of land at Chennai, which expired on September, 1989. In terms of the lease deed, the rental was Rs. 2,108/- per annum till September 1989 and the revised rent upon renewal was supposed to be charged at a hike of 50% over the previous rent, amounting to Rs. 3,162/- per annum. However, it was proposed by the State Government to revise the rent to Rs. 384,454/- per annum. The Target Company has contested the enormous hike in rent by the State Government and the matter is sub-judice. An application of the Target Company for specific performance of the lease agreement was rejected by the trial court at Alandur, and the Target Company has preferred an appeal against the said judgment, which is pending, before the Sub-Court, Tambaram.

4.23.2 There is no material litigation pending against the Target Company, except as disclosed and provided for by the Target Company (based on the advice of the statutory auditors) as part of contingent liabilities as disclosed in the Annual Report as on December 31, 2009.

4.24 The details of the compliance officer of the Target Company are as follows:

Name: Mr. C.S. Ashok Kumar
Address: E-48/7, Okhla Industrial Area, Phase II, New Delhi - 110020, India
Tel. No. +91 120 4790000 / 4790104
Fax No. +91 120 4790286
Email: conjeevaramsanthanam.ashokkumar@areva-td.com

5. OFFER PRICE

5.1 The Shares are listed on the BSE, the CSE and the NSE. Based on information available (Source: www.bseindia.com, www.nseindia.com and CSE), the Shares are infrequently traded on the CSE and frequently traded on the NSE and the BSE (as the same are not infrequently traded within the meaning of Explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations). For the purpose of Regulation 20(4) of the SEBI (SAST) Regulations, the Shares are most frequently traded on the NSE.

5.2 With May 28, 2010 as the reference date, the Shares are frequently traded on the BSE and the NSE within the meaning of Regulation 20 of the SEBI (SAST) Regulations. The annualized trading turnover during the preceding 6 (six) months in which the Public Announcement was made, in terms of number and percentage of the total listed shares, on the BSE and the NSE, is as follows:

Name of Stock Exchange	Total no. of Shares traded during November 30, 2009, to April 30, 2010	Total no. of listed Shares as on March, 31, 2010	Annualized Trading Turnover (in terms of % to total listed Shares)	Frequently Traded
BSE	28,665,208	239,104,035	24.0%	Yes
NSE	49,391,738	239,104,035	41.3%	Yes

Source: BSE and NSE websites

As the annualized trading turnover on BSE and NSE is more than 5% (five percent) of the total number of listed Shares, the Shares are frequently traded as per the explanation to Regulation 20(5) of the SEBI (SAST) Regulations.

5.3 Under Regulation 20(12) of the SEBI (SAST) Regulations, the offer price for indirect acquisition or control is to be determined with reference to the date of the public announcement for the parent company and the date of the public announcement for acquisition of the shares of the target company, whichever is higher. The announcement for the acquisition of T & D Holding was made on January 20, 2010 and the Public Announcement for the Target Company was made on May 28, 2010. However, SEBI in the SEBI Observation Letter had *inter-alia* directed that the Offer Price be re-computed by taking into account the following 3 (three) reference dates: (i) November 30, 2009 (i.e. the date on which Areva SA decided to enter into exclusive negotiations with Alstom Holdings and Schneider Electric Industries SAS for the sale and purchase of its global transmission and distribution business), (ii) May 28, 2010 (i.e. the date of the Public Announcement to the Shareholders of the Target Company) and (iii) June 7, 2010 (i.e. the earliest date on which in SEBI's view, a public announcement could have been made to the Shareholders of Target Company as per the Regulations). The Tribunal in its Final Order has held that November 30, 2009, as a reference date for calculation of the Offer Price shall be ignored; and directed the Acquirer and PACs to proceed further in accordance with law. Apart from November 30, 2010, SEBI had also directed to re-compute the Offer Price based on the reference date of June 7, 2010. The Acquirer and PACs had objected to June 7, 2010 being a reference date as well; but did not press the plea as it did not amount to a change in the Offer Price. Hence, the same has not been examined further by the Tribunal in the Final Order. Therefore, June 7, 2010 will be reference date for calculation of the Offer Price along with January 20, 2010 and May 28, 2010.

5.4 The Offer Price of Rs. 295.34 (Rupees two hundred and ninety five and paise thirty four) per Share is justified in terms of Regulation 20(4) and 20(12) of the SEBI (SAST) Regulations, and is in keeping with the Final Order of the Tribunal **since it is the highest of the following:**

A	The negotiated price.	NA[(1)]
B1	The highest price paid by the Acquirer and Persons Acting in Concert for acquisition of Shares during the 26 (twenty six) week period prior to May 28, 2010 i.e. the date of the Public Announcement.	NA
B2	The average of the weekly high and low of the closing prices of the Shares on NSE during the 26 (twenty six) week period prior to May 28, 2010 i.e. the date of the Public Announcement.	Rs. 278.18
B3	The average of the daily high and low of the prices of the Shares on NSE during the 2 (two) week period prior to May 28, 2010 i.e. the date of the Public Announcement.	Rs. 248.17
C1	The highest price paid by the Acquirer and Persons Acting in Concert for acquisition of Shares during the 26 (twenty six) week period prior to January 20, 2010, i.e. the date on which the Global Acquisition was announced.	NA
C2	The average of the weekly high and low of the closing prices of the Shares on NSE during the 26 (twenty six) week period prior to January 20, 2010, i.e. the date on which the Global Acquisition was announced.	Rs. 295.33
C3	The average of the daily high and low of the prices of the Shares on NSE during the 2 (two) week period prior to January 20, 2010, i.e. the date on which the Global Acquisition was announced.	Rs. 280.21

D1	The highest price paid by the Acquirer and Persons Acting in Concert for acquisition of Shares during the 26 (twenty six) week period prior to June 7, 2010, i.e. the earliest date on which in SEBI's view, a public announcement could have been made to the Shareholders of Target Company as per the SEBI (SAST) Regulations.	NA
D2	The average of the weekly high and low of the closing prices of the Shares on NSE during the 26 (twenty six) week period prior to June 7, 2010, i.e. the earliest date on which in SEBI's view, a public announcement could have been made to the Shareholders of Target Company as per the SEBI (SAST) Regulations.	Rs. 277.50
D3	The average of the daily high and low of the prices of the Shares on NSE during the 2 (two) week period prior to June 7, 2010, i.e. the earliest date on which in SEBI's view, a public announcement could have been made to the Shareholders of Target Company as per the SEBI (SAST) Regulations.	Rs. 269.07

[(1)]Negotiated price is not applicable as the consideration paid by the Acquirer to AREVA SA does not attribute or allocate any specific amount for T&D Holding's interest in the Target Company. No specific financial diligence was undertaken by the Acquirer or the Persons Acting in Concert with respect to the Target Company in connection with the Global Acquisition. Consequently, no valuation of the Target Company was undertaken at any time in the course of the valuation of the Global Business.

5.5 The price and volume data of the Shares on the NSE, where the Shares are most frequently traded, preceding the date of the Public Announcement, *i.e.*, May 28, 2010 are set forth below:

(i) High / low of weekly closing prices for preceding 26 (twenty six) weeks:

Week No.	**Week Ending**	**High (Rs.)**	**Low (Rs.)**	**Average (Rs.)**	**Volume (NSE)**
1	Thursday, May 27, 2010	267.60	235.20	251.40	2,730,859
2	Thursday, May 20, 2010	260.30	248.05	254.18	1,152,610
3	Thursday, May 13, 2010	265.05	255.10	260.08	1,643,952
4	Thursday, May 06, 2010	272.75	263.30	268.03	1,281,176
5	Thursday, April 29, 2010	282.60	266.40	274.50	2,645,271
6	Thursday, April 22, 2010	299.25	287.80	293.53	1,574,040
7	Thursday, April 15, 2010	305.15	301.50	303.33	1,228,859
8	Thursday, April 08, 2010	313.25	304.10	308.68	1,674,098
9	Thursday, April 01, 2010	312.30	303.80	308.05	4,087,533
10	Thursday, March 25, 2010	306.35	277.80	292.08	4,670,834
11	Thursday, March 18, 2010	279.40	271.20	275.30	1,012,633
12	Thursday, March 11, 2010	282.10	274.80	278.45	1,602,435
13	Thursday, March 04, 2010	275.00	260.10	267.55	1,110,172
14	Thursday, February 25, 2010	276.15	257.95	267.05	1,215,171
15	Thursday, February 18, 2010	281.80	270.15	275.98	1,663,393
16	Thursday, February 11, 2010	271.80	266.05	268.93	892,734
17	Thursday, February 04, 2010	280.65	271.40	276.03	1,596,775
18	Thursday, January 28, 2010	284.00	267.95	275.98	2,128,285
19	Thursday, January 21, 2010	295.80	275.95	285.88	5,777,024
20	Thursday, January 14, 2010	284.50	278.70	281.60	2,064,099
21	Thursday, January 07, 2010	283.40	269.00	276.20	2,340,739
22	Thursday, December 31, 2009	269.45	268.45	268.95	386,755

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (NSE)
23	Thursday, December 24, 2009	276.70	270.80	273.75	628,004
24	Thursday, December 17, 2009	280.90	272.45	276.68	911,403
25	Thursday, December 10, 2009	281.25	277.60	279.43	941,835
26	Thursday, December 03, 2009	299.05	283.45	291.25	2,339,057

(ii) High / low of daily closing prices for preceding 2 (two) weeks:

Week No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (NSE)
1	Thursday, May 27, 2010	269.80	239.95	254.88	1,986,615
2	Wednesday, May 26, 2010	241.00	237.05	239.03	167,529
3	Tuesday, May 25, 2010	238.50	233.20	235.85	147,268
4	Monday, May 24, 2010	246.00	238.55	242.28	143,984
5	Friday, May 21, 2010	248.00	234.45	241.23	285,463
6	Thursday, May 20, 2010	254.95	246.00	250.48	119,667
7	Wednesday, May 19, 2010	257.80	248.50	253.15	201,591
8	Tuesday, May 18, 2010	262.60	254.00	258.30	228,326
9	Monday, May 17, 2010	258.50	247.60	253.05	339,497
10	Friday, May 14, 2010	259.40	247.50	253.45	263,529

5.6 The price and volume data of the Shares on the NSE, where the Shares are most frequently traded, preceding the date on which the Global Acquisition was announced *i.e.*, January 20, 2010 are set forth below:

(i) High / low of weekly closing prices for preceding 26 (twenty six) weeks:

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (NSE)
1	Tuesday, January 19, 2010	278.90	275.95	277.43	963,719
2	Tuesday, January 12, 2010	284.50	269.00	276.75	3,389,046
3	Tuesday, January 05, 2010	270.50	269.25	269.88	902,305
4	Tuesday, December 29, 2009	276.70	268.45	272.58	370,570
5	Tuesday, December 22, 2009	275.20	270.80	273.00	653,266
6	Tuesday, December 15, 2009	280.90	274.40	277.65	952,085
7	Tuesday, December 08, 2009	289.85	280.05	284.95	1,412,390
8	Tuesday, December 01, 2009	299.05	284.90	291.98	3,992,751
9	Tuesday, November 24, 2009	279.90	274.75	277.33	1,281,701
10	Tuesday, November 17, 2009	283.35	279.15	281.25	1,126,197
11	Tuesday, November 10, 2009	292.10	276.85	284.48	1,547,691
12	Tuesday, November 03, 2009	280.30	270.85	275.58	1,513,380
13	Tuesday, October 27, 2009	324.75	286.05	305.40	3,053,458
14	Tuesday, October 20, 2009	334.00	318.70	326.35	3,133,205
15	Tuesday, October 13, 2009	318.10	312.45	315.28	1,968,421
16	Tuesday, October 06, 2009	318.50	315.65	317.08	3,410,991
17	Tuesday, September 29, 2009	327.05	316.95	322.00	2,003,877
18	Tuesday, September 22, 2009	327.60	313.75	320.68	4,568,658
19	Tuesday, September 15, 2009	315.05	287.60	301.33	3,023,134

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (NSE)
20	Tuesday, September 08, 2009	298.65	291.25	294.95	2,069,680
21	Tuesday, September 01, 2009	297.25	295.45	296.35	2,221,423
22	Tuesday, August 25, 2009	299.95	293.30	296.63	610,775
23	Tuesday, August 18, 2009	304.05	291.75	297.90	1,026,243
24	Tuesday, August 11, 2009	314.70	282.10	298.40	1,183,330
25	Tuesday, August 04, 2009	320.65	310.60	315.63	928,086
26	Tuesday, July 28, 2009	338.25	317.55	327.90	1,213,823

(iii) High / low of daily closing prices for preceding 2 (two) weeks:

Week No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (NSE)
1	Tuesday, January 19, 2010	282.80	275.10	278.95	196,170
2	Monday, January 18, 2010	282.70	276.10	279.40	157,885
3	Friday, January 15, 2010	284.95	277.40	281.18	243,557
4	Thursday, January 14, 2010	284.60	278.00	281.30	156,893
5	Wednesday, January 13, 2010	284.50	276.60	280.55	209,214
6	Tuesday, January 12, 2010	291.00	274.00	282.50	706,006
7	Monday, January 11, 2010	288.65	278.25	283.45	226,589
8	Friday, January 08, 2010	291.70	283.00	287.35	765,397
9	Thursday, January 07, 2010	285.60	268.15	276.88	1,308,984
10	Wednesday, January 06, 2010	272.80	268.30	270.55	382,070

5.7 The price and volume data of the Shares on the NSE, where the Shares are most frequently traded, a day prior to June 7, 2010 are set forth below:

(i) High / low of weekly closing prices for preceding 26 (twenty six) weeks:

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (NSE)
1	Sunday, June 06, 2010	289.15	285.20	287.18	1,816,439
2	Sunday, May 30, 2010	286.45	235.20	260.83	5,974,218
3	Sunday, May 23, 2010	260.30	238.55	249.43	1,174,544
4	Sunday, May 16, 2010	262.95	250.50	256.73	1,631,489
5	Sunday, May 09, 2010	272.75	263.30	268.03	1,294,101
6	Sunday, May 02, 2010	277.15	266.40	271.78	2,159,979
7	Sunday, April 25, 2010	293.70	282.60	288.15	2,052,776
8	Sunday, April 18, 2010	302.15	299.25	300.70	1,240,439
9	Sunday, April 11, 2010	313.25	304.10	308.68	1,932,141
10	Sunday, April 04, 2010	308.85	303.80	306.33	1,983,033
11	Sunday, March 28, 2010	312.30	277.90	295.10	6,518,180
12	Sunday, March 21, 2010	277.80	271.20	274.50	864,366
13	Sunday, March 14, 2010	280.10	274.80	277.45	1,298,535
14	Sunday, March 07, 2010	282.10	263.15	272.63	1,567,429
15	Sunday, February 28, 2010	269.55	257.95	263.75	1,137,262
16	Sunday, February 21, 2010	281.80	270.15	275.98	1,993,366
17	Sunday, February 14, 2010	271.80	267.60	269.70	645,107

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (NSE)
18	Sunday, February 07, 2010	280.65	266.05	273.35	1,523,897
19	Sunday, January 31, 2010	282.65	267.95	275.30	1,687,723
20	Sunday, January 24, 2010	295.80	275.95	285.88	6,294,534
21	Sunday, January 17, 2010	281.40	278.70	280.05	1,542,259
22	Sunday, January 10, 2010	284.50	269.00	276.75	3,106,136
23	Sunday, January 03, 2010	269.45	268.45	268.95	386,755
24	Sunday, December 27, 2009	276.70	272.65	274.68	494,595
25	Sunday, December 20, 2009	276.55	270.80	273.68	775,923
26	Sunday, December 13, 2009	281.25	277.60	279.43	951,022

(iv) High / low of daily closing prices for preceding 2 (two) weeks:

Week No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (NSE)
1	Friday, June 04, 2010	291.40	286.00	288.70	428,922
2	Thursday, June 03, 2010	289.00	286.20	287.60	286,244
3	Wednesday, June 02, 2010	287.40	285.10	286.25	270,035
4	Tuesday, June 01, 2010	286.80	285.00	285.90	367,574
5	Monday, May 31, 2010	287.70	285.00	286.35	463,664
6	Friday, May 28, 2010	289.60	278.10	283.85	3,528,698
7	Thursday, May 27, 2010	269.80	239.95	254.88	1,986,739
8	Wednesday, May 26, 2010	241.00	237.05	239.03	167,529
9	Tuesday, May 25, 2010	238.50	233.20	235.85	147,268
10	Monday, May 24, 2010	246.00	238.55	242.28	143,984

5.8 **Other Parameters**: The financial parameters based on the audited financials for the year ended December 31, 2009 of the Target Company are as follows:

Parameter	(Rs./ Share)
Return of Networth[(1)]	22.16%
Book value per Share[(2)]	36.24
Earning per Share[(3)]	8.03
Price earning multiple (based on Offer Price) [(4)]	49.2x
Industry Price earning multiple[(5)]	30.2x

1. *Return on Networth calculated as Profit after tax / Networth as at the end of the year.*
2. *Book value per share calculated as Networth / Number of outstanding Shares (subscribed and paid-up) as at the end of the year.*
3. *Earning per Share (EPS) calculated as Net Profit attributable to equity holders /weighted average number of basic Shares.*
4. *Calculation based on trailing 12 (twelve) months Earning per Share of Rs. 6.0 (Rupees six) per Share from Capital Markets dated May 17-30, 2010, Vol XXV/06.*
5. *Source: Capital Markets dated May 17-30, 2010, Vol XXV/06; Industry: Electric equipment*

5.9 No acquisition will be made by the Acquirer in the open market during the last 7 (seven) working days prior to the Closure of the Offer.

5.10 In the opinion of the Manager to the Offer, Acquirer and the PACs, the Offer Price paid by the Acquirer and the PACs is justified. However, the Final Order dated October 29, 2010 is appealable before the Hon'ble Supreme Court under Section 15(z) of the Act and accordingly, the Offer Price will be subject to the outcome of such appeal, if any preferred by SEBI before the Hon'ble Supreme Court.

6. FINANCIAL ARRANGEMENTS

6.1. The total funding requirement for the Offer is Rs. 14,123,550,716.18 (Rupees fourteen billion and one hundred and twenty three million and five hundred and fifty thousand and seven hundred and sixteen and paise eighteen) (the "**Maximum Consideration**"), assuming full acceptance of the Offer.

6.2. Pursuant to the resolutions of the board of directors of Alstom Holdings dated May 12, 2010, Alstom Holdings has confirmed that it will provide the necessary funds to the extent of 70% (seventy percent) of the Maximum Consideration to enable the Acquirer to be able to fulfill its obligations under Regulation 29 of the SEBI (SAST) Regulations. Pursuant to the resolutions of board of directors of Schneider Electric Industries SAS dated March 18, 2010, Schneider Electric Industries SAS has confirmed that it will provide the necessary funds to the extent of 30% (thirty percent) of the Maximum Consideration to enable the Acquirer to fulfill its obligations under Regulation 29 of the SEBI (SAST) Regulations.

6.3. Société Générale, Agence Paris Opera, having its office at 50 Boulevard, Haussman 75009 Paris, who is the banker for Alstom Holdings, has by letter dated May 26, 2010 confirmed that Alstom Holdings has sufficient means and financial capability to enable the Acquirer to meet its obligations under the SEBI (SAST) Regulations. BNP Paribas having its office at 1, Boulevard Haussmann 75 425 Paris Cedex 9 - France, who is the banker for Schneider Electric Industries SAS, has by letter dated May 26, 2010 confirmed that Schneider Electric Industries SAS has sufficient means and financial capability to enable the Acquirer to meet its obligations under the SEBI (SAST) Regulations.

6.4. On behalf of the Acquirer, Bank of America N.A., a national banking association organized under the laws of the United States of America, having its head office at Charlotte, North Carolina, USA, and carrying on the business of banking in India as a scheduled commercial bank, and acting through its branch in India located at Express Towers, Nariman Point, Mumbai ("**Escrow Bank**") has issued a bank guarantee for Rs. 1,570,293,412 (Rupees one billion and five hundred and seventy million and two hundred and ninety three thousand and four hundred and twelve) in favour of the Manager to the Offer. The said amount is equivalent to the minimum prescribed amount of 25% (twenty five percent) of the value of the total consideration payable up to Rs. 1,000 (one thousand) million and 10% (ten percent) thereafter as per Regulation 28(2) of the SEBI (SAST) Regulations under the Offer (assuming full acceptance). The said bank guarantee entitles the Manager to the Offer to realize the value thereof in terms of the SEBI (SAST) Regulations.

6.5. In addition, the Acquirer, the Manager to the Offer and the Escrow Bank have entered into an open offer escrow agreement dated May 25, 2010 (''**Open Offer Escrow Agreement**'') in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Open Offer Escrow Agreement, the Acquirer has made a cash deposit of Rs. 142,029,342 (Rupees one hundred and forty two million and twenty nine thousand and three hundred and forty two) which is in excess of / at least 1% (one percent) of the Maximum Consideration, in an escrow account with the Escrow Bank (''**Open Offer Escrow Account**''). The Manager to the Offer has been duly authorized to realize the monies lying to the credit of the aforesaid Open Offer Escrow Account in terms of the SEBI (SAST) Regulations under the Open Offer Escrow Agreement.

6.6. Based on the above, the Manager to the Offer is satisfied of the ability of the Acquirer / Persons Acting in Concert to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

7. STATUTORY APPROVALS

7.1. The Acquirer has received an approval dated August 4, 2010 from the RBI to acquire up to 47,821,327 (forty seven million and eight hundred and twenty one thousand and three hundred and twenty seven) Shares tendered under the Offer from residents of India, NRIs and non-residents. However, in terms of the approval, the RBI has provided that the acquisition of the Shares tendered by any OCB shall be subject to the specific approval of the RBI.

7.2. As on the date of this Letter of Offer, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to implement the Offer, other than that specified in paragraph 7.1. If any other statutory approvals become applicable prior to completion of the Offer, the Offer will also be subject to such other statutory approval. The Acquirer shall have the right not to proceed with the Offer and withdraw the same in accordance with the terms of Regulation 27 of the SEBI (SAST) Regulations in the event that any such statutory approval is not received.

7.3. In case of delay in receipt of any statutory approvals, the SEBI has the 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 delayed period as may be directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable.

7.4. Neither the Acquirer nor any of the Persons Acting in Concert requires any approvals from financial institutions or banks from the Offer.

8. TERMS AND CONDITIONS OF THE OFFER

8.1. All Shares tendered in the Offer will be acquired by the Acquirer, subject to the terms and conditions set out in this Letter of Offer.

8.2. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal constitute an integral part of the terms of the Offer.

8.3. The Offer shall open on Saturday, November 6, 2010 and will remain open until Thursday, November 25, 2010.

8.4. All owners (registered or unregistered) of Shares, except the Acquirer and the Persons Acting in Concert, are eligible to participate in the Offer anytime before the Closure of the Offer, i.e., no later than Thursday, November 25, 2010.

8.5. The Acquirer shall not be responsible in any manner for any loss of Share certificates and other documents during transit and also for the non-receipt of the Shares held in the dematerialized form due to inaccurate/incomplete particulars/instructions and the Shareholders are advised to adequately safeguard their interests in this regard.

8.6. Shares that are subject to charge, lien or encumbrance are liable to be rejected in the Offer. Applications in respect of Shares that are a subject matter of litigation wherein the Shareholders are prohibited from the transferring the Shares during the pendency of the said litigation will be rejected, if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 This Letter of Offer with the Form of Acceptance-cum-Acknowledgement ("**Form of Acceptance-cum-Acknowledgement**") and Form of Withdrawal will be mailed to the Shareholders (other than the Acquirer and the Persons Acting in Concert), whose names appear on the register of members of the Target Company and to the beneficial owners of the Shares of the Target Company whose names appear in the beneficial records of the respective depositories as on the close of business on Friday, June 25, 2010 (the "**Specified Date**").

9.2 Shareholders can also download this Letter of Offer and the Form of Acceptance-cum-Acknowledgement placed on the SEBI website at www.sebi.gov.in and send in their acceptances by filling the same.

9.3 Unregistered Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares tendered, distinctive numbers, folio number, together with the original Share certificates, valid transfer deeds and the original contract notes issued by the broker through whom they acquired their Shares, either by hand delivery on weekdays or by registered post, so that the same are received on or before the Closure of the Offer, *i.e.*, no later than Thursday, November 25, 2010. No indemnity is required from the unregistered Shareholders.

9.4 In case of non-receipt of this Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares tendered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before the Closure of the Offer, *i.e.*, no later than Thursday, November 25, 2010, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before the Closure of the Offer, *i.e.*, no later than Thursday, November 25, 2010.

9.5 Shareholders who are holding Shares in physical form and who wish to tender their Shares in the Offer will be required to send the Form of Acceptance-cum-Acknowledgement, original Share certificates and transfer deeds, duly signed, and addressed to the Registrar to the Offer, either by hand delivery on weekdays or by registered post, so as to reach the Registrar to the Offer on or before the Closure of the Offer, *i.e.*, no later than Thursday, November 25, 2010, in accordance with the instructions specified in this Letter of Offer and the Form of Acceptance-cum-Acknowledgement.

9.6 Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, to the Registrar to the Offer, either by hand delivery on weekdays or by registered post, so as to reach the Registrar to the Offer on or before the Closure of the Offer, *i.e.*, no later than Thursday, November 25, 2010. The credit for the delivered Shares should be received in the Depository Escrow Account, on or before the Closure of the Offer, *i.e.*, no later than Thursday, November 25, 2010.

9.7 Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favor of the Depository Escrow Account with NSDL.

9.8 Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting their Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before the Closure of the Offer, *i.e.*, no later than Thursday, November 25, 2010, or else their application will be rejected.

9.9 The Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) if the original Shareholder is no more;
- duly attested power of attorney if any person apart from the Shareholder has signed the application form and / or transfer deeds;
- in case of companies, the necessary corporate authorization (including certified copy of board resolutions); and
- any other relevant documents.

9.10 The Shareholders who wish to accept the Offer can also deliver the Form of Acceptance-cum-Acknowledgement along with all of the relevant documents at any of the collection centers mentioned below, in accordance with the procedure as set out in this Letter of Offer:

S. No.	**Center**	**Address**	**Contact Person**	**Tel. No.**	**Fax. No.**	**Mode of Delivery**
1	**Mumbai**	Bigshare Services Private Limited, E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400072.	Mr. Babu Raphael	022 4043 0200	022 2847 5207	Post/ Hand Delivery
2	**Pune**	Bigshare Services Private Limited C/O Sree Courier Services, 159, Somwar Peth, Near Nageshwar Mandir, Pune – 411011.	Mr. Kiran Bhosle	93710 00167 / 020 6401 1770	-	Hand Delivery

3	**Baroda**	Bigshare Services Private Limited C/o Skystock Financial Services. 45, Taskent Society, Near Dave Deep Shopping Complex, Nizampura, Baroda – 390002.	Mr. Sanjay Suthar	98254 50718	0265 277 5420	Hand Delivery
4	**Surat**	Bigshare Services Private Limited, C/o Skystock Financial Services, 2nd Garden View, Near Raymonds Showroom, Opposite Rangupvan, Makkaipul, Surat, 395001.	Mr. Akil Saiyed	98251 71771 0261 2472324	0261 235 2742	Hand Delivery
5	**Chennai**	Bigshare Services Private Limited C/O Skystock Financial Services, 1st Floor, B2 Gemini Parsan Commercial Complex, Chennai – 600006.	Mr. K.V. Supara	91766 97491 93810 97491	-	Hand Delivery
6	**New Delhi**	Bigshare Services Private Limited C/o Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Nr. Gol Market, Opp. SBI ATM New Delhi – 110001.	Mr. Sridhar Iyer	93125 46905 93137 96360	-	Hand Delivery
7	**Jaipur**	Bigshare Services Private Limited C/o M/s Maloo Finance & Investment Services, 103 & 110, First Floor, Brij Anukampa, Opposite BSNL Office, Ashok Marg, C Scheme, Jaipur – 302001.	Mr. Ramesh Maloo	98290 06801 0141 236 0571/ 0	0141 236 0572	Hand Delivery
8	**Kolkata**	Bigshare Services Private Limited C/o Maheshwari Datamatics Private Limited, 2nd Floor, 6, Mangoe Lane, Kolkata – 700001.	Mr. Rajgopal	033 2243 5029	033 2248 4787	Hand Delivery
9	**Hyderabad**	Bigshare Services Private Limited G-10, Left Wing, Amrutha Ville, Opposite Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500082.	Mr. Bojimon	040 2337 4967	040 2337 0295	Hand Delivery
10	**Ahmedabad**	Bigshare Services Private Limited, C/o Vishwam Advisory Private Limited, 310, Aditya Plaza, Near Karnavati Apartments, Jodhpur, Satellite, Ahmedabad – 380015.	Mr. Hitesh Buch	079 4032 1260	-	Hand Delivery

All of the centers mentioned herein below will be open as follows**:**
Business Hours:
Monday to Friday: 10.30 AM to 4.30 PM
Saturday: 10.30 AM to 1.00 PM. (The collection centre at Hyderabad shall remain open on Saturdays from 10.30 AM to 4.30 PM)
Holidays: Sundays and Public Holidays

9.11 The Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the Persons Acting in Concert or the Target Company.

9.12 Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, Shareholders desirous of withdrawing the Shares tendered by them in the Offer may do so up to 3 (three) working days prior to the Closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before Monday, November 22, 2010.

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

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

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

- In case of dematerialized Shares: name, address, number of Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account.

9.13 In case of partial withdrawal 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 those holders of Shares whose names appear on the register of members.

9.14 The Shares are compulsorily traded in dematerialized form; hence the minimum acceptance will be 1 (one) Share.

9.15 The Registrar to the Offer will hold in trust the Shares held in physical form and in credit of the Depository Escrow Account, the Form of Acceptance-cum-Acknowledgement, if any, and the transfer form(s) on behalf of the Shareholders who have accepted the Offer, till completion of the Offer formalities. In case of Shares tendered in physical form, where the original Share certificates are required to be split, all the documents will be returned only upon receipt of Share certificates from the Target Company.

9.16 If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.

9.17 Unaccepted Share certificates, transfer forms and other documents, if any, will be returned by registered post/speed post at the Shareholders'/unregistered Shareholders' sole risk to the sole/first Shareholder. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

9.18 Compliance with tax requirements:

(i) While tendering Shares under the Offer, NRI, OCBs, FIIs and other non-resident Shareholders will be required to submit a tax clearance certificate ("**Tax Clearance Certificate**") from the income tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, before remitting the consideration. In case the Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the Shareholder under the Income Tax Act on the entire consideration amount payable to such Shareholder.

(ii) As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act to an FII as defined in Section 115AD of the Income Tax Act. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision.

(iii) For interest payments, if any, NRIs, OCBs, FIIs and other non-resident Shareholders will be required to submit a Tax Clearance Certificate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the rate, as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the consideration payable as interest to such Shareholder.

(iv) NRIs, OCBs, FIIs and other non-resident Shareholders would be required to submit their PAN for income tax purposes. In case PAN is not submitted, the Acquirer will arrange to deduct tax at the rate of 20% (twenty percent) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.

(v) In case of resident Shareholders, tax will be deducted on the interest component exceeding Rs. 5,000 (Rupees five thousand) at the applicable current prevailing rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a Tax Clearance Certificate indicating the amount of tax to be deducted by Acquirer or a self-declaration in form 15G or form 15H as may be applicable. Shareholders eligible to receive interest component exceeding Rs. 5,000 (Rupees five thousand) would be required to submit their PAN for income tax purposes. All resident Shareholders would be required to submit their PAN for income tax purposes.

9.19 Payment to those Shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Acquirer / Persons Acting in Concert will be by way of a bankers' cheque / demand draft/ NEFT / RTGS/ NECS/ ECS. Shareholders who opt for receiving consideration through NEFT/RTGS/ NECS/ ECS are requested to give the authorization for the same in the Form of Acceptance-cum-Acknowledgement and enclose a photocopy of cheque along with Form of Acceptance-cum-Acknowledgement. The decision regarding the acquisition (in part or full), or rejection of, the Shares tendered pursuant to the Offer and (i) any corresponding payment for the acquired Shares and/or (ii) Share certificates for any rejected Shares or Shares withdrawn, will be dispatched to the Shareholders by registered post or by ordinary post as the case may be*, at the Shareholder's sole risk. Shares held in dematerialized form to the extent not acquired or Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgment.

** Dispatches involving payment of a value in excess of Rs. 1,500 (Rupees one thousand and five hundred) will be made by registered post at the Shareholder's sole risk. All other dispatches will be made by ordinary post at the Shareholder's sole risk.*

9.20 All bankers' cheques / demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque / demand draft.

9.21 The Acquirer / Persons Acting in Concert reserve the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of a public announcement in the same newspapers in which the Public Announcement appears.

9.22 While tendering the Shares under the Offer, NRIs, OCBs, FIIs, and other non-resident Shareholders will be required to submit the previous RBI approvals (specific or general) that they obtained to acquire the Shares of the Target Company. **In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.** Further, in terms of the RBI approval dated August 4, 2010, acquisition of Shares tendered by the OCBs shall be subject to receipt of the specific approval of the RBI in this regard.

10. DOCUMENTS FOR INSPECTION

10.1 The following documents are available for inspection to the Shareholders at the office of the Manager to the Offer at 8th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021 India, between 10:30 a.m. and 3:00 p.m. on all working days (except Saturdays, Sundays and bank holidays) till the Closure of the Offer, *i.e.*, Thursday, November 25, 2010:

(i) Copy of the certificate of incorporation, memorandum of association and articles of association, or equivalent constitutional documents of the Acquirer and Persons Acting in Concert;

(ii) Copy of the statutory audited accounts of the Target Company for the years ended on December 31, 2007; December 31, 2008 and December 31, 2009;

(iii) Copy of the statutory audited accounts of:

(a) Acquirer – for the period ended on March 31, 2010;

(b) Alstom Holdings - for the year ended on March 31, 2008; March 31, 2009 and March 31, 2010;

(c) Schneider Electric Industries SAS - for the year ended on December 31, 2007, December 31, 2008 and December 31, 2009;

(d) Schneider Electric Services International - for the year ended on December 31, 2007, December 31, 2008 and December 31, 2009;

(e) Schneider Electric India Private Limited - for the year ended on March 31, 2007, March 31, 2008 and March 31, 2009 and December 31, 2009;

(f) T&D Holding - for the year ended on December 31, 2007, December 31, 2008 and December 31, 2009;

(g) AREVA T&D SAS - for the year ended on December 31, 2007, December 31, 2008 and December 31, 2009;

(h) Long & Crawford Ltd. - for the year ended on December 31, 2007, December 31, 2008 and December 31, 2009;

(iv) Copy of the certificates dated May 26, 2010 issued by Société Générale, banker to Alstom Holdings and BNP Paribas, banker to Schneider Electric Industries SAS, certifying sufficiency of means and capability of Persons Acting in Concert to fund the Acquirer;

(v) Copy of the Open Offer Escrow Agreement dated May 25, 2010 entered into amongst the Acquirer, the Manager to the Offer and the Escrow Bank;

(vi) Copy of the bank guarantee for Rs. 1,570,293,412 (Rupees one billion and five hundred and seventy million and two hundred and ninety three thousand and four hundred and twelve) issued by Bank of America N.A. located at Express Towers, Nariman Point, Mumbai in favour of the Manager to the Offer;

(vii) Copy of the Public Announcement dated May 28, 2010 together with a copy each of the First Corrigendum to the Public Announcement, the Second Corrigendum to the Public Announcement and the Third Corrigendum to the Public Announcement;

(viii) Copy of the agreement between the Registrar to the Offer and DSPML as DP for opening Depository Escrow Account for the purpose of the Offer;

(ix) Copy of the share purchase agreement dated January 20, 2010 and the amendments dated May 25, 2010 and June 7, 2010;

(x) Copy of the RBI approval dated August 4, 2010;

(xi) SEBI observation letter no CFD/DCR/TO/DMS/22710/10 dated October 7, 2010;

(xii) Order of the Tribunal dated October 14, 2010 and Final Order of the Tribunal dated October 29, 2010.

11. DECLARATION BY THE ACQUIRER AND PERSONS ACTING IN CONCERT

11.1 All directors of Acquirer and Persons Acting in Concert accept full responsibility for the information contained in this Letter of Offer except the information pertaining to the Target Company which has been obtained from the Target Company.

11.2 Each of the Acquirer and the Persons Acting in Concert shall be, severally and jointly, responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations laid down in the SEBI (SAST) Regulations.

11.3 All information contained in this Letter of Offer is as on the date of the Public Announcement, unless expressly stated otherwise.

11.4 Certain financial details contained in this Letter of Offer are denominated in GBP or Euro. The Rupee equivalent quoted in each case for Euro is calculated based on the RBI reference rate of Rs. 58.3800 per Eur as on May 24, 2010. The Rupee equivalent quoted in each case for GBP is calculated based on the RBI reference rate of Rs. 67.6435 per GBP as on May 24, 2010.

On behalf of ALSTOM Sextant 5

Ms. Karine Lenglart
Authorised Signatory
Place : Paris
Date : October 29, 2010

On behalf of ALSTOM Holdings

Ms. Kareen Ceintre
Authorised Signatory
Place : Paris
Date : October 29, 2010

On behalf of Schneider Electric Industries SAS

Mr. Alexandre Tagger
Authorised Signatory
Place : New Delhi
Date : October 29, 2010

On behalf of Schneider Electric Services International

Mr. Alexandre Tagger
Authorised Signatory
Place : New Delhi
Date : October 29, 2010

On behalf of Schneider Electric India Private Limited

Mr. Alexandre Tagger
Authorised Signatory
Place : New Delhi
Date : October 29, 2010

On behalf of AREVA T&D SAS

Mr. Gerhard Seyrling
Authorised Signatory
Place : Paris
Date : October 29, 2010

On behalf of T&D Holding

Mr. Gerhard Seyrling
Authorised Signatory
Place : Paris
Date : October 29, 2010

On behalf of Long & Crawford Ltd.

Mr. Maurice Williams
Authorised Signatory
Place : Stafford
Date : October 29, 2010

Enclosed:
(1) Form of Acceptance-cum-Acknowledgement
(2) Form of Withdrawal
(3) Transfer deed for Shareholders holding Shares in physical form

ANNEXURE – I

Status of compliance with the provisions of Chapter II of the Regulations by the Target Company

S. No.	**Regulation/Sub-Regulation**	**Due date of compliance mentioned in Regulation**	**Actual date of compliance**	**Delay, if any**	**Remarks**
1	6(2) &(4)	19th May 1997	21st July 1997	62 Days	Filed with the Stock Exchanges. No comments received.
2	8(3)	30th April 1998	24th April 1998	-	-
3	8(3)	30th April 1999	29th April 1999	-	-
4	7(3)	9th August 1999	3rd August 1999	-	This return was filed at the time of transfer of the entire shareholding of GEC ALSTHOM NV to ALSTOM France SA which was duly exempted by SEBI from the Takeover Code vide its Order dated 7.4.1999.
5	8(3)	30th April 2000	13th April 2000	-	-
6	8(3)	30th April 2001	20th April 2001	-	-
7	8(3)	30th April 2002	5th April 2002	-	-
8	8(3)	30th April 2003	7th April 2003	-	-
9	8(3)	30th April 2004	6th April 2004	-	-
10	8(3)	12th August 2004	21st December 2004	130 days	Filed with the Stock Exchanges. No comments received.
11	8(3)	30th April 2005	7th April 2005	-	-
12	7(3)	15th August 2005	11th August 2005	-	-
13	8(3)	6th October 2005	22nd September 2005	-	-
14	8(3)	30th April 2006	12th April 2006	-	-
15	8(3)	15th June 2006	18th May 2006	-	-
16	8(3)	30th April 2007	10th April 2007	-	-
17	8(3)	5th December 2007	22nd November 2007	-	-
18	8(3)	30th April, 2008	25th April 2008	-	-
19	8(3)	25th May 2008	5th May 2008	-	-
20	8(A4)	13th February 2009	6th February 2009	-	-
21	8(3)	30th April 2009	21st April 2009	-	-
22	8(3)	11th June 2009	26th May 2009	-	-
23	8(3)	30th April 2009	21st April 2009	-	-
24	8(3)	11th June 2009	26th May 2009	-	-
25	8(3)	30th April 2010	27th April 2010	-	-
26	8(3)	15th May 2010	10th May 2010	-	-

ANNEXURE – II

Status of compliance with the provisions of Chapter II of the Regulations by the Acquirer / Persons Acting in Concert

S. No.	Regulation/Sub-Regulation	Due date of compliance mentioned in Regulation	Actual date of compliance	Delay, if any	Remarks
Alstom Holdings					
1	7(1) & (2)	6th August 1999	2nd August 1999	-	Shares were acquired by ALSTOM France SA (name later changed to ALSTOM Holdings SA) from GEC ALSTHOM NV in July/August 1999. Hence disclosure made for the first time in 1999 only.
2	8 (1) & (2)	21st April 2000	3rd April 2000	-	
3	8 (1) & (2)	21st April 2001	2nd April 2001	-	
4	8 (1) & (2)	21st April 2002	2nd April 2002	-	
5	8 (1) & (2)	21st April 2003	2nd April 2003	-	
6	8 (1) & (2)	21st April 2004	2nd April 2004	-	
7	8 (2)	3rd August 2004	20th December 2004	138 days	Filed disclosure under Reg 8(3) with the Stock Exchanges upon receipt of the disclosure from Promoters. No comments received.
8	8 (1) & (2)	21st April 2005	2nd April 2005	-	
9	7(1A)	10th August 2005	9th August 2005	-	
AREVA T&D SA					
10	7(1A)	10th August 2005	8th August 2005	-	
11	8 (2)	27th September 2005	6th September 2005	-	
12	8(1)& (2)	21st April 2006	3rd April, 2006	-	-
13	8 (2)	6th June 2006	17th May 2006	-	-
14	8(1) & (2)	21st April 2007	5th April 2007	-	-
AREVA T&D SA alongwith T&D Holding and Long & Crawford Ltd.					
15	8(2)	26th November 2007	15th November 2007	-	-
16	8(1) & (2)	21st April 2008	14th April 2008	-	-
17	8(2)	16th May 2008	1st May 2008	-	-
18	8(A1), (A2) & (A3)	6th February 2009	6th February 2009	-	-
19	8(1) & (2)	21st April 2009	9th April 2009	-	-
20	8(2)	2nd June 2009	18th May 2009	-	-
21	8(1) & (2)	21st April 2010	7th April 2010	-	-
22	8(2)	6th May 2010	3rd May 2010	-	-

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this form with enclosures to the Registrar to the Offer at its address given overleaf)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

OFFER
Opens on: Saturday, November 6, 2010
Closes on: Thursday, November 25, 2010

From
Name:
Address:

Status: ☐ Resident ☐ Non-resident (√ whichever is applicable)

Tel. No. Fax No. E-mail:

To,
Bigshare Services Private Limited
E-2 Ansa Industrial Estate, Sakivihar Road
Saki Naka, Andheri (East)
Mumbai - 400 072

Sub: Open offer to acquire upto 47,821,327 Shares representing 20% of the issued share capital of Areva T&D India Limited ("Offer") at Rs. 295.34/- per Share ("Offer Price")

Dear Sir,

I/We refer to the Public Announcement dated May 28, 2010 and Letter of Offer dated October 30, 2010 to acquire the Shares held by me/us in Areva T&D India Limited.

Capitalized terms used but not defined herein have the meaning ascribed to them in the Letter of Offer.

I/We, the undersigned, have read the Letter of Offer and understood its contents, including the terms and conditions mentioned therein and unconditionally agree to the terms and conditions.

For Shares held in physical form

I/We hold the following Shares in the physical form and 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.	**Ledger Folio No.**	**Certificate No.**	**Distinctive Nos.**		**No. of Shares**
			From	**To**	
1					
2					
3					
4					
				Total	

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

I/We confirm that the Offer is hereby accepted by me/us and that the Shares which are being tendered herewith by me/us under this Offer are free from liens, charges and encumbrances of any kind whatsoever and are also not the subject matter of litigation whereunder the transfer of Shares may be prohibited during the pendency of such litigation.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed(s) will be held in trust by the Registrar to the Offer, until payment of the consideration or the unaccepted Shares are dispatched / returned. .
I/We also note and understand that the Acquirer will pay the Offer Price only after verification of documents and signatures. .

For Shares held in dematerialised form

I/We, hold the following Shares in dematerialized form and accept the Offer and enclose a photocopy of the delivery instructions duly acknowledged by the DP in respect of my/our Shares, as detailed below:

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

I/We have done an off-market transaction for crediting the Shares to the Depository Escrow Account whose particulars are:

Depository: NSDL

DP Name: **DSP Merrill Lynch Limited**	DP ID: **IN302638**	Client ID: **10056839**

For shareholders having their beneficiary account in CDSL, have to use-an inter depository delivery instruction slip for the purpose of crediting Shares to the Depository Escrow Account with NSDL.

☐ a delivery instruction from my / our account with NSDL.
☐ an inter depository delivery instruction from my /our account with CDSL.
(√ whichever is applicable)
I / We note and understand that the Shares would remain in the said account i.e. the Depository Escrow Account until payment of consideration or the unaccepted Shares are dispatched / returned. .

I/We authorise the Acquirer:

- to acquire the all Shares so tendered by me/us or such lesser number of Shares, which it may decide to accept, in consultation with the Manager to the Offer and in terms of the Letter of Offer;
- to return to me/us, the Share certificate(s) and in the case of dematerialized Shares to credit such Shares to my/our depository account, to the extent that the Shares tendered by me/us are not found valid / accepted, in each case at my/our sole risk, specifying the reasons thereof.
- to return to me/us Share certificate(s) and in the case of dematerialized Shares to credit such Shares to my/our depository account, if the Shares so tendered are withdrawn by me/us (in terms of and subject to the Letter of Offer), in each case at my/our sole risk.
- to split/consolidate the Share certificates comprising the Shares that are not acquired or accepted and the Acquirer/Registrar to the Offer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post / ordinary post (as described in the Letter of Offer) the bankers' cheque / demand draft as purchase consideration to the sole/first holder at the address mentioned above.

The Permanent Account Number allotted under the Income Tax Act is as under:

	1st Shareholder	**2nd Shareholder**	**3rd Shareholder**
Full Name			
PAN No.			
Signature			

For NRIs/OCBs/other non-resident Shareholders:

I/We have enclosed the following documents:

□ Tax Clearance Certificate from the income tax authorities; □ Previous RBI approval for holding Shares hereby tendered in the Offer;
□ Copy of the PAN Letter/PAN Card. (√ whichever is applicable)

If the NRIs/OCBs/other non-resident Shareholders fail to certify in the form, then the Acquirer will deduct tax at the rate applicable to the category of the shareholders under the Income Tax Act, 1961 on the entire consideration amount payable to such shareholder.

I/We certify that the Shares are held by me/us as □ Long Term Capital Asset OR □ Short Term Capital Asset (√ whichever is applicable).

I/We certify that the Shares are held by me/us on "□ Investment/Capital Account OR □ Trade Account" (√ whichever is applicable).

In case of 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.

In case the Shares are held in capital account or trade account, kindly enclose a tax residence certificate issued by the tax authorities of the country of which you are a tax resident and also a certificate stating that you are a tax resident of your country of residence and that you do not have a 'permanent establishment' in India in terms of the Double Tax Avoidance Agreement ("**DTAA**") entered into between India and your country of residence.

Further, while tendering Shares under the Offer, NRIs/OCBs/other non-resident Shareholders will be required to submit the following:

- previous RBI Approvals (specific or general) that you may have obtained for acquiring Shares hereby tendered in the Offer. In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject such Shares tendered;
- Tax Clearance Certificate from the income tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act before remitting the consideration. In case the Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder.

In order to avail of the benefit of lower rate of tax deduction under the DTAA, if any, at the sole discretion of the Acquirer, kindly enclose a tax residence certificate issued by the tax authorities of the country of which you are a tax resident.

For FIIs

I/We certify that the Shares are held by me/us on □ Investment/Capital Account OR □ Trade Account (√ whichever is applicable).

In case the Shares are held in capital account or trade account, kindly enclose a tax residence certificate issued by the tax authorities of the country of which you are a tax resident and also a certificate stating that you are a tax resident of your country of residence and that you do not have a 'permanent establishment' in India in terms of the DTAA entered into between India and your country of residence.

In order to avail of the benefit of lower rate of tax deduction under the DTAA, if any, at the sole discretion of the Acquirer, kindly enclose a tax residence certificate issued by the tax authorities of the country of which you are a tax resident.

In order to avoid fraudulent encashment in transit, the Shareholders are requested to provide details of bank account of the sole/first Shareholder and the consideration payment will be drawn accordingly.

Please indicate the preferred mode of receiving the payment consideration. (√ whichever is applicable)

1. Electronic mode □
If yes, please also enclose a photo-copy of a cheque drawn on the account in which payments will be made)

2. Physical mode □

Name of Bank	
Branch Address and PIN Code	
Type of Account	Savings / Current / NRE / NRO / Others (√ whichever is applicable)
Account Number	
9 digit MICR code	
IFSC Code (for RTGS/NEFT/NECS/ECS transfers)	

Yours faithfully,

Signed and Delivered	Full Name	Signature
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holders, all must sign. In case of body corporate, it must affix the corporate seal and also attach necessary corporate resolutions.

Date:
Place:

--------------------**Tear Here**--------------------

Acknowledgement Receipt – Areva T&D India Limited Open Offer

Received from Mr./Ms./M/s ______________________________

Form of Acceptance cum Acknowledgement for **Areva T&D India Limited Offer** as per details below: *(Delete whichever is not applicable)*

Folio No. _____________________No. of Share certificates _____________________for __________________________ Shares

Copy of delivery instruction to DP for _________________________________ Shares.

Date of Receipt: _______________ Stamp of collection center: Signature of Official:

INSTRUCTIONS

NO SHARES / FORMS SHOULD BE SENT TO THE ACQUIRER OR TO THE PERSONS ACTING IN CONCERT OR TO THE MANAGER TO THE OFFER OR TOAREVA T&D INDIA LIMITED.

1. In the case of dematerialized Shares, the Shareholders are advised to ensure that their Shares are credited in favour of the Depository Escrow Account, before the closure of the Offer. The Form of Acceptance-cum-Acknowledgement of such dematerialized Shares not credited in favour of the Depository Escrow Account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following:-

i. <u>Shareholders holding Shares in dematerialized form:</u>-

<u>Beneficial owners should enclose</u>

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the DP.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
- For each delivery instruction, the beneficial owner should submit separate Form of Acceptance-cum-Acknowledgement.

In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Depository Escrow Account, the Offer shall be deemed to be accepted.

ii. <u>Shareholders holding Shares in physical form:</u>-

<u>Registered Shareholders should enclose:</u>

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.
- Original Share certificate(s).
- Valid Share transfer deed(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 "**Areva T&D India Limited**" and duly witnessed at the appropriate place. A blank Share transfer form is enclosed along with this Letter of Offer.

In case of registered Shareholder - non-receipt of the aforesaid documents, but receipt of the Share certificates along with the duly completed transfer form, the Offer shall be deemed to be accepted.

<u>Unregistered owners should enclose:</u>

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein.
- **Original Share certificate(s)**
- **Original broker contract note**
- **Valid Share transfer deed(s) as received from the market.**

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

3. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Shares in the favour of the Depository Escrow Account with NSDL.
4. In case of Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement and in the transfer deed(s) as the order in which they hold Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
5. 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.
6. All the Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
   - Duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single Shareholder) in case the original Shareholder is no more;
   - Duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance-cum-Acknowledgement and/or transfer deed(s);
   - No objection certificate from any Shareholder/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 corporate authorization, including certified copy of board resolutions;
   - Any other relevant documentation. Please specify below:

   (i)__________________________________;

   (ii)____________________________________;

   (iii)_____________________________________
7. **Non resident Shareholders should enclose a copy of the permission received from RBI for the Shares held by them in Areva T&D India Limited. If, the shares are held under general permission of the RBI, the non-resident Shareholder should state that the Shares are held under general permission and whether on repatriable basis or non repatriable basis.**
8. **Non resident Shareholders should enclose the Tax Clearance Certificate from the income tax authorities under Income Tax Act, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will deducted at the rate, as may be applicable to the category of the Shareholder under the Income Tax Act on the entire consideration payable by the Acquirer to such Shareholder.**

--**Tear Here**--

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

Bigshare Services Private Limited
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072
Tel. No.: +91 22 2847 0652 / +91 22 4043 0200
Fax No.: +91 22 2847 5207
Contact Person: Mr. Babu Raphael
E-mail: openoffer@bigshareonline.com

Details of Collection Centers of the Registrar

S. No.	Collection Centre	Address of Collection Centre	Contact Person	Tel. No.	Fax No.	Mode of delivery
1.	Mumbai	Bigshare Services Private Limited, E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400072.	Mr. Babu Raphael	022 4043 0200	022 2847 5207	Post/ Hand Delivery
2.	Pune	Bigshare Services Private Limited C/O Sree Courier Services, 159, Somwar Peth, Near Nageshwar Mandir, Pune – 411011.	Mr. Kiran Bhosle	93710 00167 020 6401 1770	-	Hand Delivery
3.	Baroda	Bigshare Services Private Limited, C/o Skystock Financial Services, 45, Taskent Society, Near Dave Deep Shopping Complex, Nizampura, Baroda -390002.	Mr. Sanjay Suthar	9825450718	0265- 2775420	Hand Delivery
4.	Surat	Bigshare Services Private Limited, C/o Skystock Financial Services, 2nd Garden View, Near Raymonds Showroom, Opposite Rangupvan, Makkaipul, Surat - 395001.	Mr. Akil Saiyed	9825171771 / 0261- 2472324	0261-2352742	Hand Delivery
5.	Chennai	Bigshare Services Private Limited C/O Skystock Financial Services, 1st Floor, B2 Gemini Parsan Commercial Complex, Chennai – 600006.	Mr. K.V. Supara	91766 97491 93810 97491	-	Hand Delivery
6.	New Delhi	Bigshare Services Private Limited C/o Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Nr. Gol Market, Opp. SBI ATM New Delhi – 110001.	Mr. Sridhar Iyer	93125 46905 93137 96360	-	Hand Delivery
7.	Jaipur	Bigshare Services Private Limited, C/o M/s Maloo Finance & Investment Services, 103 & 110 First Floor Brij Anukampa, Opposite BSNL Office, Ashok Marg, C Scheme, Jaipur - 302001.	Mr. Ramesh maloo	9829006801 / 0141- 2360571/0	-	Hand Delivery
8.	Kolkata	Bigshare Services Private Limited, C/o Maheshwari Datamatics Pvt. Ltd., 2nd Floor, 6, Mangoe Lane, Kolkata - 700001.	Mr. Rajgopal	033- 22435029	033-22484787	Hand Delivery
9.	Hyderabad	Bigshare Services Private Limited, G-10, Left Wing, Amrutha Ville, Opposite Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500082.	Mr. Bojimon	040-2337 4967	040- 23370295	Hand Delivery
10.	Ahmedabad	Bigshare Services Private Limited, C/o Vishwam Advisory Private Limited, 310, Aditya Plaza, Near Karnavati Apartments, Jodhpur, Satellite, Ahmedabad – 380015.	Mr. Hitesh Buch	079-40321260	-	Hand Delivery

All of the centers mentioned herein below will be open as follows:

Business Hours:

Monday to Friday: 10.30 AM to 4.30 PM

Saturday: 10.30 AM to 1.00 PM. (The Collection Centre at Hyderabad shall remain open on Saturdays from 10.30 AM to 4.30 PM)

Holidays: Sundays and Public Holidays

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THIS FORM SHOULD BE USED BY THE SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWAL OPTION AS PROVIDED IN THE LETTER OF OFFER. THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
(Please send this form with enclosures to the Registrar to the Offer at its address given overleaf)

FORM OF WITHDRAWAL

OFFER
Opens on: Saturday, November 6, 2010
Last date of Withdrawal: Monday, November 22, 2010
Closes on: Thursday, November 25, 2010

From
Name:
Full Address

Status: □ Resident □ Non-resident (√ whichever is applicable)

To,

Bigshare Services Private Limited
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072

Sub: Open offer to acquire upto 47,821,327 Shares ("Offer") representing 20% of the issued share capital of Areva T&D India Limited ("Offer") at Rs. 295.34/- per Share ("Offer Price").

Dear Sir,

I/We refer to the Public Announcement dated May 28, 2010 and Letter of Offer dated October 30, 2010 constituting an offer to acquire the Shares held by me/us in Areva T&D India Limited.

Capitalised terms used but not defined herein have the meaning ascribed to them in the Letter of Offer.

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions mentioned therein and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered 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 as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. no later than Monday, November 22, 2010.

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 equity shares held in the dematerialized 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)/ Shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

-- **Tear Here** --

Acknowledgement Receipt – Areva T&D India Limited Open Offer

Received from Mr./Ms./M/s ____
Form of Withdrawal for Areva T&D India Limited Offer as per details below: *(Delete whichever is not applicable)*

DEMATERIALIZED SHARES
No. of Shares tendered __________/ Withdrawal request for ________ Shares.
Copy of delivery instruction slip / Folio No. / DP ID _______________ Client ID _______________.
Copy of acknowledgement slip issued when depositing dematerialized Shares

PHYSICAL SHARES
No. of Shares tendered __________/ Withdrawal request for ________ Shares.
Copy of acknowledgement slip issued when depositing physical Shares.
Fresh transfer form for _____ Shares (in case of partial withdrawal).

Date of Receipt: _______________ Stamp of collection center: Signature of Official:

The particulars of tendered original Share (s) that I/we wish to withdraw are detailed below:

For Shares held in physical form

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
		Tendered	**From**	**To**	
1					
2					
		To be withdrawn			
3					
4					
Total Number of Shares					

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

For Shares held in dematerialized form

I/We hold Shares in dematerialized form and had tendered the same in the Offer and had done an off-market transaction for crediting the Shares to the Depository Escrow Account as per the following particulars:

Depository: NSDL

DP Name: **DSP Merrill Lynch Limited**	DP ID: **IN302638**	Client ID: **10056839**

Please find enclosed a photocopy of the delivery instruction(s) duly acknowledged by the DP. The particulars of the account from which my/our Shares have been tendered that I/We wish to withdraw are as follows:

DP Name	DP ID	Client ID	No. of Shares tendered
Name of Beneficiary		**No. of Shares to be withdrawn**	

I/We note that the Shares will be credited back only to that depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

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

In case of dematerialized Shares, I/We confirm that the signatures have been verified by the DP as per their records and that the same have been duly attested.

Yours faithfully,

Signed and delivered

	1st / Sole Shareholder	Joint Holder 1	Joint Holder 2
Full Name			
Signature			
Verified and attested by us. Please affix the stamp of DP (in case of dematerialized Shares) / Bank (in case of physical Shares).			

Note: In case of joint holders, all must sign. In case of body corporate, it must affix the corporate seal and also attach necessary corporate resolutions.

Place:
Date:

-- **Tear Here** --

All future correspondence in this regard should be addressed to Registrar to the Offer at the following address:

Bigshare Services Private Limited
E-2 Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai 400 072
Tel. No.: +91 22 2847 0652 / +91 22 4043 0200
Fax No.: +91 22 2847 5207
Contact Person: Mr. Babu Raphael
E-mail: openoffer@bigshareonline.com

INSTRUCTIONS

1. **Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. no later than Monday, November 22, 2010.**

2. Shareholders should enclose the following:-

   i. **Shareholders holding Shares in dematerialized form**:-

   Beneficial owners should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement/ plain paper application submitted in case delivered by Registered A.D.
   - 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. **Shareholders holding Shares in physical form**:-

   Registered Shareholders should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement/ plain paper application submitted in case delivered by Registered A.D.
   - In case of partial withdrawal, valid Share transfer deed(s) for the remaining Shares (i.e. Shares not withdrawn), duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Areva T&D India Limited and duly witnessed at the appropriate place.

   Unregistered owners should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement/ plain paper application submitted in case delivered by Registered A.D.
3. The withdrawal of Shares will be available only for the Share certificates/Shares that have been received by the Registrar to the Offer/ credited into the Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of Areva T&D India Limited/ depository as the case may be.
5. Request for withdrawal from unregistered Shareholders can be considered to the extent the Shares tendered and received are found to be valid.
6. Separate request for withdrawal should be submitted for each Folio/ DP ID/ Client ID.
7. In case of partial withdrawal 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.
8. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their account with the DP.
9. The Form of Withdrawal and other related documents should be submitted at any of the collection centers of **Bigshare Services Private Limited** stated overleaf.
10. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by registered post, at their own risk, to the Registrar to the Offer at Bigshare Services Private Limited, (*Address*: E-2 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072 India *Tel*: +91 22 2847 0652 / +91 22 4043 0200 *Contact Person*: Mr. Babu Rafael) so as to reach the Registrar to the Offer on or before the last date of withdrawal i.e. **no later than Monday, November 22, 2010.**
11. **Table featuring details of collection centers is given below:**

Details of Collection Centers of the Registrar to the Offer

S. No.	Collection Centre	Address of Collection Centre	Contact Person	Tel. No.	Fax No.	Mode of delivery
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2.	Pune	Bigshare Services Private Limited C/O Sree Courier Services, 159, Somwar Peth, Near Nageshwar Mandir, Pune – 411011.	Mr. Kiran Bhosle	93710 00167 020 6401 1770	-	Hand Delivery
3.	Baroda	Bigshare Services Private Limited, C/o Skystock Financial Services, 45, Taskent Society, Near Dave Deep Shopping Complex, Nizampura, Baroda -390002.	Mr. Sanjay Suthar	9825450718	0265- 2775420	Hand Delivery
4.	Surat	Bigshare Services Private Limited, C/o Skystock Financial Services, 2nd Garden View, Near Raymonds Showroom, Opposite Rangupvan, Makkaipul, Surat - 395001.	Mr. Akil Saiyed	9825171771 / 0261- 2472324	0261-2352742	Hand Delivery
5.	Chennai	Bigshare Services Private Limited C/O Skystock Financial Services, 1st Floor, B2 Gemini Parsan Commercial Complex, Chennai – 600006.	Mr. K.V. Supara	91766 97491 93810 97491	-	Hand Delivery
6.	New Delhi	Bigshare Services Private Limited C/o Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Nr. Gol Market, Opp. SBI ATM, New Delhi – 110001.	Mr. Sridhar Iyer	93125 46905 93137 96360	-	Hand Delivery
7.	Jaipur	Bigshare Services Private Limited, C/o M/s Maloo Finance & Investment Services, 103 & 110 First Floor Brij Anukampa, Opposite BSNL Office, Ashok Marg, C Scheme, Jaipur - 302001.	Mr. Ramesh maloo	9829006801 / 0141- 2360571/0	-	Hand Delivery
8.	Kolkata	Bigshare Services Private Limited, C/o Maheshwari Datamatics Pvt. Ltd., 2nd Floor, 6, Mangoe Lane, Kolkata - 700001.	Mr. Rajgopal	033- 22435029	033-22484787	Hand Delivery
9.	Hyderabad	Bigshare Services Private Limited, G-10, Left Wing, Amrutha Ville, Opposite Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad – 500082.	Mr. Bojimon	040-2337 4967	040- 23370295	Hand Delivery
10.	Ahmedabad	Bigshare Services Private Limited, C/o Vishwam Advisory Private Limited, 310, Aditya Plaza, Near Karnavati Apartments, Jodhpur, Satellite, Ahmedabad – 380015.	Mr. Hitesh Buch	079-40321260	-	Hand Delivery

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Saturday: 10.30 AM to 1.00 PM. (The Collection Centre at Hyderabad shall remain open on Saturdays from 10.30 AM to 4.30 PM)

Holidays: Sundays and Public Holidays

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