LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of DFL Infrastructure Finance Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgment and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected."

OPEN OFFER BY

Auctus Holdings Private Limited ("Acquirer")

Registered office: 6/72, Karpagam Avenue, 2nd Street, RA Puram, Chennai - 600 028, Tamil Nadu

Tel No.: +91 44 2493 6224; e-mail: auctuschennai@gmail.com

To

Acquire 15,48,124 (Fifteen Lakhs Forty Eight Thousand One Hundred Twenty Four) Equity Shares of face value of ₹ 10/- each representing 26% of the Paid up Equity Share Capital

Of

DFL Infrastructure Finance Limited ("Target Company")

Registered Office: No. 14, Ramakrishna Street, T Nagar, Chennai - 600 017, Tamil Nadu,

Tel. No. +91 44 2814 1778, 2814 2663, Fax No.: +91 44 2814 1612

At a price of ₹ 2/- (Rupees Two Only) per fully paid up equity share payable in cash.

Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI Takeover Regulations) and subsequent amendments thereof.

1. This offer is being made by the Acquirer pursuant to regulation 3(1) and 4 of SEBI Takeover Regulations and subsequent amendments thereto for substantial acquisition of share and voting rights accompanied with change in control and management.
2. The Offer is not subject to any minimum level of acceptance.
3. Except the following, no other statutory approval is required for acquisition of Shares under the Offer:
   - The change in Management and Control of DFL Infrastructure Finance Limited, a Company registered with Reserve Bank of India ("RBI") as Deposit accepting NBFC, is subject to the receipt of approval from the RBI. The Acquirer has submitted an application with the Reserve Bank of India, Chennai on March 15, 2012 for obtaining the approval for change in Management and Control of the Target Company and the same is yet to be received.
   - The open offer to the shareholders of Target Company is subject to the receipt of approval from the RBI for acquiring Equity Shares from non-resident Indians who validly tender their Equity Shares under this Offer, if required.
4. Except as mentioned above, no other statutory approval is required to acquire the shares that may be tendered pursuant to the Offer. If any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirers will not proceed with the Offer.
5. If there is any upward revision in the Offer Price by the Acquirer upto three working days prior to the commencement of the tendering period i.e. up to April 30, 2012, Monday or in the case of withdrawal of offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the acquirer for all the shares validly tendered anytime during the offer.
6. **There is no competitive bid as on the date of this Letter of Offer.**
7. A copy of Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgment) is also available on SEBI's website, i.e. www.sebi.gov.in.

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
SPA Capital Advisors Limited SEBI Regn. No.: INM000010825 25, C - Block, Community Centre Janak Puri, New Delhi - 110 058 Tel. No. +91 11 2551 7371, 4567 5500 Fax No. +91 11 2553 2644 Email: dfl.openoffer@spagroupindia.com Website: www.spacapital.com Contact Person: Mr. Nitin Somani / Mr. Saurabh Gupta	**CAMEO Corporate Services Limited** SEBI Regn. No.: INR000003753 'Subramanian Building', No.1, Club House Road, Chennai - 600 002 Tel. No. +91 44 2846 0390 Fax No. +91 44 2846 0129 Email: investor@cameoindia.com Contact Person: Ms. Sreepriya K.

SCHEDULE OF ACTIVITIES OF THE OFFER

Activity	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Public Announcement	March 13, 2012	Tuesday	March 13, 2012	Tuesday
Detailed Public Statement	March 20, 2012	Tuesday	March 20, 2012	Tuesday
Last date for a competing offer	April 13, 2012	Friday	April 13, 2012	Friday
Identified Date*	April 20, 2012	Friday	October 30, 2012	Tuesday
Date by which Letter of Offer will be dispatched to the shareholders	April 30, 2012	Monday	November 06, 2012	Tuesday
Upward revision in offer	April 30, 2012	Monday	November 07, 2012	Wednesday
Last date by which Committee of Independent Directors of the Board of Target Company shall give its recommendations / comments	May 02, 2012	Wednesday	November 08, 2012	Thursday
Issue of advertisement announcing the Schedule of Open Offer and status of requisite statutory approvals	May 04, 2012	Friday	November 12, 2012	Monday
Offer Opening Date	May 07, 2012	Monday	November 15, 2012	Thursday
Offer Closing Date	May 18, 2012	Friday	November 29, 2012	Thursday
Last date of communication of acceptance / rejection and payment of consideration for accepted tenders / return unaccepted shares	June 01, 2012	Friday	December 13, 2012	Thursday

* Identified Date is only for the purpose of determining the names of the shareholders of the Target Company to whom the Letter of Offer would be sent.

RISK FACTORS
Given below are the risks related to the transaction, proposed Offer and those associated with the Acquirer:

(A) Relating to transaction

The Offer is subject to the compliance of terms and conditions as mentioned under the Share Purchase Agreement dated March 13, 2012 (as referred in para 3.1.3 of this Letter of Offer). In terms of Regulation 23(1)(c) of the SEBI Takeover Regulations if such Condition Precedents and other Conditions are not satisfactorily complied with, the Offer would stand withdrawn.

(B) Relating to the Offer

(1) In the event that either (a) the regulatory approvals are not received in a timely manner (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirer not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. The Acquirer had submitted an application with the Reserve Bank of India ("RBI") on March 15, 2012 for change in control and management of the Target Company and the said approval is yet to be received. Consequently, the payment of consideration to the public shareholders of DFL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirer, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI Takeover Regulations. The Acquirer undertakes to pay simple interest @ 12% per annum for the period of delay, if any, as aforesaid.

(2) In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.

(3) Shareholders should note that the shareholders who have lodged their acceptance to the Open Offer are not entitled to withdraw such acceptance during Tendering Period, even if the acceptance of shares under the Open Offer and dispatch of consideration are delayed. The tendered Shares and documents would be held by the Registrar to the Open Offer till such time as the process of acceptance of tenders and the payment of consideration is completed.

(4) The Manager to the Offer and / or Acquirer accepts no responsibility for statements made otherwise than in the Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

(C) Relating to Acquirer

(1) The Acquirer makes no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

(2) The Acquirer makes no assurance with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.

(3) The Acquirer does not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

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

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1. DEFINITIONS

Acquirer	Auctus Holdings Private Limited
Board of Directors / Board	The Board of Directors of DFL Infrastructure Finance Limited
Book Value per share	Net Asset Value per equity share (i.e. Net worth / Number of equity shares issued)
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956, as amended from time to time.
Depository Participant or DP	Stock Holding Corporation of India Limited
Detailed Public Statement	Detailed Public Statement which appeared in the newspaper on March 20, 2012
Draft Letter of Offer	Draft Letter of Offer dated March 27, 2012 filed with SEBI
EPS	Profit after tax / Number of equity shares issued
Erstwhile SEBI Takeover Regulations	Erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Escrow Agreement	Escrow Agreement dated March 15, 2012 between the Acquirer, Escrow Agent and Manager to the Offer
Escrow Bank / Escrow Agent	Axis Bank Limited, No. 82, Radhakrishnan Salai, Mylapore, Chennai - 600 004
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
Identified date	Tuesday, October 30, 2012 i.e. the date falling on the 10th working day prior to the commencement of the Tendering period, for the purpose of determining the shareholders to whom the Letter of Offer shall be sent
Letter of Offer	Letter of Offer dated November 01, 2012
Manager to the Offer / Merchant Banker	SPA Capital Advisors Limited
N.A.	Not Available / Not Applicable
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
Offer or The Offer or Open Offer	Offer to acquire 15,48,124 Equity Shares of face value of ₹ 10/- each representing 26% of the total shares of the Target Company at the Offer Price as of the tenth Working Day from the Closure of the Tendering Period, payable in cash and subject to the terms and conditions mentioned in the Letter of Offer, the Public Announcement and Detailed Public Statement in terms of Regulations 3(1) and 4 of the SEBI Takeover Regulations.
Offer Closing Date	November 29, 2012
Offer Opening Date	November 15, 2012
Offer Period	Offer period means the period starting from the date of entering into Share Purchase Agreement by the Acquirer and Seller, i.e. March 13, 2012 till the date by which payment will be made to all the shareholders whose shares have been accepted under the Offer
Offer Price	₹ 2/- (Rupees two only) per fully paid up Equity Share payable in cash
Person Acting in Concert	Persons Acting in Concert with the Acquirer. Under the Offer, there is no person acting in concert with the Acquirer
PAT	Profit After Tax
Persons eligible to participate in the Offer	Registered shareholders of DFL Infrastructure Finance Limited and unregistered shareholders who own the Equity Shares of DFL Infrastructure Finance Limited any time prior to the closure of Offer, including the beneficial owners of the shares held in dematerialised form, except the parties to Share Purchase Agreement dated March 13, 2012 and DFL Holdings and Securities Limited (a 99.77% subsidiary of the Target Company)
Public Announcement	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirer on March 13, 2012 in accordance with SEBI Takeover Regulations
Registrar or Registrar to the Offer	Cameo Corporate Services Limited, an entity registered with SEBI under the SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended or modified from time to time.
RBI	The Reserve Bank of India

Return on Net Worth	(Profit After Tax / Net Worth) *100
INR or ₹	Indian Rupees
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI	Securities and Exchange Board of India
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Seller	D B Zwirn Mauritius
Share(s)	Fully paid up equity share(s) of the Target Company, having a face value of ₹ 10 each
Share Purchase Agreement	Share Purchase Agreement dated March 13, 2012 entered into between the Acquirer and Seller
Stock Exchange	BSE
Target Company or DFL	DFL Infrastructure Finance Limited
Tendering Period	Period commencing from November 15, 2012 and ending on November 29, 2012
Working Day	A working day of SEBI

2. DISCLAIMER CLAUSE

"**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF DFL INFRASTRUCTURE FINANCE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOUILD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, "SPA CAPITAL ADVISORS LIMITED (FORMERLY SPA MERCHANT BANKERS LIMITED)" HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 27, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.**"

3. DETAILS OF THE OFFER

3.1. Background of the Offer

3.1.1. The Offer is a "Triggered Offer" under the Regulation 3(1) and 4 of SEBI Takeover Regulations for substantial acquisition shares and voting rights accompanied with change in control and management of Target Company.

3.1.2. On March 13, 2012, Auctus Holdings Private Limited ("Acquirer"), a Company incorporated under the Companies Act, 1956, having its registered office at 6/72, Karpagam Avenue, 2nd Street, RA Puram, Chennai - 600 028, Tamil Nadu, has entered into a Share Purchase Agreement with D. B. Zwirn Mauritius ("Seller"), the promoter of DFL Infrastructure Finance Limited, to acquire by way of transfer of 30,36,703 (Thirty Lakhs Thirty Six Thousand Seven Hundred and Three) equity shares representing 51% of the total subscribed and paid-up equity share capital of the Target Company ("Sale Shares"). The total consideration payable by the Acquirer to the Seller for the purchase of the Sale Shares is ₹ 3,00,000/- (Rupees Three Lakhs only) i.e. at the rate of ₹ 0.099/- per equity share approximately. The consideration for the sale shares shall be paid in cash by the Acquirer. The Acquisition will result in the change in control and management of the Target Company.

The Offer is not as a result of Global Acquisition resulting in indirect acquisition of Target Company. As on the date of this Letter of Offer, the acquirer does not hold any shares in the Target Company. The acquisition of the sale shares by the acquirer is subject to certain conditions precedent as provided in the Share Purchase Agreement.

D B Zwirn Mauritius is wholly owned by “Fortress Value Recovery Fund I LLC” (formerly known as “D B Zwirn Special Opportunities Fund LLC”), a limited liability company organised under the laws of the State of Delaware, USA. The Directors of D B Zwirn Mauritius are Shamel Ramjaun, Amit Gupta, Constantine Dakolias and James Noble III.

D B Zwirn Mauritius and its Directors have not been prohibited by SEBI from dealing in securities. Further, apart from the obligations under the terms of the Share Purchase Agreement dated March 13, 2012, the Seller does not have any other liabilities / obligations towards either the Acquirer or the Promoters of the Acquirer.

3.1.3. The salient feature of the Share Purchase Agreement dated March 13, 2012 are as under:

- Subject to the terms of this Agreement, and in particular the issuance of the final report by the Merchant Banker under the Takeover Regulations, evidencing the Takeover Compliance, the Seller as the legal and beneficial owner of the Sale Shares, agrees to sell the Sale Shares and the Purchaser agrees to purchase the Sale Shares together with all rights now or hereafter attaching thereto, with effect from the Completion Date.
- Completion will be subject to the fulfilment of the following conditions precedent, to the subjective satisfaction of the Seller, in its sole discretion:
- Completion of the sale and purchase of the Sale Shares will take place on the earliest practicable date, but in no event more than 5 Business Days after satisfaction of the conditions contained above (“Completion Date”) immediately following execution of this Agreement at such location as the parties may agree.
- **Indemnity**: Except for the obligations of the Seller arising under this Agreement, the Purchaser and its subsidiaries and affiliates, heirs, executors, directors, officers, employees, agents, legal representatives and administrators (each a “**Releasing Party**” and together, the “**Releasing Parties**”) hereby release and forever discharge the Seller, and its shareholders, successors, assigns, subsidiaries, affiliates, managers, agents, advisors and representatives and their respective managers, officers, directors and employees, individually and collectively (each a “**Released Party**” and together, the "**Released Parties**"), from and for any and all liabilities, debts, dues, claims, demands, actions, costs and expenses that the Releasing Parties have, may have, or may have had against the Released Parties, whether known or unknown, suspected or unsuspected or presently within the reasonable contemplation of the parties or not (each a “**Claim**” and collectively the “**Claims**”).
- **Additional Amount**: Upon receipt of confirmation that the Sale Shares have been transferred from the Seller to the Purchaser, the Seller will pay the Purchaser or a nominee identified by the Purchaser in writing the Additional Amount (i.e. US$ equivalent of a total amount of INR 1,50,00,000 which is payable by the Seller only if completion of the transfer of the Sale Shares from the Seller to the Purchaser as contemplated by the Agreement occurs) in readily available funds into the bank account listed by the Purchaser. If the Additional Amount is required to be paid to a nominee of the Purchaser, the Purchaser shall have provided all relevant information pertaining to such a nominee, in advance, to the Seller, so as to allow the Seller to confirm to its satisfaction, in its sole discretion, that payment to the respective nominee complies with the Seller’s and its affiliates’ compliance policies. The Purchaser acknowledges and agrees that the Seller shall not be under any obligation to pay the Additional Amount to a nominee of the Purchaser unless and until the Seller confirms to its satisfaction in its sole discretion that payment to the respective nominee complies with the Seller’s and its affiliates compliance policies. The Purchaser agrees that no obligations or liabilities, taxes or costs whatsoever can arise against the Seller in connection with payment of the Additional Amount by the Seller to the Purchaser or its nominee and the Seller shall at all times be kept indemnified and held harmless by the Purchaser against any claims or liabilities in this regard. All such liabilities, claims, taxes or costs shall be solely to the account of the Purchaser.
- The Releasing Parties hereby jointly and severally agree to hold harmless and indemnify the Released Parties against all damages, claims, demands, costs, penalties, fines, expenses, legal counsel fees and expenses incurred and paid by the Released Parties in connection with the defence or settlement of any action, suit, or proceeding, whether civil, criminal or investigative, brought by a third party

against one or more of the Released Parties and arising out of, or related to, the ownership of the Sale Shares by the Seller.

3.1.4. In consideration to the additional amount (i.e. US$ equivalent of a total amount of INR 1,50,00,000 which is payable by the Seller), the Purchaser (defined as Releasing Party in the Share Purchase Agreement and reproduced above) has agreed to provide indemnity to the Seller (defined as Release Party in the Share Purchase Agreement and reproduced above) from any Claim (as defined in the Share Purchase Agreement and reproduced above) against the Released Party, in their personal capacity, arising out of, or related to, the ownership of the Sale Shares by the Seller. Though there is no certain liability / obligation on the Seller at present, the Acquirer has committed to indemnify the Seller / its directors / its affiliates from all types of liabilities and obligations, in their personal capacity, if any, arising out of, or related to, the ownership of the Sale Shares by the Seller in consideration of Rs. 1,50,00,000.

3.1.5. The Acquirer and Seller shall complete the acquisition contracted under the aforesaid Share Purchase Agreement within a period of twenty six weeks from the expiry of the Offer Period in compliance with the provisions of Regulation 22(3) of the SEBI Takeover Regulations.

3.1.6. There is no non compete fee in the Share Purchase Agreement.

3.1.7. There is no Person Acting in Concert with the Acquirer for the purpose of this Open Offer.

3.1.8. There is no separate arrangement for the proposed change in control of the Target Company.

3.1.9. The Acquirer has not been prohibited by SEBI from dealing in securities in terms of any direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act, 1992.

3.1.10. Mr. Sreenivasan Balachander, part of the Promoter Group of the Acquirer, was appointed as Whole Time Director on the Board of the Target Company w.e.f. February 14, 2011 and was later re-designated as Professional Managing Director (Non Promoter Category). Mr. Sreenivasan Balachander have consented not to participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to the open offer being put to vote in the Board meeting of the Target Company in compliance with Regulation 24(4) of the SEBI Takeover Regulations.

3.1.11. The recommendation of the committee of Independent Directors as constituted by the Board of directors of the Target company on the Offer will be published at least two working days before the commencement of the tendering period, i.e. November 08, 2012, in the same newspaper where the Detailed public Statement was published and a copy whereof shall be sent to SEBI, BSE and the Manager to the Offer.

3.2. Details of the Proposed Offer

3.2.1. In accordance with regulation 14(1) and 14(3) of SEBI Takeover Regulations, the Acquirer has given copy of Public Announcement on March 13, 2012 to BSE and on March 14, 2012 to SEBI and Detailed Public Statement on March 20, 2012 which was published in the following newspapers:

Publication	Editions
Business Standard - Hindi	All editions
Business Standard - English	All editions
Makkal Kural - Tamil	Chennai, being the place where Registered Office of the Target Company is situated
Nav Shakti - Marathi	Mumbai, being the place of the Stock Exchange, i.e. BSE, where equity shares of the Target Company are listed

The Detailed Public Statement is also available on the SEBI website at www.sebi.gov.in.

3.2.2. This Open Offer is made by Acquirer in terms of the SEBI Takeover Regulations to the shareholders of Target Company to acquire 15,48,124 (Fifteen Lakhs Forty Eight Thousand One Hundred Twenty Four Only) Equity Shares of face value of ₹ 10/- each representing 26% of the Paid up Equity Share Capital of the Target Company at a price of ₹ 2 (Rupees Two Only) per fully paid up equity share ("Offer Price"), payable in cash subject to the terms and conditions set out in the Public Announcement, Detailed Public Statement and this Letter of Offer.

3.2.3. There are no partly paid up shares in the Target Company.

3.2.4. No differential price is being offered by the Acquirer.

3.2.5. This is not a competitive bid.

3.2.6. This is not a conditional Offer. The offer is not subject to any minimum level of acceptance from the shareholders. The Acquirer will accept the equity shares of the Target Company those are tendered in valid form in terms of this offer upto a maximum of 15,48,124 (Fifteen Lakhs Forty Eight Thousand One Hundred Twenty Four Only) Equity Shares.

3.2.7. The Acquirer has not undertaken any transaction in the equity shares of Target Company after the date of Public Announcement i.e. March 13, 2012 and upto the date of this Letter of Offer.

3.2.8. The Equity Shares of the Target Company will be acquired by the Acquirer free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.9. DFL Holdings and Securities Limited (a 99.77% subsidiary of the Target Company) holds 2,74,200 equity shares of the Target Company representing 4.61% of the voting rights and forms part of present Promoters shareholding of the Target Company. After acquisition of control of the Target Company, the Acquirer will have control on DFL Holdings and Securities Limited.

3.2.10. Upon the completion of the Offer, assuming full acceptances in the Offer and pursuant to Share Purchase Agreement, the acquirer will hold 48,59,027 (Forty Eight Lakhs Fifty Nine Thousand Twenty Seven) Equity Shares constituting 81.61% of the Paid up Equity Share Capital of the Target Company (includes 30,36,703 equity shares proposed to be acquired through the Share Purchase Agreement dated March 13, 2012, 2,74,200 equity shares held by DFL Holdings and Securities Limited (a 99.77% subsidiary of the Target Company) and assuming full acceptance of 15,48,124 equity shares under the Open Offer). The Acquirer has given an undertaking that if pursuant to the closure of the Open Offer, the Public Shareholding in the Target Company falls below 25% of the voting rights / paid up equity share capital, they shall bring down the non public shareholding to the level specified (i.e. 75% of the paid up equity capital / voting rights) within a period of 12 months from the date of completion of Open Offer as specified under the Securities Contract (Regulation) Rules, 1957 and in accordance with such directions as may be issued by the Stock Exchange on which shares of the Company are listed.

3.2.11. The Manager to the Offer, SPA Capital Advisors Limited does not hold any Equity Shares in the Target Company as at the date of Public Announcement and / or Detailed Public Statement and / or Letter of Offer. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

3.2.12. The Acquirer does not intend to alienate any material asset of the Target Company or of any of its subsidiaries whether by sale, lease, encumbrance or otherwise outside the Ordinary course of business except to the extent as required by CDR Package approved / to be approved, in future, by Corporate Debt Restructuring Cell for restructuring of debts of the Target Company. Except as mentioned, in the event any substantial assets of the Target Company is sold, disposed off or otherwise encumbered in the succeeding two years from the date of closure of the Open Offer, the Acquirer undertake that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through Special Resolution in terms of Regulation 25(2) of the SEBI Takeover Regulations and subject to the applicable laws as may be required.

3.3. Object of the Acquisition / Offer

3.3.1. The Acquirer's objective and intent in acquiring the Target Company is primarily to revive the business of the Target Company which is currently going through a Corporate Debt Restructuring Programme. The Acquirer is planning to strengthen the existing team at the Target Company and leverage its branch network to restart the main line of business - asset based lending. The Acquirer also plans to infuse capital into the Target Company to enable the growth of the business, subject to applicable Regulations.

3.3.2. The Acquirer believes that there is wide scope for asset based lending business in South India. The Promoters of the Acquirer have wide experience in the field of finance, lending and distribution business. With the support of the experience of the Promoters of Acquirer and existing employees of the Target Company, the Acquirer intends to further strengthen the business and competence of the Target Company in carrying on its business operations.

4. BACKGROUND OF THE ACQUIRER - AUCTUS HOLDINGS PRIVATE LIMITED

4.1. The Acquirer, Auctus Holdings private Limited ("Acquirer") was incorporated on August 30, 2011 under the Companies Act, 1956 with the Registrar of Companies Tamil Nadu, Chennai, Andaman and Nicobar islands. The registered office of Acquirer is situated at 6/72, Karpagam Avenue, 2nd Street, RA Puram, Chennai - 600 028, Tamil Nadu, India. The Corporate Identification Number of Acquirer is U74999TN2011PTC082132. The name of Acquirer has not changed since incorporation. There is no Person acting in concert with the Acquirer for the purpose of this Open Offer.

4.2. The main object of the company is to carry on the business of investment and to deal in shares, stocks, bonds, debentures, securities, real Estate and to manage, reconstruct, restructure on its own and business holdings or holdings through joint venture / or through subsidiaries and invest in other companies, share broker, wealth management consultant and investor in real estates and other related activities.

4.3. The Promoters of the Acquirer are Mr. Sreenivasan Balachander, Ms. Geetha Balachander, NextGen Holdings Private Limited and Guru Paduka Holdings. The promoters of NextGen Holdings Private Limited are Mr. Bakthavathsalu Prakash and Ms. P Shireesha. Guru Paduka Holdings is a Partnership firm of Mr. S R Shankeranarayanan and Mr. N Krishnamurthy in the ratio of 85:15.

4.4. As on the date of this Letter of Offer, the Acquirer does not hold any shares in the Target Company. The Acquirer is not in non compliance of any provision of Chapter V of the SEBI Takeover Regulations and Chapter II of the erstwhile SEBI Takeover Regulations.

4.5. Shareholding pattern of Acquirer as on date of this Letter of Offer is as under:

Sr. No.	Shareholders Category	No. of Shares	Percentage
1.	**Promoter Group**		
	Mr. Sreenivasan Balachander	1,51,500	15.15
	Ms. Geetha Balachander	1,48,500	14.85
	NextGen Holdings Private Limited	2,50,000	25.00
	Mr. S R Shankeranarayanan jointly with Guru Paduka Holdings	3,82,500	38.25
	Mr. N Krishnamurthy jointly with Guru Paduka Holdings	67,500	6.75
	Total of (1)	**10,00,000**	**100%**
2.	**FIIs/Mutual Funds/FIs/Banks**	Nil	Nil
3.	Public	Nil	Nil
	Total Paid Up Capital (1+2+3)	**10,00,000**	**100%**

4.6. The details of Board of Directors of Acquirer as on date of Letter of Offer are as follows:

Name, DIN and Designation	Address	Qualification and Experience	Date of Appointment
Mr. Bakthavathsalu Prakash * DIN: 01978381 Non-Executive Director	Gokul Apts, G-2, D. No. 5066, 14 Street, Belly Area, Chennai - 600 040	He is a Post Graduate in Public Administration and also has a Law Degree. He has an experience of over 22 years in Banking, NBFC and Manufacturing Companies in the field of Operations (Banking and NBFC), Legal and Recovery. He joined DFL Infrastructure Finance Limited as Associate Vice President & Head - Risk & Asset Management in April 2007 and since then he has been working with DFL Infrastructure Finance Limited as an executive.	January 19, 2012
Mr. Balachander Sreenivasan * DIN: 02644584 Non-Executive Director	New No. 6, Old No. 72, Karpagam Avenue, 2nd Street, RA Puram, Chennai - 600 028	He is Graduate in Chemical Engineering and Post Graduate in Management from Indian Institute of Management, Ahmedabad. He has an experience of over 40 years in the field of finance and accounts, leasing and distribution of financial products and insurance.	August 30, 2011

*The Board of Directors of the Target Company had appointed Mr. S Balachander as the Whole Time Director on 14th February, 2011 based on his educational background and previous experience in the field of asset financing, insurance and stock broking. He was appointed on the Board as 'Professional - Whole Time Director' and subsequently re-designated as Managing Director acting in professional capacity. Further, Mr. B Prakash was in employment with the Company since March 05, 2007 and was initially appointed as Associate Vice President & Head - Risk & Asset Management and was finally elevated as 'Professional - Whole Time Director' w.e.f. September 23, 2009. The appointment of Mr. S Balachander as Whole Time Director and subsequently re-designating as Managing Director and appointment of Mr. B Prakash as Whole Time Director was solely in their Professional capacity. Subsequently, Mr. B Prakash resigned from the Board of the Target Company w.e.f. July 18, 2012 and continues to be an employee of the Target Company.

The details of other Directorship of Mr. S Balachander is as under:

Sr. No.	Name of the Company	Current Designation	Date of appointment at Current Designation
1	Ampsan Insurance Services Private Limited	Director	25/05/2009
2	Auctus Holdings Private Limited	Director	30/08/2011
3	DFL Infrastructure Finance Limited	Managing Director	February 14, 2011

The details of other Directorship of Mr. B Prakash is as under:

Sr. No.	Name of the Company	Current Designation	Date of appointment at Current Designation
1	DFL Holdings And Securities Limited	Director	25/08/2007
2	Smartinvest Agency.Com Private Limited	Director	25/08/2007
3	Shree Sundar Homes & Lifestyle Private Limited	Director	01/07/2011
4	Nextgen Holdings Private Limited	Director	22/12/2011
5	Auctus Holdings Private Limited	Director	27/09/2012

4.7. Acquirer was incorporated on August 30, 2011. The summary of the audited financial statements of the Acquirer as on March 31, 2012 and provisional / unaudited financial statements as on September 30, 2012 as certified by A K Rajagopalan & Co., Statutory Auditors is as under:

(₹ in lakhs)

Particulars	Year Ended 31.03.2012 (Audited)	Six months period Ended 30.09.2012 (Unaudited)
Profit & Loss Statement		
Income from Operations	-	-
Other Income	-	-
Total Income	-	-
Total Expenditure	4.60	4.60
Profit Before Depreciation and Tax	(4.60)	(4.60)

Particulars	Year Ended 31.03.2012 (Audited)	Six months period Ended 30.09.2012 (Unaudited)
Depreciation	-	-
Profit Before Tax	(4.60)	(4.60)
Provision for Tax	-	-
Profit After Tax	**(4.60)**	**(4.60)**
Balance Sheet Statement		
Sources of fund		
Paid up Equity share capital	100.00	100.00
Reserves & Surplus	286.05	290.65
Net worth	**386.05**	**390.65**
Share application money	46.00	-
Secured Loan	-	-
Unsecured Loan	300.00	46.00
Total	**300.00**	**46.00**
Uses of fund		
Net fixed assets	-	-
Investments	-	-
Net Current Assets	732.05	732.05
Other Financial Data		
Dividend (%)	Nil	Nil
Earning Per Share (in ₹)	(0.46)	(0.63)
Net worth	386.05	390.65
Return on Net worth (%)	NA	NA
Book Value per share (in ₹)	38.61	39.07

4.8. There are no contingent Liabilities in Auctus Holdings Private Limited

4.9. The Shares of the Acquirer are not listed in any Stock Exchange.

4.10. Details of the Promoters of Acquirer who are not individuals

4.10.1. **NextGen Holdings Private Limited**

NextGen Holdings Private Limited was incorporated on December 22, 2011 as a private limited company. The Corporate Identification Number of the Company is U65191TN2011PTC083709. The Registered Office of the Company is G-2, Gokul Apartments, Door No. 5066, 14th Street, Belly Area, Anna Nagar, Chennai - 600 040. The main object of the Company is to act as Core Investment Company and to deal / invest in securities. The Promoters and Directors of NextGen Holdings Private Limited are Mr. Bakthavathsalu Prakash and Mrs. Shireesha Sheelam Rajesham. The shareholding pattern of NextGen Holdings Private Limited is as under:

Sr. No.	Shareholders Category	No. of Equity Shares held	Percentage
1.	**Promoters**		
	Mr. Bakthavathsalu Prakash	5,000	50.00
	Mrs. Shireesha Sheelam Rajesham	5,000	50.00
	Sub total	**10, 000**	**100.00**
2.	Public	Nil	Nil
	Total Paid Up Capital	**10,000**	**100.00**

4.10.2. **Guru Paduka Holdings**:

Guru Paduka Holdings is a Partnership Firm carrying out its business from C-5, Ceebros Garden, 14, Kamarajar Salai, Raja Annamalaipuram, Chennai - 600 028. In terms of the Partnership Deed dated April 01, 2011, it is authorised to carry on the business of dealing, sale or purchase of shares and securities, to act as financial advisors, to carry out consultancy business, manufacturing and trading activities, commission agents, etc and to do all other business which may be beneficial to the interest of the Partnership. The partners of the firm are Mr. S R Shankeranarayanan and Mr. N Krishnamurthy with a profit sharing ratio of 85:15 respectively.

4.11. The status of compliance of Chapter V of SEBI Takeover Regulations and Chapter II of erstwhile SEBI Takeover Regulations by the Target Company is as under:

Sr. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual Date of Compliance	Delay, if any (no. of days)	Status of Compliance with Takeover Regulations	Remarks
1	**2**	**3**	**4**	**5**	**6**	**7**
1	7(1) & (2)	N.A	N.A	N.A	N.A	N.A
2	7 (1A) & (2)	N.A	N.A	N.A	N.A	N.A
3	29 (1) & (2)	N.A	N.A	N.A	N.A	N.A

5. BACKGROUND OF THE TARGET COMPANY - DFL INFRASTRUCTURE FINANCE LIMITED

5.1. DFL Infrastructure Finance Limited was originally incorporated on October 30, 1986 under the companies Act, 1956 with the Registrar of Companies, Tamil Nadu, as Dhandapani Finance and Investments Private Limited. The Company was converted into public limited Company on May 04, 1988 and the name was changed to Dhandapani Finance and Investments Limited. The name of Target Company was further changed to Dhandapani Finance Limited on October 09, 1996. The name of Target Company was further changed to DFL Infrastructure Finance Limited on July 20, 2011 and the Fresh Certificate of Incorporation was issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands. The Corporate Identification Number of the Company is L65921TN1986PLC013626. The registered office of DFL Infrastructure Finance Limited is situated at No 14, Ramakrishna street, T Nagar, Chennai - 600 017, Tamil Nadu.

The Target Company came out with its Initial Public Offering of 21,50,000 equity shares of ₹ 10/- each at par in May 1993. Thereafter the equity shares of the Target Company were listed on Bombay Stock Exchange, Madras Stock Exchange and Ahmedabad Stock Exchange. The equity shares were later voluntarily delisted from Ahmedabad Stock Exchange and Madras Stock Exchange w.e.f. September 19, 2000 and December 01, 2005 respectively.

The Target Company is a Non Banking Financial Company (“NBFC”) registered with RBI as Category A - Hire Purchase and Leasing Company bearing registration no. 07.00310 dated September 11, 1998. The Company has applied with RBI vide its letter dated June 14, 2007 for change of status of the Company from Deposit accepting NBFC to Non Deposit accepting NBFC. The application for the same is pending with the RBI. It is primarily engaged in the business of financing of tractors, construction equipments, commercial vehicles and other passenger carrying multi utility vehicles, cars, etc. The company’s main focus has been to finance used asset in the above segments. The company operates through a network of branches located in semi urban and rural markets of Andhra Pradesh, Tamil Nadu, Kerala, Karnataka and Maharashtra.

5.2. The promoter / promoter group of the Target Company consist of the Seller and DFL Holdings & Securities Limited (a 99.77% subsidiary of the Target Company) who collectively hold 33,10,903 (Thirty Three Lakhs Ten Thousand Nine Hundred and Three) fully paid up equity shares in the Target Company as on the date of the Letter of Offer constituting 55.61% of the paid up equity capital of the Target Company.

5.3. Share Capital structure of the Target Company as on the date of Letter of Offer is as follows:

Equity Share Capital

Paid up Equity Share Capital of Target Company	No. of Shares / voting rights	% of Shares / voting rights
Fully paid up equity shares	59,54,320	100%
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	59,54,320	100%
Total voting rights in Target Company	59,54,320	100%

Preference Share Capital

Paid up Preference Share Capital of Target Company	No. of Shares	Voting Rights
Fully paid up Redeemable Preference shares [1]	2,22,60,000	Nil
Fully paid up Optionally Convertible Cumulative Redeemable Preference Shares [2]	3,85,02,384	Nil
Total paid up Preference Shares	**6,07,62,384**	**Nil**

[1] The Preference Shares were allotted to Asia Pragati Capfin Private Limited on July 30, 2008 which was due for redemption on December 31, 2009 at par value. However due to the financial position of the Company, these preference shares have not been redeemed. The Company has received a communication dated April 06, 2011 from Asia Pragati Capfin Private Limited intimating the Company of the default and calling upon the Company to cure the event of default (excerpt from the Audit Report of the Target Company for the period from October 01, 2009 to March 31, 2011). Subsequently the terms of the Preference Shares were modified by the Board of Directors of Target Company in their meeting held on May 26, 2012 in terms of the Memorandum of Understanding entered into with the Preference Shareholder, the details of which are as under:

- Redemption will happen in three equal instalments as on March 31, 2017, 2018 and 2019
- Preference shares will be redeemed at Rs. 8.54 per share and discount on redemption will be accounted at the time of redemption of Preference Shares
- The Preference Shares will carry a cumulative dividend @ 4% w.e.f. April 01, 2012.

[2] The Optionally Convertible Cumulative Redeemable Preference Shares have been allotted to Banks from whom the Company has taken working capital loans against settlement for part of the loan given by them to the Company. The nomenclature of Shares issued is "Optionally Convertible Cumulative Redeemable Preference Shares". However, as confirmed by the Target Company, the terms of the said preference shares do not carry any option / provision for conversion into equity shares. The term of Preference Shares is 8 years. The Preference Shares have been issued with a dividend rate of 9% p.a. and will be redeemed at a premium of 3% in 4 equal annual instalments in the last 4 years of the term of such Preference Shares.

No dividend has been declared by the Target Company on the outstanding Cumulative Preference Share Capital in view of absence of distributable profits under Companies Act, 1956. The details of the Preference Shares issued and allotted by the Target Company and accrual of voting rights in terms of Section 87 is as under:

Date of allotment	No. of Preference Shares allotted	Rate of Dividend	Nature of Preference Shares	Applicable Section (for voting rights)	Whether voting rights accrued
July 30, 2008	2,22,60,000	0%	Redeemable Preference Shares	NA	No, since no dividend is payable on the said preference shares. However as per the modified terms, these shares will carry a cumulative dividend @ 4% w.e.f. April 01, 2012.
August 10, 2011	3,85,02,384	9% p.a.	Cumulative Redeemable Preference Shares	87(2)(b)(i)	No, since two financial years have not ended from the date of allotment the said preference shares

Further, the Target Company has availed loan from the Acquirer aggregating to Rs. 6 crores (of which Rs. 4 crores was given on October 13, 2011 and Rs. 2 crores was given on May 29, 2012) for investment as required under the CDR Package. The terms of the loan are as under:

- The loan is repayable after implementation of CDR Package and with the consent of lenders of DFL Infrastructure Finance Limited;
- The loan will not carry any interest; and
- The loan will be in the nature of unsecured loan.

5.4. Following are the observation of RBI with regard to compliance by the Target Company as an NBFC:

a. The Company donated ₹ 1.00 lakh to Shree Mahalxmi Temple, Mumbai, without obtaining approval from shareholders, thereby violating provisions of Section 293(1)(e) of the Companies

Act, 1956. The company applied to Company Law Board (CLB) for ratification. CLB had compounded the offence by levying a compounding fee of ₹ 3750.00. As per the CLB order dated April 04, 2012, the offence has been compounded and compounding fees has been remitted by the applicants.

b. An inspection of books of account of the Company was conducted on August 8-9, 2011 with reference to its financial position as on March 31, 2011. It was observed that there 13 legal cases of various types (consumer, civil and criminal) against the company as on date of inspection.

c. The company was subjected to annual inspection with regard to its financial position as on March 31, 2011. The company has not complied with the following concerns of the Bank:
   i. The Net Owned Fund (NOF) of the Company and CRAR was negative for a continuous basis in violation of Section 45IA of the RBI Act, 1934 and Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms, 2007. The assessed NOF of the Company as on March 31, 2011 was (-) Rs. 11089.80 lakh and CRAR was at (-) 98.35%.
   ii. The fair Practices Code was not comprehensive and there was no mention of clause for repossession of assets. There was no periodical review of the Compliance of the same.
   iii. The Company had not become a member of any Credit Information Company as per RBI Circular ONBS. (PO). CC. No. 200/03.10.001/2010-11 dated September 17, 2010.

d. DFL entered in to business transfer agreement with Zwrin Pragati Capfin Private Limited (ZPCPL) on September 30, 2008, according to which DFL was to transfer its business undertaking as a going concern on a Slump Sale basis to ZPCPL. Accordingly, DFL transferred all the assets and non-tax liabilities to ZPCPL on the date of agreement. The Company was to receive a sale consideration of ₹ 28.00 crore. The Company was granted permission to extend financial year 2007-08 by six months, up to September 30, 2008, in view of the slump sale. However, the above agreement was terminated on June 30, 2009 by ZPCPL due to company's inability to obtain NOC from all its creditors. As a result, all the assets and liabilities proposed to be transferred to ZPCPL remained with DFL and the Company again became NBFC.

e. Upon reinstatement of accounts of DFL, the company undertook a comprehensive review of books of account and made a provision of ₹ 51.29 crore for the period ended September 30, 2009 for reduction of sundry debtors.

f. Due to the above provisioning, the Company ceased to be a viable unit and was unable to service debts. DFL approached lenders for allowing restructuring of debts through CDR mechanism on November 06, 2009. CDR Empowered Group admitted the application of the company on February 24, 2010.

g. The CDR package was approved by consortium banks on September 09, 2010. The CDR package was to be implemented within 120 days from the Letter of Approval. As per the package the promoters of the Company had to induct ₹ 17.00 crore in a phased manner starting from September 30, 2010 to Financial Year 2014. The company received a Letter of Intent dated January 21, 2011 from prospective promoters Blue Saphhire Holding Private Limited.

   DFL vide letter dated January 12, 2012 informed that Blue Saphhire Holding Private Limited have withdrawn their offer. Further, Auctus Holdings Private Limited has come in as a prospective promoter. The Company approached CDR cell for a rework of the package. The Company received an approved rework package dated March 29, 2012. According to the reworked package, the promoters have to bring in ₹ 18.04 crore in a phased manner from October 31, 2011 to the Financial Year 2014-15. Auctus Holdings Private Limited has infused ₹ 4.00 crore in DFL. It has to bring in additional ₹ 2.00 crore within two months of the approval of the reworked package.

5.5. The equity shares of the Target Company are presently listed on BSE. The equity shares of the Target Company are not suspended from trading on BSE. The Equity Shares of the Target Company have been voluntarily delisted in the past from Madras Stock Exchange vide letter dated December 01, 2005 and from Ahmadabad Stock Exchange vide letter dated September 22, 2000.

5.6. There are currently no outstanding partly paid up equity shares of the Target Company.

5.7. The Target Company does not have any outstanding convertible instruments.

5.8. As on the date of Letter of Offer, the composition of the Board of Directors of the Target Company is as under:

Sr. No.	Name & Address of Director	DIN	Designation	Date of Appointment
1.	Mr. Sreenivasan Balachander*	02644584	Managing Director	February 14, 2011
2.	Mr. Gopal Singh Gusain	03522170	Director	April 08, 2011
3.	Mr. V Sambamoorthy	00161281	Director	October 18, 2012

Mr. Sreenivasan Balachander is part of the Promoter Group of the Acquirer. Mr. Sreenivasan Balachander is also a Director on the Board of the Target Company w.e.f. February 14, 2011 and was re-designated as Professional Managing Director (Non Promoter Category).

The Company is in compliance with Clause 49 of the Listing Agreement and has formed a Committee of Independent Directors comprising of Mr. V Sambamoorthy and Mr. Gopal Singh Gusain in compliance with Regulation 26(6) of the SEBI Takeover Regulations.

5.9. **Corporate Debt Restructuring** (CDR): The Target Company had applied on July 16, 2010 for restructuring of its debts under CDR Mechanism. After review of the proposal of the Target Company, the CDR Empowered Group approved the restructuring proposal on September 09, 2010. The major terms of the CDR package are as under:

- Restructuring of Term Loans: The terms loans were proposed to be repaid in 72 monthly instalments commencing from 01.10.2011. The term loan shall carry ballooning interest rate of 7% p.a. in the year 2009-10 which shall be increased by 1% each year till it reached the level of 10% p.a. in the year 2012-13 after which it shall be increased by 2% for the year 2013-14 and 2014-15 and again 1% from 2015-16 till it reaches 16.50% in 2016-17 providing an ROI of 10.54% p.a. approx.
- Restructuring of Working Capital Loans and conversion of irregular portion into Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) and Working Capital Term Loan (WCTL): In terms of the CDR Package, 70% of the irregular portion of working capital was proposed to be converted into OCCRPS and the balance 30% into WCTL. The WCTL were proposed to be repaid in 72 monthly instalments commencing from 01.10.2011. The term loan shall carry ballooning interest rate of 7%p.a. in the year 2009-10 which shall be increased by 1% each year till it reached the level of 10% p.a. in the year 2012-13 after which it shall be increased by 2% for the year 2013-14 and 2014-15 and again 1% from 2015-16 till it reaches 16.50% in 2016-17 providing an ROI of 10.54% p.a. approx.
- With regard to OCCRPS, the Target Company, in consultation with the Banks, have issued and allotted Redeemable Preference Shares without an option to convert into equity shares and the allotment was made for 3,85,02,384 Preference Shares on August 10, 2011. The Target Company has applied with the CDR Empowered Group for certain amendments in the CDR Package.
- The terms and conditions of the OCCRPS issued by the Target Company is as under:
  - OCCRPS to carry dividend @ 9% p.a.
  - OCCRPS will be issued to the lenders for a period of 8 years to be redeemed in 4 equal instalments (commencing from the end of 5th year) at a premium of 3.00%.

5.10. There has been no merger / de-merger, spin off during last 3 years involving the Target Company (source: www.bseindia.com).

5.11. Based on the audited standalone financial statements, the financial information of the Target Company for the period ended September 30, 2009, March 31, 2011, March 31, 2012 & unaudited results for the three months period ended June 30, 2012 are as follows:

(Amount ₹ in Lakhs)

Particulars	Year Ended 30.09.2009 (Audited)	Year Ended 31.03.2011 (Audited) (18 months)	Year Ended 31.03.2012 (Audited)	Three months period Ended 30.06.2012 (Unaudited)
Profit & Loss Statement				
Income from Operations	2,925.05	1,325.77	293.65	25.10
Other Income	150.12	605.92	14.77	0.20
Total Income	3,075.17	1,931.69	308.42	25.30
Total Expenditure	4,332.64	5,565.40	2,396.96	461.10

Particulars	Year Ended 30.09.2009 (Audited)	Year Ended 31.03.2011 (Audited) (18 months)	Year Ended 31.03.2012 (Audited)	Three months period Ended 30.06.2012 (Unaudited)
Profit Before Depreciation and Tax	(1,257.48)	(3,633.71)	(2,088.54)	(435.80)
Depreciation	66.35	98.31	62.99	13.80
Impairment Loss	-	-	-	
Exceptional Items	5,534.42	-	-	
Add: Extra-ordinary items	-	1,589.24	(44.74)	
Profit Before Tax	(6,858.25)	(2,142.78)	(2,196.27)	(449.60)
Provision for Tax	2.78	-	-	-
Profit After Tax	**(6,861.03)**	**(2,142.78)**	**(2,196.27)**	(449.60)
Balance Sheet Statement				
Sources of fund				
Paid up share capital - Equity - Preference	 595.43 2,226.00	 595.43 2,226.00	 595.43 6,076.24	 595.43 6,076.24
Reserves & Surplus (excluding revaluation reserves)	3,694.87	3,694.87	3,694.87	NA
Balance of P&L account	(11,016.26)	(13,159.05)	(15,355.32)	NA
Net worth (excluding revaluation reserve)	(4,499.96)	(6,642.75)	(4,988.78)	NA
Secured Loan	15,513.21	13,446.70	9,832.49	NA
Unsecured Loan	686.12	195.60	559.35	NA
Total	**16,199.33**	**13,642.30**	**10,391.84**	NA
Uses of fund				
Net fixed assets	1,843.63	1,743.71	1,741.97	NA
Investments	30.93	30.93	29.93	NA
Net Current Assets	11,130.22	6,530.34	4,936.58	NA
Other Financial Data				
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share (in ₹)	(115.23)	(35.99)	(36.98)	(7.55)
Net worth (excluding Preference Share Capital & revaluation reserve)	(6,725.96)	(8,868.75)	(11,065.02)	NA
Return on Net worth (%)	NA	NA	NA	NA
Book Value per share (in ₹)	(112.96)	(148.95)	(185.84)	NA

* The provisional unaudited results for the three month period ended June 30, 2012 have been certified by P B Vijayaraghavan & Co., Statutory Auditors of the Target Company. The limited review for the Quarter ended June 30, 2012 has been submitted by the Target Company to the BSE.

Unsecured loans outstanding as on March 31, 2011

Particulars	Amount ₹ in Lakhs	Remark
Interest Accrued but not due	0.22	Public Deposit
CD - Matured but not paid	1.22	Public Deposit
FD - Matured but not claimed	0.10	Public Deposit
Inter Corporate Deposits	99.34	Loan from Subsidiary Company
Unsecured Loans	94.72	(Loan from ICICI and Central Electronics)
Total	**195.60**	

Unsecured loans outstanding as on March 31, 2012

Particulars	Amount ₹ in Lakhs	Remark
Inter Corporate Deposit	400.00	Loan from Acquirer
Inter Corporate Deposit	98.14	Loan from Subsidiary
Unsecured Loan	61.21	(Loan from Central Electronics)
Total	**559.35**	

5.12. Pre and Post Offer share holding pattern of the Target Company is as under:

Shareholders' category	Shareholding & voting rights prior to the agreement / acquisition and offer (A)		Shares / voting rights agreed to be acquired pursuant to Share Purchase Agreement (B)		Shares/voting rights to be acquired in open offer (Assuming full Acceptance) (C)		Share holding / voting rights after the acquisition and offer (A)+(B)+(C)= (D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to agreement, if any	30,36,703	51.00	(30,36,703)	(51.00)	-	-	-	-
b. Promoters other than (a) above *	2,74,200	4.61	-	-	-	-	2,74,200	4.61
Total 1(a + b)	**33,10,903**	**55.61**	**(30,36,703)**	**(51.00)**	**-**	**-**	**2,74,200**	**4.61**
(2) Acquirers								
a. Main Acquirer	-	-	30,36,703	51.00	15,48,124	26.00	45,84,827	77.00
b. PACs	-	-	-	-	-	-	-	-
Total 2(a + b)	**-**	**-**	**30,36,703**	**51.00**	**15,48,124**	**26.00**	**45,84,827**	**77.00**
(3) Parties to agreement other than(1) (a) & (2)	-	-	-	-				
(4) Public (other than parties to agreement, acquirers & PACs)								
a. FIs /MFs/ FIIs/ Banks, SFIs	1,800	0.03	-	-	(15,48,124)	(26.00)	10,95,293	18.39
b. Others	26,41,617	44.36						
Total (4) (a + b)	**26,43,417**	**44.39**	**-**	**-**	**(15,48,124)**	**(26.00)**	**10,95,293**	**18.39**
GRAND TOTAL (1+2+3+4)	**59,54,320**	**100.00**	**-**	**-**	**-**	**-**	**59,54,320**	**100.00**

* DFL Holdings and Securities Limited (a 99.77% subsidiary of the Target Company) holds 2,74,200 equity shares of the Target Company representing 4.61% of the voting rights and forms part of present Promoters shareholding of the Target Company. After acquisition of control of the Target Company, the Acquirer will have control on DFL Holdings and Securities Limited.

Total number of public shareholders as on September 30, 2012 is 7,229 (source: www.bseindia.com).

5.13. The status of compliance of Chapter V of SEBI Takeover Regulations and Chapter II of erstwhile SEBI Takeover Regulations by the Target Company is as under:

Sr. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual Date of Compliance	Delay, if any (no. of days)	Status of Compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7
1	8(3)	30.04.2002	11.05.2002	11 days	✗	Yearly Disclosure
2	8(3)	17.08.2002	14.08.2002	N.A	✓	On Account of Record date for purpose of Dividend on 18.07.2002
3	8(3)	30.04.2003	21.04.2003	N.A	✓	Yearly Disclosure
4	8(3)	23.08.2003	09.08.2003	N.A	✓	On Account of Record date for purpose of Dividend on 24.07.2003
5	8(3)	30.04.2004	21.04.2004	N.A	✓	Yearly Disclosure
6	8(3)	28.08.2004	16.08.2004	N.A	✓	On Account of Record date for purpose of Dividend on 29.07.2004
7	8(3)	30.04.2005	09.04.2005	N.A	✓	Yearly Disclosure
8	8(3)	27.08.2005	17.08.2005	N.A	✓	On account of Book Closure for the purpose of dividend on 28.07.2005

Sr. No.	Regulation / Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual Date of Compliance	Delay, if any (no. of days)	Status of Compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7
9	8(3)	30.04.2006	17.04.2006	N.A	✓	Yearly Disclosure
10	8(3)	05.08.2006	25.07.2006	N.A	✓	On account of Book Closure for purpose of dividend on 06.07.2006
11	8(3)	30.04.2007	13.04.2007	N.A	✓	Yearly Disclosure
12	8(3)	28.10.2007	27.10.2007	N.A	✓	On account of AGM dated 28.09.2007
13	8(3)	30.04.2008	04.04.2008 [1]	N.A	✓	Yearly Disclosure
14	8(3)	22.01.2009	23.01.2009 [2]	1 day	×	On account of Book Closure on 23.12.2008
15	8(3)	30.04.2009	28.04.2009	N.A	✓	Yearly Disclosure
16	8(3)	30.04.2010	26.04.2010	N.A	✓	Yearly Disclosure
17	8(3)	30.04.2011	27.04.2011	N.A	✓	Yearly Disclosure
18	30(1) & (2)	12.04.2012	07.04.2012	N.A	✓	Yearly Disclosure
18	7(3)	28.12.2006	26.12.2006	N.A	✓	Acquisition of shares by D B Zwirn Mauritius & consequent Open Offer

[1] Revised disclosure, as advised by Stock Exchange was filed by the Target Company with the Stock Exchange on June 03, 2008

[2] Since no dividend was declared by the Target Company, the disclosure was not mandatory in terms of erstwhile SEBI Takeover Regulations.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1. The Offer is made pursuant to the direct acquisition of shares of the Target Company by the Acquirer. The Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.

6.1.2. The shares of the Target Company are presently listed on BSE (Scrip code: 511393; Scrip ID: "DFLINFRA").

6.1.3. The annualised trading turnover in the Equity Shares of the Target Company in the above mentioned Stock Exchange based on trading volume during the twelve calendar months prior to the month of Public Announcement (i.e. March 01, 2011 to February 29, 2012) is as given below:

Stock Exchange	Total No. of Equity shares traded during the Twelve Calendar months prior to the month of Detailed Public Statement	Total No. of Listed Equity shares	Annualised Trading Turnover (as % of total equity shares listed)
BSE	99,621	59,54,320	1.67%

(Source: www.bseindia.com)

6.1.4. Based on the information available on the website of the stock exchange, the Equity shares of the Target Company are in-frequently traded on BSE.

6.1.5. The Offer Price of ₹ 2/- per equity share is justified in terms of Regulation 8(2) of the SEBI Takeover Regulations, being the highest of the following:

Particulars	Amount
The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make a Public Announcement of an open offer (approximately)	₹ 0.099

Particulars	Amount
The volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement	NA
The highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty six weeks immediately preceding the date of the public announcement	NA
Since the equity shares are not frequently traded, other financial parameters, viz:	
- Book Value (as on March 31, 2011)	₹ (148.95)
- Earnings per Share (for 12 months period from April 01, 2010 to March 31, 2011	₹ (23.99)
- Return on Net Worth	NA

The Offer Price of ₹ 2/- per equity share is certified by Mr. B Baladasan (Membership No. 214061), Partner, R Dharmashankara Iyer & Co., Chartered Accountants, Chennai vide their certificate dated March 13, 2012 based on the financial ratios of the Company and the decision of the Hon'ble Supreme Court of India in the matter of Hindustan Lever Employees Union v/s Hindustan Lever Limited, 1995. Further, since the book value and EPS of the Target Company are negative, in the Opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 2/- per equity share is justified.

6.1.6. There has been no revision in the Offer Price since the date of Public Announcement till this Letter of Offer. The Offer Price does not warrant any adjustments for Corporate Actions.

6.1.7. In the event of further acquisition of equity Shares of the Target Company by the Acquirer during the offer Period, by purchase of equity shares of the Target Company at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI Takeover Regulations. However, it shall not be acquiring any equity shares of the Target Company after third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

6.1.8. If the Acquirer acquires equity shares of the Target Company during the twenty-six weeks after the tendering period at a price higher than the offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the offer price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI Takeover Regulations or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.1.9. The Acquirer is permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the tendering period. If there is any such upward revision in the Offer Price by the Acquirer or in case of withdrawal of Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the acquirer(s) for all the shares validly tendered anytime during the Offer.

6.2. Financial Arrangement

6.2.1. The Total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 15,48,124 Equity Shares from the public shareholders of the Target Company at a Offer Price of ₹ 2 (Rupees Two only) per equity share is ₹ 30,96,248 (Rupees Thirty Lakhs Ninety Six Thousand Two Hundred Forty Eight) (the " Maximum Consideration")

6.2.2. The Acquirer, the Manager to the Offer and Axis Bank Limited, a banking corporation incorporated under the laws of India and having one of its branch office at No. 82, Radhakrishnan Salai, Mylapore, Chennai - 600 004, Tamil Nadu, have entered into an escrow agreement dated March 15, 2012 for the purpose of the offer (the "Escrow Agreement") in accordance with Regulation 17 of the SEBI Takeover Regulations. Pursuant to the Escrow Agreement, the Acquirer has deposited ₹ 31,00,000/- in cash in the Escrow Account which is equivalent to 100.12% of the Maximum consideration. The Manager to the Offer is duly authorised by the acquirer to realise the value of the Escrow Account and operate the escrow account in terms of the SEBI Takeover Regulations.

6.2.3. The Acquirer has adequate resources and has made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) of the SEBI Takeover Regulations. Mr. T R Ashok (Membership no. 026133), Partner, A K Rajagopalan & Co., Chartered Accountants, having office at New No. 18, Old No.84, Luz Avenue, Mylapore, Chennai - 600 004 has vide their certificate dated March 19, 2012 certified that the acquirer has sufficient resources to meet the fund requirement for the takeover of Target Company. The acquisition will be financed through internal resources represented by cash received as share application money by the Acquirer.

6.2.4. Based on the above and in the light of the escrow arrangement, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfil the Acquirer's obligations through verifiable means in relation to the Offer in accordance with the SEBI Takeover Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Operational terms and conditions

7.1.1. The Offer is not subject to any minimum level of acceptances from shareholders.

7.1.2. Letter of Offer will be dispatched to all the equity shareholders of the Target Company, whose names appear in its Register of Members on October 30, 2012, Tuesday, the Identified Date.

7.1.3. The Offer is subject to terms and conditions set out in this Letter of Offer, the Form of Acceptance cum Acknowledgment, the Public Announcement, the Detailed Public Statement and any other Public Announcements that may be issued with respect to the Offer.

7.1.4. The Letter of Offer along with the Form of Acceptance cum Acknowledgement would also be available at SEBI's website, www.sebi.gov.in and shareholders can also apply by downloading such forms from the website.

7.1.5. This Offer is subject to the receipt of the statutory and other approvals as mentioned in paragraph 7.4 of this Letter of Offer. In terms of Regulation 23(1) of the regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

7.1.6. Accidental omission to dispatch this Letter of Offer to any member entitled to this open Offer or non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

7.1.7. The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance cum Acknowledgment and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

7.1.8. Any equity shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the shareholder may be precluded from transferring the equity shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these equity shares are not received together with the equity shares tendered under the Offer.

7.1.9. Shareholders who have accepted the Open Offer by tendering their Shares and requisite documents in terms of the Public Announcement, Detailed Public Statement and Letter of Offer are not entitled to withdraw such acceptance during the Tendering Period for the Open Offer.

7.1.10. The acceptance of the Open Offer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer will not be responsible for any loss of share certificate(s) and Open Offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

7.2. **Locked in shares**: As of December 31, 2011, the Target Company had no shares which were locked-in (source: www.bseindia.com)

7.3. **Persons eligible to participate in the Offer**: Registered shareholders of the Target Company and unregistered shareholders who own the Equity Shares of DFL any time prior to the closure of Offer, including the beneficial owners of the shares held in dematerialised form, except the parties to Share purchase Agreement dated March 13, 2012 and DFL Holdings and Securities Limited (a 99.77% subsidiary of the Target Company).

7.4. Statutory and other Approvals:

7.4.1. Except the following, no other statutory approval is required for acquisition of Shares under the Offer:

7.4.1.1. The change in Management and Control of DFL Infrastructure Finance Limited, a Company registered with Reserve Bank of India ("RBI") as Deposit accepting NBFC, is subject to the receipt of approval from the RBI. The Acquirer has submitted an application with the Reserve Bank of India, Chennai on March 15, 2012 for obtaining the approval for change in Management and Control of the Target Company. The said application is pending for approval.

7.4.1.2. The open offer to the shareholders of Target Company is subject to the receipt of approval from the RBI for acquiring Equity Shares from non-resident Indians who validly tender their Equity Shares under this Offer, if required.

7.4.2. The Acquirer does not require any approvals from financial institutions or banks for the Offer.

7.4.3. As of the date of the Detailed Public Statement, there are no other statutory approvals required to implement the Offer other than those specified above. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. The Acquirer will have the right not to proceed with the Offer in the event any of the statutory approvals that are required are refused in terms of Regulation 23 of the SEBI Takeover Regulations.

7.4.4. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirer for payment of consideration to shareholders of the Target Company, subject to Acquirer agreeing to pay interest, if any, for the delayed period if directed by SEBI. Further, if the delay occurs on account of the wilful default or neglect or inaction or non-action by Acquirer in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 17(10)(e) of the SEBI Takeover Regulations.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1. The following collection centre would be accepting the documents by Hand Delivery / Regd. Post / courier as specified above, both in case of shares in physical and dematerialised form:

Place	Contact Person	Address	Telephone / fax / email	Mode
Bangalore	Mr. Janardhana	Cameo Corporate Services Limited, No.9, P.C. Pallaya Main Road, Akshay Nagar, Ramamoorthy Nagar, Bangalore 560 016	Tel.: +91 80 4209 7498 janardhana@cameoindia.com	Hand delivery
Chennai	Ms. K Sreepriya	Cameo Corporate Services Limited, Subramanian Building, V floor, No. 1, Club House Road, Chennai - 600 002	Tel.: +91 44 2846 0390 / 1989 Fax: +91 44 2846 0129 investor@cameoindia.com	Post and Hand delivery

Place	Contact Person	Address	Telephone / fax / email	Mode
Mumbai	Mr. Ashish Binsale	Cameo Corporate Services Limited, 304, Sai Sadan, 76-78 Mody Street, Fort, Mumbai - 400 001	Tel.: +91 22 2264 4325 / 2979 Fax : +91 22 2264 4325 ashish@cameoindia.com	Hand delivery
New Delhi	Mr. R. Sridhar	Cameo Corporate Services Limited C/o. Sterling Services, F-63 1st Floor, Bhagat Singh Market, Near Gole Market, Opp SBI ATM, Connaught Place, New Delhi - 110 001	Tel.: +91 11 4353 3256; +91 93 1254 6905	Hand Delivery

8.2. Shareholders who hold equity shares of the Target Company in physical form and wish to tender their equity share pursuant to the Offer will be required to submit the duly completed form of Acceptance cum Acknowledgement, original Share Certificate(s), valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the Letter of Offer, to the Registrar to the Offer either by Registered Post / Courier, at their own risk or by hand delivery so as to reach on or before the date of closing of the business hours on the date of closure of the Offer i.e. November 29, 2012.

8.3. The Registrar to the Offer, M/s Cameo Corporate Services Limited has opened a special depository account with National Securities Depository Limited ("NSDL") for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.

8.4. For shareholders holding equity shares in dematerialised form, will be required to send their Form of Acceptance cum Acknowledgement and other documents as may be specified in the Letter of Offer to the Registrar to the Offer either by Registered Post / Courier or by hand delivery so as to reach on or before the date of closing of the business hours on the date of closure of the offer i.e. November 29, 2012, Friday along with a photocopy of the delivery instructions in "Off market" mode or counterfoil of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of "**CAMEO CORPORATE SERVICES LTD ESCROW A/C DFL OPEN OFFER**" ("Depository Escrow Account") filled in as per the instructions given below :

DP Name	Stock Holding Corporation of India Limited
DP ID	IN301080
Client ID	22815008
Depository	National Securities Depository Limited

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") shall use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account with NSDL.

8.5. THE SHARES, SHARE CERTIFICATES, TRANSFER DEED, FORM OF ACCEPTANCE CUM ACKNOWLEDGMENT AND / OR OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER / TARGET COMPANY / MANAGER TO THE OFFER.

8.6. In case of (a) Shareholders who have not received the Letter of Offer, (b) unregistered shareholders, (c) owner of the shares who have sent the shares to the Target Company for transfer, may send their consent to the registrar to the offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holding in the same order as per the specimen signatures lodged with Target Company), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of closure of the offer i.e. November 29, 2012. Such shareholders can also obtain the Letter of Offer from the Registrar to the Open Offer by giving an application in writing to that effect.

8.7. In case of shareholders who have not received the Letter of Offer and holding equity shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of equity shares offered along with a photocopy of the original delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant where special demat account is opened for the purpose of this Open Offer, so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of closure of the Offer i.e. November 29, 2012. Such equity shareholders can also obtain Letter of Offer from the Registrar to the Offer by giving an application in writing.

8.8. Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository escrow Account should be received on or before the date of closing of the business hours on the date of closure of the Offer i.e. November 29, 2012, else the application would be rejected.

8.9. No indemnity is needed from unregistered shareholders.

8.10. If shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI, the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, or in the case of NRI and OCB Shareholders, require any approval to tender Shares held by them pursuant to the Open Offer, they will be required to submit such approvals alongwith the Form of Acceptance cum Acknowledgment and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered in the Open Offer.

8.11. Where the number of equity shares offered for sale by the shareholders are more than the equity shares agreed to be acquired by the Acquirer, the Acquirer will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of equity shares from shareholders shall not be less than the minimum marketable lot or the entire holding if it less than the marketable lot. The marketable lot of DFL is 1 (one) Equity Share.

8.12. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI Takeover Regulations. The Acquirer will pay simple interest @ 12 p.a. for the period of delay, if any, on account of receipt of such approval.

8.13. The consideration to the shareholders whose shares have been accepted will be paid by crossed account payee cheques / demand drafts / Electronic Clearance Service (ECS) where applicable. Such payments through account payee cheques / demand drafts will be returned by registered post, at the shareholders registered / unregistered owners sole risk to the sole / first shareholder / unregistered owner. All other dispatches will be made by ordinary post at the Shareholder's sole risk.

8.14. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post, at the shareholders registered / unregistered owners sole risk to the sole/first shareholders/ unregistered owner. Equity shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owner in the Form of Acceptance cum Acknowledgment or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective Depository Participants when transferred by the Registrar to the Offer.

8.15. The Registrar to the Offer will hold in trust the equity shares and share certificate(s), equity shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgment, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted equity shares / share certificates are dispatched / returned.

9. **DOCUMENTS FOR INSPECTION**

The following documents are regarded as material documents and are available for inspection at the office of the Acquirer at 6/72, Karpagam Avenue, 2nd Street, RA Puram, Chennai - 600 028, Tamil Nadu from 10.30 a.m. to 3.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the Closure of the Offer.

9.1. Certificate of Incorporation, Memorandum & Articles of Association of Auctus Holdings Private Limited.

9.2. Certificate March 19, 2012 issued by Mr. T R Ashok (Membership no. 026133), Partner, A K Rajagopalan & Co., Chartered Accountants, having office at New No. 18, Old No.84, Luz Avenue, Mylapore, Chennai - 600 004 certifying the adequacy of resources with the Acquirer to fulfil its part of open Offer obligations.

9.3. Audited Annual Reports of Target Company for the year financial years ended March 31, 2012, March 31, 2011 and September 30, 2009 and unaudited financial statement till June 30, 2012.

9.4. Audited Annual Report of Acquirer for the financial year ended March 31, 2012 certified by the Statutory Auditors of Acquirer and certified provisional financial statements for the period from April 01, 2012 to September 30, 2012.

9.5. Copy of Escrow Agreement and Certificate dated March 19, 2012 from Axis Bank Limited confirming the account kept by the Acquirer in the Escrow Account.

9.6. Copy of Share Purchase Agreement dated March 13, 2012 executed between the Acquirer and Seller.

9.7. Copy of Public Announcement dated March 13, 2012 and copy of the Detailed Public Statement published on March 20, 2012.

9.8. Copy of the Recommendation made by the Independent Committee of the Board of Directors of Target Company.

9.9. SEBI Observation letter no. CFD/DCR1/23748/12 dated October 25, 2012.

9.10. Copy of Agreement entered into with Depository Participant for opening of special depository account for the purpose of the Offer.

10. DECLARATION BY THE ACQUIRER

The Acquirer and the Directors of the Acquirer accepts full responsibility for the information contained in the Letter of Offer and also for the obligations laid down in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and subsequent amendments thereof. The Acquirer would be responsible for ensuring compliance with the concerned Regulations.

For Auctus Holdings Private Limited

SD/-
B Prakash
Director

Place: Chennai
Date: November 01, 2012

Enclosures

- Form of Acceptance cum Acknowledgement
- Blank Share Transfer Deed, where shares are held in physical form

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

DFL INFRASTRUCTURE FINANCE LIMITED - OPEN OFFER
(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION (Please send this Form of Acceptance with enclosures to the Registrar to the Offer)			
OFFER OPENS ON	**November 15, 2012**	**OFFER CLOSES ON**	**November 29, 2012**

FOR OFFICE USE ONLY	
Acceptance Shares	
Number of Equity Shares offered	
Number of Equity Shares accepted	
Purchase consideration (Rs.)	
Cheque/Demand Draft/Pay Order No.	

To,	From:
The Acquirer (Auctus Holdings Private Limited) C/o CAMEO Corporate Services Limited 'Subramanian Building', V floor, No.1, Club House Road, Chennai - 600 002	Name: Address Tel No: Fax: Email:

Dear Sir,

Sub: Open Offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by Auctus Holdings Private Limited ("Acquirer") to acquire 15,48,124 equity shares at a price of Rs. 2/- per fully paid up equity share representing 26% of the paid up equity capital and voting capital of DFL Infrastructure Finance Limited ("Target Company").

I/We refer to the Letter of Offer dated November 01, 2012 for acquiring the equity shares held by me/us in Target Company. I/We, the undersigned, have read all of the above and unconditionally accept its contents including the terms and conditions as mentioned therein.

☐ **For Shares held in Demat Form**

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

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

I/We have executed an off-market transaction for crediting the shares to special depository account as per details below

☐ Via a delivery instruction from my account with CDSL
☐ Via an inter-depository delivery instruction from my account with NSDL

Depository Name	National Securities Depository Limited
DP Name	Stock Holding Corporation of India Limited
DP ID Number	IN301080
Beneficiary Account Name	CAMEO CORPORATE SERVICES LTD ESCROW A/C DFL OPEN OFFER

Client ID	22815008
ISIN	INE071C01019
Market	Off-Market

I / We note and understand that the Shares would lie in the special depository account until the time the Acquirer / PACs dispatches the purchase consideration as mentioned in the Letter of Offer. I / We also note and understand that the Acquirer / PACs will pay the purchase consideration only after verification of the documents and signatures.

☐ **Shares held in Physical Form**

I/We accept the Offer and enclose the original Share Certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our shares as detailed below:

Sr. No.	Ledger Folio No(s).	Certificates No(s).	Distinctive No(s)		No. of Equity Shares
			From	**To**	
1.					
2.					
3.					
4.					
Total Number of Equity Shares					

(Please attach additional sheets and authenticate the same if the space provided above is insufficient.)

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer/PACs dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer/PACs will pay the purchase consideration only after verification of the documents and signatures.

Enclosure (Please tick as applicable)

- ☐ Power of attorney
- ☐ Corporate authorisation in case of companies along with Board Resolution and specimen signatures of authorised signatories
- ☐ Death Certificate / Succession Certificate
- ☐ No Objection Certificate & Tax Clearance Certificate under Income-Tax Act, 1961 (for NRIs / OCBs / Foreign Shareholders)
- ☐ RBI approvals for acquiring Shares of DFL Infrastructure Limited hereby tendered in the Offer (for NRIs / OCBs / Foreign Shareholders)
- ☐ Others (please specify) ________________________

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

I/We authorize the Acquirer and PACs to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer/PACs to return to me/us, share certificate(s)/ shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorise the Acquirer, PACs, the Registrar to the Offer and the Manager to the Offer to send by registered post/UPC as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I/We have tendered my/our Shares in dematerialized form, I/We authorize Acquirer, PACs, the Registrar to the Offer and the Manager to the Offer to use details regarding address and bank account, as obtained from the Depository Participant for the purpose of mailing the aforementioned instruments to the sole/first holder.

I/We authorize the Acquirer and PACs to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer and PACs to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer and PACs are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

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

Name of the Bank	Branch
Account Number	Saving /Current/Others

Yours faithfully,

Signed and delivered:

	FULL NAME (S)	PAN	SIGNATURE(S)
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holding, all holders must sign.

Place: ___________________ Date: _____________________

Collection Centers

The collection centre would be accepting the documents as specified under the Letter of Offer, both in case of shares in physical and dematerialised form. Working hours for the collection centers: 10 a.m. to 3 p.m. from Monday to Friday and 10 a.m. to 1 p.m. on Saturday.

--TEAR HERE--

S. No. **(Acknowledgement Slip)**

CAMEO Corporate Services Limited
'Subramanian Building', V floor, No.1, Club House Road, Chennai - 600 002
Tel. No. +91 44 2846 0390; Fax No. +91 44 2846 0129

Received from Mr./Ms/Smt.:_____________________________ residing at _________________________________ a Form of Acceptance cum Acknowledgement for ___________________ shares along with:

☐ copy of depository instruction slip from DP ID______________ Client ID __________________

☐ __________ Share certificate(s) _________________ Transfer deed(s) under folio number(s)_______ for accepting the Offer made by the Acquirer and PAC:

Stamp of Collection Centre		Signature of Official:		Date of Receipt:	

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the address mentioned above.

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER, PAC, TARGET COMPANY OR TO THE MANAGER TO THE OFFER

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
2. Shareholders holding registered physical Shares should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original share certificate(s) and valid share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.
3. Shareholders holding Shares in dematerialised form should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").
4. In case of shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, 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. Persons who own physical Shares (as on the Specified Date or otherwise) but are not the registered holders of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or courier or in person to the Registrar at their offices as mentioned above.

   The sole/first holder may also mention particulars relating to savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details in the cheques after the name of the payee.
7. Non-resident Shareholders should enclose copy(ies) of permission received from Reserve Bank of India to acquire Shares held by them in the Target Company.
8. In case of bodies corporate, certified copies of appropriate authorization (including board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
9. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
   a. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has died.
   b. Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
   c. No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
10. Payment Consideration: Shareholders must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Issue will obtain, from the Depositories, the Shareholders' demographic details including address, bank account details, the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf and occupation. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders' sole risk and neither the Acquirer, the PAC, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any losses caused to the Shareholder due to any such delay or liable to pay any interest for such delay.

    Shareholders holding shares in physical form are requested to fill in the required Bank details in the Form of Acceptance cum Acknowledgment.

For further details, please refer to clause 8 of the Letter of Offer.