LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder of DPSC Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer / Registrar to the Offer. In case you have recently sold your Shares in DPSC Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed (applicable for Shareholders holding Shares in physical form) to the member of the stock exchange through whom the said sale was effected.

Orbis Power Venture Private Limited ("Acquirer")
Registered Office: Mirania Gardens, 10B, Topsia Road (East), Kolkata - 700046, West Bengal, India
Tel: +91 (33) 3987 3903 Fax: +91 (33) 3987 3900

along with

Srei Infrastructure Finance Limited ("SIFL")
Registered Office: Vishwakarma, 86C, Topsia Road (South), Kolkata - 700046, West Bengal, India
Tel: +91 33 2285 0112-15 / 3988 7734; Fax: +91 33 2285 7542 / 8501

and

India Power Corporation Limited ("IPCL")
Registered Office: Vishwakarma, 86C, Topsia Road (South), Kolkata - 700046, West Bengal, India
Tel: +91 33 3987 3903 Fax: +91 33 3987 3900

(SIFL and IPCL are together referred to as the Persons Acting in Concert ("PAC"))

MAKE A CASH OFFER AT RS. 710 PER SHARE TO ACQUIRE
8,46,774 Shares representing 20% of the Share Capital of

DPSC Limited ("Target Company")

Registered office: Plot No. X 1, 2 & 3, Block- EP, Sector-V, Salt Lake City, Kolkata - 700091, West Bengal, India
Tel: +91 33 23574308 / 09 / 10; Fax: +91 33 2357 3758

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

Notes :

- This Offer is being made by the Acquirer to the Shareholders pursuant to, and in accordance with, the provisions of Regulations 10 and 12 of the SEBI (SAST) Regulations.
- The Offer is neither conditional nor subject to a minimum level of acceptance by the Shareholders.
- The acquisition of Shares under this Offer from non resident shareholders is subject to receipt of approval of the RBI under the FEMA and the rules and regulations issued thereunder, which approval was received vide RBI's letter no. FE.CO.FID/21440/10.21.183/2009-10 dated February 22, 2010.
- To the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals required to implement the Offer, other than those contemplated above.
- To the best of the knowledge of the Acquirer and the PAC, the Acquirer does not require any approvals from financial institutions or banks for the Offer.
- Shareholders who accept the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer can withdraw the same up to three (3) Working Days prior to the date of closure of the Offer (i.e. not later than April 13, 2010) in terms of Regulation 22(5A) of the SEBI (SAST) Regulations.
- The Acquirer can revise the Offer Price upwards up to seven (7) Working Days prior to the date of closure of the Offer (viz. April 07, 2010). If there is any upward revision in the Offer Price by the Acquirer or if the Offer is withdrawn in terms of Regulation 27 of the SEBI (SAST) Regulations, the same would be communicated by a public announcement in the same newspapers where the original Public Announcement appeared. The Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.
- **Since the Offer Price cannot be revised during seven (7) Working Days prior to the closing date of the Offer, it would, therefore, be in the interest of Shareholders to wait until the commencement of that period to know the final offer price and tender their acceptance accordingly.**
- **In terms of Regulation 25(2A) of the SEBI (SAST) Regulations, no competitive bid can be made after an acquirer has already made the public announcement under proviso to sub-regulation (1) of Regulation 14 of the SEBI (SAST) Regulations.**
- Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed (applicable for Shareholders holding Shares in physical form) are also enclosed with this Letter of Offer.
- A copy of the Public Announcement and the Letter of Offer (including the Form of Acceptance cum Acknowledgment) will be available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
AXIS BANK LTD. **Axis Bank Limited** Central Office, Maker Tower 'F', 11th Floor, Cuffe Parade, Mumbai 400 005 Tel No: +91-22-67071311 Fax No: + 91-22-67071264 Email: axbmbd@axisbank.com Contact Person: Mr. Manish Jain SEBI Registration No.: INM000006104	**Maheshwari Datamatics Private Limited** 6, Mangoe Lane, Kolkata - 700 001 Tel No. :+91-33-22482248 / 22435029 / 22435809 Fax No.: +91-33-2248 4787 Email : mdpl@cal.vsnl.net.in Contact Person: Mr.S.Rajagopal SEBI Registration No.: INR000000353

OFFER OPENS ON : Wednesday, March 31, 2010	OFFER CLOSES ON : Monday, April, 19, 2010

The table below summarizes the schedule of activities in relation to the Offer

Activity	ORIGINAL SCHEDULE [1]	REVISED SCHEDULE
	Day and Date	Day and Date
Public Announcement Date	Saturday, January 30, 2010	Saturday, January 30, 2010
Specified Date*	Friday, February 26, 2010	Friday, February 26, 2010
Last date for a competitive bid	N A	N A
Date by which Letter of Offer will be dispatched to Shareholders	Tuesday, March 16, 2010	Thursday, March 25, 2010
Date for opening of the Offer	Friday, March 26, 2010	Wednesday, March 31, 2010
Last date for revising the Offer price / number of Shares	Monday, April 05, 2010	Wednesday, April 07, 2010
Last date for withdrawing acceptance from the Offer	Friday, April 09, 2010	Tuesday, April 13, 2010
Closure of the Offer	Friday, April 16, 2010	Monday, April 19, 2010
Last date of communicating rejection / acceptance and payment of consideration for applications accepted and for despatch of share certificates for the rejected Shares or for credit of unaccepted demat Shares	Thursday, April 29, 2010	Tuesday, May 04, 2010

[1] *As per Public Announcement dated January 30, 2010.*

** Specified Date is the date for determining the names of the Shareholders to whom the Letter of Offer would be sent, being all Shareholders (except the parties to the SPA) whose names appear on the register of members of the Target Company and as regards the beneficial owners of the dematerialized Shares, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on Friday, February 26, 2010.*

RISK FACTORS

Risk factors pertaining to the Offer

- The Acquirer will have the right not to proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations in the event that any of the statutory approval(s) contemplated above are refused.
- In the event of regulatory approvals not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer or may have to be withdrawn. Consequently, the payment of consideration to the Shareholders whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed. In case of delay due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of the completion of the Offer.
- The Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
- In the event of oversubscription in the Offer, the acceptance of the Shares tendered will be on a proportionate basis and will be contingent on the level of subscription.
- There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

Risk factors pertaining to the transaction

- In terms of the SPA, in the event that the Offer is not completed by June 30, 2010 or such other date as SEBI or any other authority may prescribe to ensure compliance with the provisions of the SEBI (SAST) Regulations, the Acquirer shall transfer the Sale Shares back to the Sellers in the manner as better detailed in paragraph 2.1 of the Letter of Offer.
- There may be instances of financial contracts to which the Target Company is a party, which may contain clauses that could allow the counterparty to terminate the contracts or could lead to other adverse effects on account of change of control of the Target Company as a result of the acquisition of the Shares by the Acquirer.

Risk factors pertaining to the Acquirer

- The Acquirer is a recently incorporated company and does not have any revenue generating operations of its own. It is dependent on the PAC for financial resources.
- By virtue of voting rights, the Acquirer / PAC have the ability to influence the outcome of board and shareholder resolutions of the Target Company.

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

Please refer to the section on 'Key Definitions' for the definition of the capitalized terms used above.

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KEY DEFINITIONS	
AYCL	Andrew Yule & Company Limited
Acquirer	Orbis Power Venture Private Limited
Acquirer Nominee Directors	Mr. Nand Gopal Khaitan, Mr. Debi Prasad Patra, Mr. Hemant Kanoria and Mr. Jyoti Kumar Poddar
Bank Guarantee	Shall have the meaning ascribed to it in paragraph 2.1
Board / Board of Directors	The board of directors of the Target Company
CDSL	Central Depositary Services (India) Limited
CLB Order	Shall have the meaning ascribed to it in paragraph 1(iv)
CSE	The Calcutta Stock Exchange Association Limited
Cash Deposit	An amount of Rs. 60,12,09,540 deposited in the Escrow Account by the Acquirer in terms of Regulation 28 of the SEBI (SAST) Regulations
Closing Date	Shall have the meaning ascribed to it in paragraph 2.1
DP	Depository Participant
Descon	Descon Limited
Descon Appeal	Shall have the meaning ascribed to it in paragraph 1(iv)
Descon Appeal Order	Shall have the meaning ascribed to it in paragraph 1(iv)
EOI	Shall have the meaning ascribed to it in paragraph 1(iii)
Escrow Account	An escrow account under the name and title "Orbis Power- Open Offer Escrow" opened by the Acquirer with the Escrow Agent in terms of Regulation 28 of the SEBI (SAST) Regulations
Escrow Agent	Axis Bank Limited, Branch, 7 Shakespeare Sarani, Kolkata – 71

Escrow Agreement	Shall mean an escrow agreement dated January 28, 2010 entered into between the Acquirer, the Escrow Agent and the Manager to the Offer
FEMA	Foreign Exchange Management Act, 1999 and shall include applicable rules and regulations issued there under
FII	Foreign Institutional Investor
FY	Financial Year
Form of Acceptance cum Acknowledgement	Form of acceptance cum acknowledgement annexed to this Letter of Offer
Form of Withdrawal	Form of Withdrawal annexed to this Letter of Offer
High Court Order	Shall have the meaning ascribed to it in paragraph 1(vii)
Income Tax Act	Income Tax Act, 1961
IPCL	India Power Corporation Limited
KJCCL	Katras Jherriah Coal Company Limited
LIC	Life Insurance Corporation of India
Letter of Offer	This Letter of Offer dated March 23, 2010
Manager/ Manager to the Offer	Axis Bank Limited
Maximum Consideration	Rs. 60,12,09, 540, being the total financial resources required under the Offer, assuming full acceptances
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited

OCB	Overseas Corporate Bodies
Offer	This mandatory open offer by the Acquirer and the PAC under Regulations 10 and 12 of the SEBI (SAST) Regulations to acquire 8,46,774 Shares
Offer Price	Rs. 710 per Share
Offer Size	8,46,774 Shares representing 20% of the Share Capital as on May 04, 2010, which is the date which is fifteen (15) days from the date of closure of the Offer
PAC	Persons Acting in Concert being SIFL and IPCL
Persons eligible to participate in the Offer	All Shareholders whose names appear in the register of Shareholders on the Specified Date and also persons who own Shares any time prior to the closure of the Offer, whether or not they are registered Shareholders (except the Acquirer, the PAC and the Sellers being parties to the SPA and the Supplementary Agreement)
Public Announcement	Announcement of the Offer made by the Manager to the Offer on behalf of the Acquirer published on January 30, 2010
RBI	The Reserve Bank of India
Rs.	Indian Rupee
RTGS	Real Time Gross Settlement
Registrar/ Registrar to the Offer	Maheshwari Datamatics Private Limited
SEBI	The Securities and Exchange Board of India
SEBI (SAST) Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto
SEBI Act	The Securities and Exchange Board of India Act, 1992
Sellers' Directors	Shall have the meaning ascribed to it in paragraph 2.2

SIFL	Srei Infrastructure Finance Limited
SPA	Shall mean the share purchase agreement dated January 28, 2010 entered into by the Acquirer and the PAC with the Sellers
SPA Consideration	Shall have the meaning ascribed to it in paragraph 1(viii)
Sale Price	Shall have the meaning ascribed to it in paragraph 1(viii)
Sale Shares	Shall have the meaning ascribed to it in paragraph 1(i)
Sellers	AYCL, TBCCL, KJCCL, LIC and UIC
Share(s)	Fully paid-up equity share(s) of the Target Company, having a face value of Rs. 10 each
Share Capital	Rs. 4,23,38,680 divided into 42,33,868 fully paid-up Shares
Shareholder(s)	All owners (registered or unregistered) of Shares
Special Officer	Shall have the meaning ascribed to it paragraph 1(vii)
Specified Date	February 26, 2010
Stock Exchanges	NSE and CSE where the Shares are listed
Supplementary Agreement	Shall mean the supplementary agreement dated January 28, 2010 entered into by the Acquirer and the PAC with the Sellers
TBCCL	The Bengal Coal Company Limited
Target Company	DPSC Limited
Tax Clearance Certificate	Certificate from the Income Tax authorities to be submitted by NRIs/ OCBs/ foreign Shareholders, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961
Transfer Deed	Transfer Deed annexed to this Letter of Offer
UIC	United India Insurance Company Limited
Working Days	Working days of SEBI

DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF DPSC LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE TARGET COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, AXIS BANK LIMITED, THE MANAGER TO THE OFFER, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 11, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS AND SUBSEQUENT AMENDMENTS THERETO. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

DETAILS OF THE OFFER

Background of the Offer

1. This Offer is being made under Regulations 10 and 12 of the SEBI (SAST) Regulations for the purpose of a substantial acquisition of Shares and voting rights in the Target Company with change in control pursuant to the following:

   (i) On January 28, 2010, the Acquirer and the PAC entered into the SPA and the Supplementary Agreement with the Sellers, to acquire 24,20,455 fully paid up equity shares of the face value of Rs. 10 each ("**Sale Shares**") representing approximately 57.17% of the Share Capital of the Target Company.

   (ii) AYCL, one of the Sellers, is a public sector enterprise under the administrative control of the Ministry of Heavy Industries, Government of India, where the Government of India owns 98.62% of equity shares of AYCL. The sale by AYCL of its stake in the Target Company has been approved by the Government of India. The same was also communicated to AYCL vide Department of Heavy Industry's letter 10(43)/2005-PE-1 dated March 19, 2007.

(iii) On the basis of the above approval, with the intention of maximizing value from the sale of its shareholding, AYCL entered into an arrangement with its group companies namely TBCCL and KJCCL and with the public financial institutions namely LIC and UIC to jointly sell the Sale Shares to a single strategic investor identified through a competitive bidding process, with AYCL leading the process. Deloitte & Touche Consulting India Private Limited was appointed as advisors to the Sellers for inviting Expressions of Interest ("**EOI**") for the proposed sale of Sale Shares and matters relating thereto. In this regard a notice inviting interested parties to submit their EOI's to participate in the sale of Sale Shares process was published in The Economic Times, on August 8, 2008.

(iv) Thereafter, Descon, one of the existing shareholders of the Target Company, filed a petition (Company Petition No. 16 (Kol) of 2008) against the Target Company, the Sellers and Oriental Insurance Company Limited under Sections 397 and 398 of the Companies Act, 1956 before the Company Law Board, Principal Bench, New Delhi alleging that the qualification criterion for the competitive bidding process for the sale of the Sale Shares was discriminatory. The said petition was disposed by the Company Law Board vide an order dated October 19, 2009 ("**CLB Order**"). Descon preferred an appeal against the CLB Order (bearing number ACO No. 86 of 2009, APOT No. 410 of 2009, APO 302 of 2009) under Section 10F of the Companies Act ("**Descon Appeal**") before the High Court of Calcutta. The Descon Appeal was disposed off by the High Court of Calcutta vide an order dated November 18, 2009 ("**Descon Appeal Order**").

(v) Pursuant to the Descon Appeal Order, the High Court of Calcutta passed an order that all intending buyers for the Sale Shares should give their respective bids in a sealed cover to a special officer nominated under the Descon Appeal Order. The Descon Appeal Order further set out a procedure to be followed by the said special officer to declare the highest bidder to whom the Sale Shares should be transferred by the Sellers

(vi) Pursuant to the Descon Appeal Order and the procedure set out therein, on November 20, 2009, the financial bids were opened by the said special officer and the contents announced to bidders wherefrom it appeared that the Acquirer had quoted the highest price at Rs. 350 per equity share. In terms of the Descon Appeal Order, all bidders were then asked to bid afresh considering Rs. 350 per Equity Share as the floor price. After sixteen (16) rounds of bidding, the bid price of Rs. 710 per equity share quoted by the Acquirer was declared to be the highest bid by the said special officer and was accepted by the said special officer. The minutes of the proceedings held on November 20, 2009 before the said special officer provided that the parties were at liberty to seek directions from the High Court of Calcutta regarding the modalities of completion of transfer of the Sale Shares.

(vii) To expedite the completion of the transfer of Sale Shares from the Sellers to the Acquirer, the Acquirer filed an application (ACO No. 5 of 2010) before the High Court of Calcutta wherein it sought, amongst other things, orders of the court to direct the Sellers: (i) to transfer their respective Sale Shares to the Acquirer; (ii) to accept payment for the Sale Shares while simultaneously handing over the Sales Shares to the Acquirer; and / or to execute all necessary documents for the transfer of Sale Shares. The High Court of Calcutta, vide an order dated January 19, 2010 ("**High Court Order**") passed in the said application, directed the Sellers to hand over necessary demat delivery instruction slips duly executed in duplicate for transfer of the Sale Shares in favour of the Acquirer to a court appointed special officer ("**Special Officer**") on or before January 28, 2010. The High Court Order further directed the Acquirer to hand over to the Special Officer necessary pay orders on or before January 29, 2010, in respect of the Sale Price to be paid by the Acquirer to each Seller for the purchase of Sale Shares.

(viii) Upon receipt of the High Court Order, the Acquirer, PAC and the Sellers have executed the SPA and the Supplementary Agreement for completing the transfer of the Sale Shares from the Sellers to the Acquirer at a price of Rs. 710 per Share ("**Sale Price**") aggregating to Rs. 171,85,23,050 (Rupees One Seventy One Crores Eighty Five Lacs Twenty Three Thousand and Fifty Only) ("**SPA Consideration**") in the manner contemplated in the High Court Order . In terms of the High Court Order, the Special Officer handed over the pay orders to the Sellers, who have thereafter forthwith handed over the demat delivery instruction slips for the transfer of the Sale Shares to the Acquirer on January 28, 2010. The Supplementary Agreement reflects the procedure for appointment of the nominees of the Acquirer as directors on the board of directors of the Target Company.

(ix) Descon thereafter preferred an appeal against the High Court Order before the Supreme Court of India, which was dismissed.

2. The key terms of the transaction documents (being the SPA and the Supplementary Agreement) are as follows:

2.1 <u>Release of Bank Guarantee</u>

The Acquirer has deposited an earnest money bank guarantee of Rs. 10,00,00,000 (Rupees Ten Crores) ("**Bank Guarantee**"), in favour of AYCL, with AYCL acting on behalf of and for the benefit of all the Sellers during the competitive bidding process conducted by the Sellers. The Bank Guarantee will be cancelled and returned to the Acquirer on the date of consummation of purchase of the Sale Shares ("**Closing Date**") under the SPA. The Sale Shares were acquired on January 29, 2010 and therefore the Bank Guarantee was cancelled and returned to the Acquirer.

2.2 Acquirer's Representation on the Board of Directors of the Target Company

Promptly after the Closing Date, four (4) nominees of the Acquirer the Acquirer Nominee Directors shall be appointed as additional directors on the Board of Directors and the resignation of four (4) directors appointed by the Sellers ("**Sellers' Directors**") shall be placed before the Board and the same shall be accepted by the Board. The Acquirer Nominee Directors were accordingly appointed on January 29, 2010 and the Sellers' Directors had resigned from the Board on January 29, 2010.

2.3 Non-Completion of Offer

In the event the Offer is not completed by June 30, 2010 or if an extension is granted by SEBI, by such other date as may be specified by SEBI or any other appropriate authority for compliance with the provisions of the SEBI (SAST) Regulations, the following shall occur:

(i) the Acquirer shall transfer the Sale Shares back to the Sellers in such a manner that each Seller holds such number of Sale Shares as were held prior to the transfer of Sale Shares under the SPA; and

(ii) the Sellers shall return to the Acquirer 75% of the SPA Consideration.

3. AYCL had sought a No-Action Letter from the SEBI under the SEBI (Informal Guidance) Scheme, 2003, seeking clarification on whether the provisions of SEBI (SAST) Regulations, and more specifically the proviso to Regulation 14(1) and Regulation 23(8) of the SEBI (SAST) Regulations, would apply to the strategic sale of Sale Shares by the Sellers, considering that the Central Government indirectly holds 57.17% of the shareholding of the Target Company through the Sellers and thereby indirectly controls the Target Company making it a Public Sector Undertaking as defined under the SEBI (SAST) Regulations. SEBI, vide its No-Action Letter ref no. CFD/DCR/RKD/147547/08) dated December 16, 2008 responded to AYCL stating that in view of the facts and circumstances represented by AYCL particularly that the Government of India indirectly exercises control over the Target Company through various public sector undertakings and companies, the proposed disinvestment has the approval of Government of India and that the Sellers are directly / indirectly controlled by the Central / State Government, the proposed disinvestment as represented by AYCL substantially meets the spirit of the requirements of proviso to Regulation 14(1) and Regulation 23(8) of the SEBI (SAST) Regulations. Accordingly this Offer is being made in terms of the proviso to Regulation 14(1) and Regulation 23(8) of the SEBI (SAST) Regulations.

4. Since the Sale Shares constitute more than 15% of the total voting rights in the Target Company, being the threshold stipulated under Regulation 10 of the SEBI (SAST) Regulations, this Offer is being made in compliance with Regulation 10 of the SEBI (SAST) Regulations.

5. Further, upon acquisition of the Sale Shares, the Acquirer has acquired the voting rights in respect of the Sale Shares and is in control of the Target Company. Accordingly, this Offer is also being made under Regulation 12 of the SEBI (SAST) Regulations.

6. The Acquirer, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the SEBI Act, 1992.

7. Pursuant to the terms and conditions of the Supplementary Agreement and in accordance with Regulation 22(7) and 23(8) of the SEBI (SAST) Regulations, the Acquirer appointed the Acquirer Nominee Directors to the Board of Directors on January 29, 2010.

8. In terms of Regulation 2(1)(e)(2) of the SEBI (SAST) Regulations, certain person(s) may be deemed to be acting in concert with the Acquirer and the PAC. However, for the purposes of this Offer, save and except for the PAC, no other person is acting in concert with the Acquirer.

Details of the Offer

9. The Public Announcement announcing the Offer was made in accordance with Regulation 15(1) of the SEBI (SAST) Regulations in the following newspapers on January 30, 2010:

Newspaper	Language	Editions
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Navshakthi	Marathi	Mumbai
Arthik Lipi	Bengali	Kolkata

   A copy of the Public Announcement is available on SEBI's website (http://www.sebi.gov.in).

10. This Offer is being made to acquire 8,46,774 Shares at a price of Rs. 710 per Share payable in cash. As required under Regulation 21(5) of the SEBI (SAST) Regulations, the Offer Size represents 20% of the Share Capital as on May 04, 2010, which is the date which is fifteen (15) days from the date of closure of the Offer.

11. Any decision for an upward revision in the Offer Price by the Acquirer before the last date of revision (i.e. April 07, 2010), or withdrawal of the Offer would be communicated by way of a public announcement in the same newspapers in which the Public Announcement had appeared. In case of an upward revision in the Offer Price, the Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer. The

acquisition of Shares, which are validly tendered, by the Acquirer under this Offer will take place on or before May 04, 2010, in accordance with the schedule of events set out in paragraph 115 of this Letter of Offer.

12. As on the date of the Public Announcement, there are no outstanding instruments convertible into Shares or partly paid-up Shares.

13. In terms of Regulation 25(2A) of the SEBI (SAST) Regulations, no public announcement for a competitive bid shall be made after an acquirer has already made the public announcement under proviso to sub-regulation (1) of Regulation 14 of the SEBI (SAST) Regulations. Accordingly, there will be no competitive bid to this Offer.

14. This Offer is being made to all Persons eligible to participate in the Offer.

15. Other than the acquisition of Sale Shares by the Acquirer at the Sale Price pursuant to the SPA and acquisition of 72,417 Shares representing 1.71% of the Share Capital by IPCL, which were acquired through open market purchases at an average price of Rs. 530.70 per Share (the highest price for such acquisition being Rs. 565.14 per Share) which is less than the Sale Price / Offer Price, the Acquirer and the PAC have not acquired any Shares of the Target Company during the twelve (12) month period prior to the date of the Public Announcement. Other than the Sale Shares, no Shares have been acquired by the Acquirer between the date of the Public Announcement and the date of this Letter of Offer.

16. The Offer is not a conditional offer and is not subject to a minimum level of acceptance by the Shareholders. Accordingly, the Acquirer will accept all Shares tendered by the Shareholders pursuant to the Offer at the Offer Price subject to the Offer Size not being exceeded. In case the number of Shares received in the Offer exceeds the Offer Size, the acceptance will be made on a proportionate basis and will be contingent on the level of subscription in accordance with Regulation 21 (6) of the SEBI (SAST) Regulations.

Object of the Offer and future plans

17. This Offer is made in compliance of and in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations for the purpose of substantial acquisition of Shares and voting rights in the Target Company with change in control. The acquisition of Shares of the Target Company by the Acquirer is pursuant to the Acquirer been declared as the highest bidder for the Sale Shares in terms of an open and transparent competitive bidding process and the subsequent execution of SPA and the Supplementary Agreement.

Disclosure in terms of Regulation 16(ix) of the SEBI (SAST) Regulations

18. Neither the Acquirer nor the PAC has plans to sell, dispose of or otherwise encumber any assets of the Target Company in the next two (2) years, except in the ordinary course of business (such

ordinary course of business activities including the offering of assets of the Target Company as security for any financing of the Target Company). It will be the responsibility of the Board of Directors to make appropriate decisions in these matters in accordance with the requirements of the business. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time. Further, during this period, each of the Acquirer and the PAC undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the Shareholders.

BACKGROUND OF THE ACQUIRER AND THE PAC

i. The Acquirer – Orbis Power Venture Private Limited

19. The Acquirer (erstwhile Orbis Media Ventures Private Limited) is a private limited company incorporated on June 13, 2008, under the Companies Act, 1956 and is registered with the Registrar of Companies, West Bengal, situated at Kolkata under the registration number U40102WB2008PTC126593. It has its registered and corporate office is situated at Mirania Gardens, 10B, Topsia Road (East), Kolkata – 700046, West Bengal, India.

20. The main object of the Acquirer is to engage in the business of generating, transmitting, distributing and supplying of electrical energy or power in all forms and manner for public and private purposes. As on the date of the Public Announcement, the Acquirer is yet to commence its business.

21. The Acquirer is promoted by the PAC and forms part of the Srei Group.

22. As on date of the Public Announcement, the issued, subscribed and paid up equity share capital of the Acquirer is Rs. 1,00,000/- consisting of 10,000 fully paid-up equity shares of Rs. 10/- each.

23. The PAC hold 100% (Hundred percent) of the total issued subscribed and paid up share capital of the Acquirer with SIFL holding 85% (Eighty Five percent) of the total issued subscribed and paid up share capital of the Acquirer while the balance 15% is held by IPCL. After the date of the Public Announcement, during the Offer period, either of the PAC may increase their shareholding in the Acquirer.

24. The shareholding pattern of the Acquirer as on the date of the Public Announcement was as under

Sl. no	Shareholder's category	No. of shares held	Percentage of shares held
1.	Promoters		
	a) SIFL	8,500	85%
	b) IPCL	1,500	15%
2.	FII/ Mutual-Funds/ FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	**10,000**	**100%**

25. As on the date of the Public Announcement, the details of the board members of the Acquirer are as listed below:

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
Mr. D.P. Patra	CJ 332, Sector – II, Saltlake, Kolkata – 700 091	00067269	September 23, 2009	Mr. D.P. Patra is an ex IAS Officer with around 30 years of experience at a senior post in the central and state government levels in administration and in governance.
Mr. Sanjay Kumar Chaurasia	43/1 Durga Pore Lane, P.O. Alipore, Kolkata – 700 027	00907513	June 13, 2008	Mr. Sanjay Kumar Chaurasia is a qualified Company Secretary with over 12 yrs experience in the secretarial field.

26. As on the date of the Letter of Offer, the Acquirer Nominee Directors have been appointed on the Board of Directors under the provisions of the Supplementary Agreement.

27. The financial year of the Acquirer is April to March. Brief particulars of the audited financials of the Acquirer for the 10 month period ending March 31, 2009 and the limited review of the financials for the nine (9) months period ended December 31, 2009 as certified by the statutory auditors of the Acquirer, Mr. P K Drolia, Partner (Membership No. 052629), M/s ALPS & Co. 9, Crooked Lane, 3rd Floor, Kolkata-700 069 Tel: +91 33 2248 4240 / 47, are summarized below:

(Rs. in lakhs except otherwise stated)

Profit & Loss Statement	**Period from June 13, 2008 to March 31, 2009**	**6months period ended September 30, 2009**
Income from operations	-	-
Other Income	-	-
Total Income	-	-
Total Expenditure.	0.25	0.08
Profit/(Loss) Before Depreciation Interest and Tax	(0.25)	(0.08)
Depreciation	-	-
Interest	-	-
Profit/(Loss) Before Tax	(0.25)	(0.08)
Provision for Tax	-	-
Profit/(Loss) After Tax	(0.25)	(0.08)
Balance Sheet Statement	**As on March 31, 2009**	**As on September 30, 2009**
Sources of funds		
Paid up share capital	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)	-	-
Less: Total miscellaneous	0.25	0.32

Profit & Loss Statement	Period from June 13, 2008 to March 31, 2009	6months period ended September 30, 2009
expenses not written off (Debit Balance of Profit & Loss Account)		
Reserves and Surplus net of miscellaneous expenditure not written off	(0.25)	(0.32)
Networth	0.75	0.68
Secured loans	-	-
Unsecured loans	-	-
Total	0.75	0.68
Uses of funds	-	-
Net fixed assets	-	-
Investments	-	-
Net current assets	0.75	0.68
Total	0.75	0.68

Other Financial Data	As on March 31, 2009	As on September 30, 2009
Dividend (%)	-	-
Earning per share (Rs.)	(3.10)	(0.76)
Return on networth (%)	(33.03)	(11.29)*
Book value per share (Rs.)	7.25	6.75

*Not Annualised

28. The significant accounting policies of the Acquirer are as follows:

1. Basis and Convention of Accounting

The Accounts have been prepared under the historical cost convention on accrual basis of accounting unless specifically stated to be otherwise and in accordance with the applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

Accounting policies, unless specifically stated to be otherwise, are consistent and in consonance with generally accepted accounting principles in India.

2. Preliminary Expenses

Preliminary expenses are written off in the year of incurrence.

3. Expenditure

All the expenses are accounted for on accrual basis.

4. Tax On Income

i. Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act, 1961.

ii. Deferred Tax is recognized on timing difference; being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subjects to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

5. **Earning Per Share**

The Acquirer reports basic and diluted earnings per equity share in accordance with Accounting Standard-20, earnings per share issued by the Institute of Chartered Accountants of India. Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

6. **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving certain degree of estimation in measurement are recognized where there is a present obligation as a result of past events and it is probable that there will be outflow of resources.

Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

29. None of the directors of the Acquirer have acquired any Shares during the twelve (12) months preceding the date of the Public Announcement.

30. Other than the Sale Shares acquired by the Acquirer pursuant to the SPA, the Acquirer does not hold any Shares in the Target Company as on the date of the Letter of Offer. The Acquirer has complied with the reporting requirements under Chapter II of the SEBI (SAST) Regulations.

31. The shares of the Acquirer are not listed on any stock exchanges.

32. The Acquirer has not promoted any company since its inception.

ii. PAC – SIFL

33. SIFL is a listed company incorporated on March 29, 1985 under the Companies Act, 1956 and is registered with the Registrar of Companies, West Bengal, situated at Kolkata under the registration number L29219WB1985PLC055352. It has its registered office situated at Vishwakarma, 86C, Topsia Road (South), Kolkata – 700046, West Bengal, India and its corporate office situated at 6A K.S. Roy Road, Kolkata 700 001..

34. SIFL was originally incorporated under the name and style of Shri Radhakrishna Export Industries Limited to carry on the business of lease and hire purchase financing, bill discounting and manufacture and export of certain goods. The name further underwent changes in May 1992 and April 1994 and was last changed to its current name on August 31, 2004 to reflect the focus on the financial services being provided by SIFL. SIFL is also registered as an asset finance deposit taking Non Banking Financial Company with the RBI. Presently SIFL has three main business areas viz. infrastructure equipment financing, infrastructure project financing and infrastructure project advisory. In its meeting held on January 28, 2010, subject to the consent of the shareholders, the board of directors of SIFL has approved the proposed amalgamation of Quippo Infrastructure Equipment Limited (belonging to the Srei Group) with itself. SIFL's business includes infrastructure equipment leasing and finance, infrastructure project finance, advisory and development, insurance broking, venture capital, capital market and Sahaj e-Village. SIFL has a pan-India presence with a network of 63 offices and has also replicated its business model overseas with three offices in Russia. SIFL is the first Indian infrastructure financing institution to get listed on the London Stock Exchange. Srei Equipment Finance Pvt. Ltd., a joint venture between SIFL and the BNP Paribas Lease Group, a wholly owned subsidiary of BNP Paribas, is a Srei Group company engaged in infrastructure equipment leasing and financing business

35. SIFL belongs to the Srei Group and Mr. Hemant Kanoria is the promoter of SIFL.

36. As on date of the Public Announcement, the paid up equity share capital of the SIFL is Rs.116,14,47,980/- consisting of 11,61,44,798 fully paid up equity shares of Rs. 10/- each, out of which the promoter and promoter group of SIFL together hold 30.02% and the balance is held by public shareholders.

37. The shareholding pattern of SIFL as on the date of the Public Announcement was as under:

Sl. no	Shareholder's category	No. of shares held	Percentage of shares held
1.	Promoters	34,871,985	30.02%
2.	FII/ Mutual-Funds/ FIs/Banks	4,90,86,248	42.26%
3.	Public	3,18,73,613	27.44%
4.	Shares held by custodian and against which Depository Receipts have been issued	312,952	0.28%
	Total Paid Up Capital	**116,144,798**	**100.00%**

38. As on the date of the Public Announcement, the details of the board members of SIFL are as listed below:

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
Mr. Salil K Gupta Chief Mentor	538, Jodhpur Park, Kolkata – 700 068	00651223	April 20, 1991 (appointed as a chief mentor w.e.f. April 13, 2004)	Fellow Chartered Accountant Former president of The Institute of Chartered Accounts of India. Former chairman of

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
				West Bengal Industrial Development Corporation Limited (a leading State Financial Institution). Mr. Gupta has had over 51 years of experience in the field of corporate management and finance.
Mr. Hemant Kanoria Chairman and Managing Director	Kanoria House 3, Middle Road Hastings, Kolkata 700 022	00193015	October 30, 1990 (appointed as a managing director w.e.f. May 7, 1994 and as a chairman w.e.f. May 14, 2008)	Bachelors in Commerce (Honors) Over 29 years of experience in industry, trade and financial services Former member on the board of Governors of the Indian Institute of Management, Kolkata Former president of the Calcutta Chamber of Commerce.
Mr. Sunil Kanoria Vice Chairman	Kanoria House 3, Middle Road Hastings Kolkata 700 022	00421564	July 5, 1989 (appointed as vice chairman w.e.f. September 20, 2008)	Fellow Chartered Accountant An industrialist with over 21 years of experience in the

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
				financial service industry. Governing body member of the Construction Industry Development Council and The Association of Chambers of Commerce and Industry of India Past President in the Merchants' Chamber of Commerce, Federation of Indian Hire Purchase Association and Hire Purchase and Lease Association.
Mr. V. H. Pandya	Flat no. 1202, 12th floor, Park Side II, Bldg., Raheja Estate, Wing "B", Kulupwadi Road no. 1, Borivili (East), Mumbai – 400 066	00031857	July 22, 1994	A graduate in Economics and Law. Associate of the Indian Institute of Bankers. Experience of over 44 years in the field of banking and finance, having worked in the RBI, Industrial and Development Bank of India and SEBI at various functional areas.

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
Mr. S. Rajagopal	"VARENYA" 1043, 10th Main Road Judicial Officers Layout GKVK Post Bangalore – 560 065	00022609	January 25, 2003	Masters in Arts, LL.B, CAIIB Diploma in Industrial Finance and Cooperation of Indian Institute of Bankers. Past chairman and managing director of the Bank of India and the Indian Bank. Over 36 years of experience in the banking industry
Mr. Daljit Mirchandani	101 Sindh Co-operative Housing Society, Aundh, Pune 411007	00022951	May 14, 2008	Bachelor of technology from the Birla Institute of Technology. Chairman of Ingersoll-Rand in India. Former Chairman of the Karnataka State Council the Confederation of Indian Industries (CII) in 2005
Mr. S. Chatterjee	South City Apartments 7K, Tower - 1, SVC - 2 375, Prince	00048249	April 29, 2009	Bachelor in Arts (Honours). Over 42 years of experience in commercial and investment banking

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
	Anwar Shah Road Kolkata - 700 068			with the State Bank of India, London and Washington DC branch and Axis Bank Limited (formerly UTI Bank Limited).
Dr. Satish C. Jha	G-61, P.O. Palam Vihar Gurgaon – 122 017 Haryana	00247427	January 28, 2010	Masters in Science, PhD from Stanford University and University of Illinois. Former director and chief economist of Asian Development Bank, Manila. Former President of Bihar Council of Economic Development. Former member, Economic Advisory Council to the Prime Minister and Chairman, Special Task Force on Bihar.
Mr. Saud Siddique Joint Managing Director	Flat No. 1A, 1st Floor, Rameswara Apartments, 19A, Sarat Bose	01873293	October 29, 2007 (appointed as a Joint Managing Director with effect from April	Bachelors in Arts in Economics (Honours). Masters in Business Administration, Finance.

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
	Road Kolkata - 700020		1, 2009)	Around 25 years of experience in global infrastructure financing. Worked with International Finance Corporation, Washington D.C., USA and worked with the Swiss Bank Corporation as Assistant Vice President, USA. Also served as the Chief Executive Officer and a board member of a publicly listed water infrastructure fund in Singapore..
Mr. K. K. Mohanty Wholetime Director	23, PH - 2, Cape Tower 1925, Chak Garia, Hiland Park Kolkata - 700094	00080498	June 23, 2001	Bachelors in Technology. Masters in Business Administration. Over 34 years of experience, including 11 years in the Orissa State Financial Corporation, in asset financing, project funding, project and

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
				credit appraisals, structuring syndication and receivables management.

39. Except, Mr. Hemant Kanoria and Mr. Sunil Kanoria, no director of SIFL is on the board of directors of the Target Company as on the date of the Letter of Offer. Accordingly, Mr. Hemant Kanoria and Mr. Sunil Kanoria have recused themselves from participating in any matter relating to the Offer.

40. The financial year of SIFL is April to March. Brief particulars of the audited standalone financials of SIFL for the 12-month period ending March 31, 2007, March 31, 2008, March 31, 2009 and the standalone limited reviewed financials for the nine (9) months period ended December 31, 2009 as certified by the statutory auditors of SIFL, Mr. Abhijit Bandyopadhyay, Partner (Membership No. 054785), M/s Deloitte Haskins & Sells, Chartered Accountants, Bengal Intelligent Park, Building Alpha, 1st Floor, Block – EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata - 700091, Tel: +91-33-66121000, Fax: +91-33-66121001 are summarized below:

(Rs. in lakhs except otherwise stated)

Profit & Loss Statement	Financial year ended March 31, 2007	Financial year ended March 31, 2008	Financial year ended March 31, 2009	9 months ended December 31, 2009
Income from operations	39,799	45,905	32,227	30,304
Other Income	208	6,846	416	14
Total Income	40,007	52,751	32,643	30,318
Total Expenditure.	6,550	7,498	7,356	3,809
Profit/(Loss) Before Depreciation Interest and Tax	33,457	45,253	25,287	26,509

Profit & Loss Statement	Financial year ended March 31, 2007	Financial year ended March 31, 2008	Financial year ended March 31, 2009	9 months ended December 31, 2009
Depreciation	3,324	3,612	769	737
Interest	21,554	30,310	19,481	15,508
Profit/(Loss) Before Tax	8,579	11,331	5,037	10,264
Provision for Tax	654	535	1	2,253
Profit/(Loss) After Tax	7,925	10,796	5,036	8,011

Balance Sheet Statement	As on March 31, 2007	As on March 31, 2008	As on March 31, 2009	9 months ended December 31, 2009
Sources of funds				
Paid up share capital	10,909	11,629	11,629	11,629
Equity warrants Issued and Subscribed	-	1,780	1,780	-
Reserves and Surplus (excluding revaluation reserves)	36,794	52,399	56,077	65,868
Networth (net of miscellaneous expenditure not written off or adjusted)	47,096	65,808	69,486	77,497
Secured loans	2,32,639	58,778	1,15,161	2,43,398
Unsecured loans	97,711	30,641	19,100	60,698
Deferred Tax Liability	6,447	-	-	2,029

Balance Sheet Statement	As on March 31, 2007	As on March 31, 2008	As on March 31, 2009	9 months ended December 31, 2009
(Net)				
Total	**3,83,893**	**1,55,227**	**2,03,747**	**3,83,622**
Uses of funds				
Net fixed assets (including capital work in progress)	43,461	444	8,035	8,429
Investments	14,668	32,818	48,051	75,107
Net current assets	3,25,764	1,21,965	1,47,661	3,00,086
Total	**3,83,893**	**1,55,227**	**2,03,747**	**3,83,622**

Other Financial Data	Financial year ended March 31, 2007	Financial year ended March 31, 2008	Financial year ended March 31, 2009	9 months ended December 31, 2009
Dividend (%)	10.00	12.00	10.00	-
Earning per share	7.27	9.91	4.34	6.90*
Return on networth	16.83	16.41	7.25	10.34
Book value per share	43.17	56.59	59.75	66.64

* Not Annualized

Note: Since, FY 2007-08, SIFL has adopted the revised AS-15 "Employee Benefits". Adjustments (as permitted under the transitional provision in the revised AS-15) relating to certain retirement benefits amounting to Rs. 40 lacs and pertaining to the earlier years upto March 31, 2007 have been made against the opening balance of the General Reserve as on April 1, 2007. The figures for the financial year 2006-07, however, have not been adjusted for the impact of the change in accounting policy.

41. The reasons for rise/fall in total income and profit after tax is as follows:

FY 2008/09 vis-à-vis FY 2007/08

SIFL earned a total income of Rs. 32,643 lacs in FY 2008-09 as against Rs. 52,751 lacs in FY 2007-08 showing a decline of 38%. The profit after tax decreased from Rs. 10,796 lacs in FY 2007-08 to Rs. 5,036 lacs in FY 2008-09 showing a decrease of 53%. Pursuant to the scheme of arrangement approved by the shareholders of SIFL and the Hon'ble High Court at Calcutta, all business, assets and liabilities pertaining to the project finance business and asset based financing business of SIFL have been transferred to Srei Equipment Finance Pvt Ltd., which is a joint venture with BNP Paribas Lease Group. The scheme has been given effect from January 1, 2008, accordingly the total income and the profit after tax for FY 2008-09 are lower as compared to FY 2007-08.

FY 2007/08 vis-à-vis FY 2006/07

SIFL earned a total income of Rs. 52,751 lacs in FY 2007-08 as against Rs. 40,007 Lacs in FY 2006-07 showing an increase of 32%. The profit after tax increased from Rs. 7,925 Lacs in FY 2006-07 to Rs. 10,796 Lakhs in FY 2007-08 showing an increase of 36%. The total income has increased on account of increase in income from operations due to general increase in business and further on account of increase in other income due to reversal of deferred tax liability amounting to Rs. 6,427 lacs

FY 2006/07 vis-à-vis FY 2005/06

SIFL earned a Total Income of Rs. 40,007 Lakhs in FY 2006-07 as against Rs. 22,725 Lakhs in FY 2005-06 showing an increase of 76%. The profit after tax increased from Rs. 4,842 Lakhs in FY 2005-06 to Rs. 7,925 Lakhs in FY 2006-07 showing an increase of 64%. The total income has increased on account of increase in business i.e., increase in the Assets Under Management. The increase in profit after tax is in line with the increase of total income.

42. The significant accounting policies of SIFL are as follows:

1. Basis of Preparation

1.1 The financial statements are prepared in accordance with historical cost convention and accrual basis of accounting.

1.2 These are presented in accordance with Generally Accepted Accounting Principles in India, provisions of the Companies Act, 1956, Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 and the guidelines issued by the Reserve Bank of India, wherever applicable.

1.3 The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. Revenue Recognition

Income from operations is recognized in the profit and loss account on accrual basis as stated herein except in the case of non-performing assets where it is recognized, upon realization, as per the Prudential Norms of the RBI, applicable to non banking financial corporations.

2.1 Income from Loans

It is recognized based on the internal rate of return to provide a constant periodic rate of return on the net investment outstanding over the period of the contract or as per the terms of the contract.

2.2 Income from Operating Lease

It is recognized as rentals, as accrued over the period of lease, net of value added tax, if applicable.

2.3 Securitisations, Assignments and Co-Branded Arrangements

Income arising from securitization and assignment of loans is amortized over the life of the contract. In case of co-branded arrangements income is accounted on accrual basis as provided under respective arrangements. These are included in income from loans under Income from operations.

2.4 Fee Based Income

Fees for financial advisory services are accounted based on stage of completion of assignments, when there is reasonable certainty of its ultimate realization/ collection.

2.5 Other Operating Income

Dividend income is accounted when the right to receive the payment is established. Income from investment in funds is recognized on cash basis as per the Prudential Norms of the RBI. All other operating income is accounted for on accrual basis.

2.6 Other Income

Other income is accounted for on accrual basis.

3. Fixed Assets and Depreciation/Amortization

3.1 Fixed Assets include assets given under operating lease. Fixed Assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets.

3.2 Intangible assets expected to provide future enduring economic benefits are stated at cost less amortization. Cost comprises purchase price and directly attributable expenditure on making the asset ready for its intended use.

3.3 Depreciation has been provided on straight line method at rates prescribed in Schedule XIV to the Companies Act, 1956, or higher rates as ascertained by the management.

The Depreciation rates adopted are given as follows:

Assets for Own Use:		
i.	Building	1.63%
ii.	Furniture & Fixtures	6.33%
iii.	Motor Vehicles	9.50%
iv.	Computers	16.21%
v.	General Plant & Machinery	4.75%
Assets for Operating Lease:		
vi.	Aeroplanes / Aircraft #	11.11%
vii.	Oil Rig	11.31%
Fixed Assets costing less than Rs.5,000/-		100.00%

based on estimated useful life of 9 years.

3.4 Leasehold assets are amortized over the period of the lease.

3.5 Intangible assets are amortized over their best estimated useful life ranging up to 6 years on straight line method.

4. Impairment of Fixed Assets

Wherever events or changes in circumstances indicate that the carrying value of fixed assets may be impaired, the Company subjects such assets to a test of recoverability, based on discounted cash flows expected from use or disposal thereof. If the assets are impaired, SIFL recognizes an impairment loss as the difference between the carrying value and value in use.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

5. Capital Work in Progress

Capital work in progress is stated at cost and includes development and other expenses including interest during construction period.

6. Investments

6.1 Investments are classified into "Long Term" and "Current" investment.

6.2 All long term investments including investments in subsidiary companies are stated at cost. Provision for diminution in value, other than temporary, is considered wherever necessary on individual basis.

6.3 Cost is arrived at on weighted average method for the purpose of valuation of investment.

6.4 Investments held as stock for trade are valued at lower of cost and market price determined category-wise.

7. Loan Assets

7.1 Loan Assets include loans advanced by SIFL secured by collateral offered by the customers if applicable. These are shown net of assets securitized.

7.2 Loan assets are valued at net investment amount including installments fallen due and net of unmatured/unearned finance charges etc.

8. Provision for Non-Performing Assets and Bad Debts

8.1 Relating to Loans & Operating Lease Assets:

8.1.1 Provisions for non performing assets are considered in the financial statements according to prudential norms prescribed by the Reserve Bank of India. Additional provision as per the requirement of FII has also been made as follows:

Loan Assets:

Asset Classification	Arrear Period	Provision as per RBI	Provision as per Foreign Financial Institution	Provision adopted by SIFL
		% of Portfolio	% of Portfolio	% of Portfolio
Standard	Upto 90 days	Nil	Nil	Nil
	91 to 180 days	Nil	20	20
Sub-Standard	181 to 360 days	10	50	50

Asset Classification	Arrear Period	Provision as per RBI	Provision as per Foreign Financial Institution	Provision adopted by SIFL
		% of Portfolio	% of Portfolio	% of Portfolio
	361 to 365 days	10	100	100
	More than 12 months to 24 months	10	100	100
Doubtful (Unsecured)	More than 24 months	100	100	100
Doubtful (Secured)	More than 24 months to 36 months	20	100	100
	More than 36 months to 60 months	30	100	100
	Above 60 months	50	100	100
Loss	As per Management discretion	100	100	100

Operating Lease Assets:

Asset Classification	Arrear Period	Provision as per Reserve Bank of India	Provision as per Foreign Financial Institution	Provision adopted by SIFL
		% of Outstanding	% of Outstanding	% of Outstanding
Standard	Upto 90 days	Nil	Nil	Nil
	91 to 180 days	Nil	20	20
	181 to 360 days	Nil	50	50

Asset Classification	Arrear Period	Provision as per Reserve Bank of India	Provision as per Foreign Financial Institution	Provision adopted by SIFL
		% of Outstanding	% of Outstanding	% of Outstanding
	361 to 365 days	Nil	100	100
Sub-Standard	More than 12 months to 24 months	10	100	100
	More than 24 months to 30 months	40	100	100
Doubtful	More than 30 months to 36 months	40	100	100
	More than 36 months to 48 months	70	100	100
	More than 48 months	100	100	100
Loss	As per Management Discretion	100	100	100

8.1.2 Loan Assets overdue for more than four years are considered as bad debts and written off.

8.2 Provision for other debts arising from services is considered in the financial statements according to the Prudential Norms prescribed by the Reserve Bank of India.

9. Foreign Currency Transactions

9.1 Foreign currency transactions are recorded at the exchange rates prevailing at the time of transaction.

9.2 Assets and liabilities expressed in foreign currencies are translated into the reporting currency at the exchange rate prevailing at the balance sheet date except with respect to liabilities where exchange fluctuation losses are to be borne by customers. Any loss or gain arising there from has been included in finance charges as per the provisions of Accounting

Standard 16 and 11 notified by the Central Government under the Companies (Accounting Standards) Rules, 2006.

9.3 In respect of forward exchange contracts entered into by SIFL, the difference between the forward rate and the exchange rate on the date of the transaction are recognized as income or expense over the life of the contract.

Gain/loss on settlement of transactions arising on renewal/cancellation are recognized as income or expense in the period in which these are renewed or cancelled.

9.4 In respect of derivative contracts, premium paid, gains/losses on settlement and provisions for losses determined in accordance with principles of prudence, on category wise basis, are recognized in the Profit & Loss account.

10. Prior Period and Extra Ordinary Items

Prior period and extra ordinary items having material impact on the financial affairs of SIFL are disclosed separately.

11. Borrowing Costs

Borrowing costs to the extent attributed to the acquisition/construction of qualifying assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognized as an expense in the period in which they are incurred.

12. Employee Benefits

12.1 Short term employee benefits

Short term employee benefits based on expected obligation on undiscounted basis are recognized as expense in the Profit and Loss account of the period in which the related service is rendered.

12.2 Defined contribution plan

SIFL's contribution towards Regional Provident Fund Authority and Employee State Insurance Corporation are charged to the Profit and Loss Account.

12.3 Defined benefit plan

SIFL's liability towards gratuity is a defined benefit plan. Such liabilities are ascertained by an independent actuary as per the requirements of Accounting Standard – 15 (revised 2005) "Employee Benefits".

All actuarial gains and losses are recognized in Profit and Loss Account in the year in which they occur.

During the year, SIFL has started making contributions to Regional Provident Fund Authority towards its Provident Fund obligations for all employees. Hitherto for some of its employees, contributions were being made to the "Srei International Finance Provident Fund Trust" which was a defined benefit plan.

13. Segment Reporting

Segment information is reported in the consolidated financial statements.

14. Taxes on Income

14.1 Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961.

14.2 Deferred tax is recognized on timing differences, being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations where SIFL has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

15. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

16. Earnings per Share

SIFL reports basic and diluted earnings per equity share in accordance with Accounting Standard-20, earnings per share notified by the Central Government under the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share has been computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings during the year adjusted for effects of all dilutive potential equity shares per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

17. Assets under Management

17.1 Contracts securitized or assigned are derecognized from the books of accounts. Co-branded loan transactions are originated by SIFL on behalf of partner bank/financial institution.

17.2 Contingent liabilities, if any, for such contracts are disclosed separately.

18. Miscellaneous Expenditure

Miscellaneous Expenditure on issue of bonds and debentures are being amortized over the tenure of the respective bonds and debentures.

43. None of the directors of SIFL have acquired any Shares during the twelve (12) months preceding the date of the Public Announcement.

44. SIFL does not hold any Shares in the Target Company as on the date of the Letter of Offer. Therefore the reporting requirements under Chapter II of the SEBI (SAST) Regulations do not apply.

45. The equity shares of SIFL are listed on the NSE, the Bombay Stock Exchange Limited and the CSE. SIFL has also issued global depository receipts which are listed on the London Stock Exchange.

46. Apart from the Acquirer (which is not a sick company and against which no action has been taken by any of the regulator / statutory authorities), SIFL has promoted / acquired the following companies:

i) Srei Capital Markets Ltd.

Date of incorporation	May 19, 1998		
Nature of business	Merchant Banking		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	505.00	505.00	505.00
Reserves (excluding revaluation reserves)	120.26	175.94	101.16
Debit balance of profit & loss a/c	-	-	-

Miscellaneous expenses (to the extent not written off)	-	-	0.17
Total income	448.93	2064.67	458.91
Profit after tax	(55.69)	84.67	13.18
No. of shares (in lacs)	50.50	50.50	50.50
Earnings per share (in Rs.)	(1.10)	1.68	0.26
Net asset value per share	12.38	13.48	12.00
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

ii) <u>Srei Venture Capital Ltd.</u>

Date of incorporation	October 31, 1994		
Nature of business	Venture Capital		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	25.00	25.00	25.00
Reserves (excluding revaluation reserves)	978.67	967.48	959.12
Debit balance of profit & loss a/c	-	-	-
Miscellaneous expenses	-	0.49	0.65

(to the extent not written off)			
Total income	877.60	620.28	813.97
Profit after tax	11.20	9.44	645.59
No. of shares (in lacs)	2.50	2.50	2.50
Earnings per share (Rs.)	4.48	3.77	258.24
Net asset value per share (Rs.)	401.47	396.80	393.39
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

iii) Srei Sahaj e-Village Ltd.

Date of incorporation	November 29, 2002		
Nature of business	Information technology enabled services		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	100.00	100.00	5.00
Reserves (excluding revaluation reserves)	135.53	-	-
Debit balance of profit & loss a/c	-	71.63	73.98
Miscellaneous expenses (to the extent not written off)	-	0.55	0.67

Total income	10659.94	2298.09	8.03
Profit after tax	207.16	2.35	(1.32)
No. of shares (in lacs)	10.00	10.00	0.50
Earnings per share (Rs.)	20.72	0.24	(2.64)
Net asset value per share (Rs.)	23.55	2.78	(139.31)
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

iv) <u>Srei Forex Limited</u>

Date of incorporation	September 26, 2001		
Nature of business	Earlier Srei Fox Limited was acting as a full fledged money changer licensed by the RBI. It has surrendered the aforesaid license to RBI on October 17, 2006.		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	50.00	50.00	50.00
Reserves (excluding revaluation reserves)	-	-	-
Debit balance of profit & loss a/c	13.61	9.49	4.56
Miscellaneous expenses	-	0.44	0.55

(to the extent not written off)			
Total income	0.33	0.01	432.52
Profit after tax	(4.12)	(4.87)	(14.94)
No. of shares (in lacs)	5.00	5.00	5.00
Earnings per share (Rs.)	(0.82)	(0.97)	(2.99)
Net asset value per share (Rs.)	7.28	8.01	8.98
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

v)Srei Infrastructure Advisors Ltd.

Date of incorporation	June 19, 2001		
Nature of business	Infrastructure advisory services		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	50.00	5.00	5.00
Reserves (excluding revaluation reserves)	6.16	5.08	0.91
Debit balance of profit & loss a/c	-	-	-
Miscellaneous expenses (to the extent not written off)	-	0.35	0.47

Total income	7.82	6.50	0.03
Profit after tax	1.07	4.17	(2.14)
No. of shares (in lacs)	5.00	0.50	0.50
Earnings per share (Rs.)	0.33	8.35	(4.29)
Net asset value per share (Rs.)	11.23	19.46	10.87
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

vi) <u>Global Investment Trust Ltd.</u>

Date of incorporation	May 22, 1995		
Nature of business	Trusteeship functions		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	5.00	5.00	5.00
Reserves (excluding revaluation reserves)	6.10	5.32	3.84
Debit balance of profit & loss a/c	-	-	-
Miscellaneous expenses (to the extent not written off)	-	0.14	0.19
Total income	12.38	8.16	7.18

Profit after tax	0.78	1.48	0.53
No. of shares (in lacs)	0.50	0.50	0.50
Earnings per share (Rs.)	1.55	2.96	1.06
Net asset value per share (Rs.)	22.20	20.36	17.30
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

vii) Srei Equipment Finance Private Ltd.

Date of incorporation	June 13, 2006
Nature of business	Asset Financing (non deposit taking non banking financial company)

Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	5,000	205	200
Reserves (excluding revaluation reserves)	83,673	2,423	1.82
Debit balance of profit & loss a/c	-	-	-
Miscellaneous expenses (to the extent not written off)	444	526	-
Total income	93,413	22,088	8.49

Profit after tax	6,250	2,390	1.82
No. o shares (in lacs)	500.00	20.50	20.00
Earnings per share (Rs.)	12.53	116.93	0.09
Net asset value per share (Rs.)	176.46	102.54	10.10
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

viii) **Srei Insurance Broking Private Ltd.**

Date of incorporation	August 16, 2002		
Nature of business	Composite insurance broking		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	250.00	250.00	250.00
Reserves (excluding revaluation reserves)	11.36	5.18	5.41
Debit balance of profit & loss a/c	-	-	-
Miscellaneous expenses (to the extent not written off)	-	1.49	1.74
Total income	136.61	124.58	118.04
Profit after tax	6.18	2.46	1.65

No. o shares (in lacs)	25.00	25.00	25.00
Earnings per share (Rs.)	0.25	0.10	0.07
Net asset value per share (Rs.)	10.45	10.15	10.15
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

ix) **Srei Mutual Fund Asset Management Private Ltd.**

Srei Mutual Fund Asset Management Private Limited was incorporated on November 27, 2009 to provide trusteeship functions and is not a sick industrial company. As this is the first year of operations for Srei Mutual Fund Asset Management Private Limited, its audited financial statements are not yet available.

x) **Srei Mutual Fund Trust Private Ltd.**

Srei Mutual Fund Trust Private Limited was incorporated on November 29, 2009 and is not a sick industrial company. As this is the first year of operations for Srei Mutual Fund Trust Private Limited, its audited financial statements are not yet available.

xi) **Hyderabad Information Technology Venture Enterprises Limited**

Date of incorporation	April 22, 1998		
Nature of business	Venture capital fund		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	25.00	25.00	25.00
Reserves (excluding revaluation reserves)	59.06	50.61	44.92

Debit balance of profit & loss a/c	-	-	-
Miscellaneous expenses (to the extent not written off)	-	0.03	0.05
Total income	36.91	37.89	36.18
Profit after tax	8.45	5.69	0.25
No. of shares (in lacs)	2.50	2.50	2.50
Earnings per share (Rs.)	3.38	2.28	0.10
Net asset value per share (Rs.)	33.62	30.23	27.95
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

xii) <u>Cyberabad Trustee Company Pvt. Ltd.</u>

Date of incorporation	December 23, 1999		
Nature of business	Trusteeship functions		
Particulars	Financial Year		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	5.00	5.00	5.00
Reserves (excluding revaluation reserves)	0.13	0.01	-
Debit balance of profit & loss a/c	-	-	0.07

Miscellaneous expenses (to the extent not written off)	-	-	-
Total income	0.45	0.43	0.09
Profit after tax	0.10	0.01	(0.11)
No. of shares (in lacs)	0.50	0.50	0.50
Earnings per share (Rs.)	0.20	0.01	(0.22)
Net asset value per share (Rs.)	10.26	10.01	9.86
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

xiii) Srei Infocomm Services Ltd.

Date of incorporation	July 17, 2008		
Nature of business	To providing comprehensive integrated infrastructure solutions to telecom operators		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	5.00	NA	NA
Reserves (excluding revaluation reserves)	-	NA	NA
Debit balance of profit & loss a/c	1.74	NA	NA

Miscellaneous expenses (to the extent not written off)	-	NA	NA
Total income	0.001	NA	NA
Profit after tax	(1.74)	NA	NA
No. of shares (in lacs)	0.50	NA	NA
Earnings per share (Rs.)	(4.93)	NA	NA
Net asset value per share (Rs.)	6.51	NA	NA
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

xiv) Bengal Srei Infrastructure Development Ltd.

Date of incorporation	November 25, 2004		
Nature of business	Project management and related services		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	5.00	5.00	5.00
Reserves (excluding revaluation reserves)	21.43	6.25	-
Debit balance of profit & loss a/c	-	-	6.12
Miscellaneous expenses	-	-	-

(to the extent not written off)			
Total income	130.22	102.38	55.72
Profit after tax	17.52	15.84	3.61
No. of shares (in lacs)	0.50	0.50	0.50
Earnings per share (Rs.)	35.04	31.68	7.22
Net asset value per share (Rs.)	52.86	22.50	(2.24)
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

xv) <u>Controlla Electrotech Pvt. Ltd.</u>

Date of incorporation	July 26, 1991		
Nature of business	Real estate		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	3.53	3.53	3.53
Reserves (excluding revaluation reserves)	31.74	31.74	31.74
Debit balance of profit & loss a/c	40.21	10.62	7.60
Miscellaneous expenses (to the extent not written off)	-	-	-

Total income	7.79	2.36	1.63
Profit after tax	(29.59)	(3.03)	(1.23)
No. of shares (in lacs)	0.35	0.35	0.35
Earnings per share (Rs.)	(83.82)	(8.58)	(3.47)
Net asset value per share (Rs.)	(14.00)	69.82	78.37
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

xvi) IIS International Infrastructure Services GmbH

Date of incorporation	September 17, 2003		
Nature of business	Leasing and renting movable assets used for Infrastructure projects		
Particulars	**Financial Year**		
	2008-09	**2007-08**	**2006-07**
	Amount (Rs. in lacs)		
Equity capital	4280.89	4020.71	1709.53
Accumulated reserves / (deficit) (excluding revaluation reserves)	(159.50)	(131.61)	(127.82)
Total income	19.16	39.05	5.09
Profit after tax	(19.37)	8.55	(119.92)

No. of shares (in lacs)	N.A.	N.A.	N.A.
Earnings per share (Rs.)	N.A.	N.A.	N.A.
Net asset value per share (Rs.)	N.A.	N.A.	N.A.
Mention if the company is a sick industrial company	No		
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No		

xvii) CJSC "Srei Leasing"

Date of incorporation	September 29, 2004		
Nature of business	Lease financing		
Particulars	**Financial Year Ended**		
	31-Dec-2008	**31-Dec-2007**	**31-Dec-2006**
	Amount (Rs. in lacs)		
Equity capital	5070.96	4025.00	1741.95
Reserves (excluding revaluation reserves)	238.70	1.73	(79.68)
Total income	3672.72	1906.40	424.78
Profit after tax	92.26	83.56	1.61
No. of shares (in lacs)	N.A.	N.A.	N.A.
Earnings per share (Rs.)	N.A.	N.A.	N.A.
Net asset value per share (Rs.)	N.A.	N.A.	N.A.

Mention if the company is a sick industrial company	No
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No

47. The compliance officer of SIFL is Mr. Sandeep Lakhotia Tel: +91 33 39887734 / 22850124; Fax: +91 33 2285 8501 / 7542; email: corporate@srei.com / secretarial@srei.com.

iii. PAC – IPCL

48. IPCL is a public limited company incorporated on November 28, 2003 under the Companies Act, 1956 and is registered with the Registrar of Companies, West Bengal, situated at Kolkata under the registration number U40101WB2003PLC097340. It has its registered office situated at Vishwakarma, 86C, Topsia Road (South), Kolkata – 700046, West Bengal, India. IPCL does not have a corporate office.

49. IPCL was incorporated to carry on the business of generating, transmitting, distributing and supplying of electrical energy or power in all forms and manner for public and private purposes. IPCL is presently engaged in the business of generation of electricity through wind energy. IPCL is keen to diversify its activities and take up power distribution, transmission and trading in the coming years. IPCL has achieved the following projects:

- 10.4 MW Wind Power Project – Commissioned and in operation since February / March. 2006.
- 24.8 MW Wind Power Project – Commissioned and in operation since March.2007.

50. IPCL does not have any identifiable promoter and does not belong to any group.

51. As on date of the Public Announcement, the paid up equity share capital of IPCL is Rs. 28,03,57,140 consisting of 2,80,35,714 fully paid equity shares of Rs. 10/- each.

52. The shareholding pattern of IPCL as on the date of the Public Announcement was as under:

Sl. no	Shareholder's category	No. of shares held	Percentage of shares held
1.	Promoters	Nil	Nil
2.	FII/ Mutual-Funds/ FIs/Banks	2,77,24,514	98.89%
3.	Public	3,11,200	1.11%

	Total Paid Up Capital	**28,03,57,140**	**100%**

53. As on the date of the Public Announcement, the details of the board members of IPCL are as listed below:

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
Jainul Haque	B-2/702, PWO Housing Society, Sector-43, Gurgaon, 122002, Haryana, India	00004762	October 1, 2008	Mechanical engineer with more than 37 years experience in power sector companies such as NTPC, POWERGRID, NALCO.
Debi Prasad Patra	CJ 332, Sector II, Saltlake, Kolkata, 700091, West Bengal, India	00067269	March 6, 2009	An ex IAS officer with around 30 years of experience in various senior central and state government levels in administration and governance. Masters in Arts in Political Science
Anthony Dilip Rozario	17 Serang Lane, P.O. Entally, Kolkata, 700014, West Bengal, India	00190884	November 28, 2003	Around 25 years of experience in fund and treasury management. Cost Accountant
Deepak Rudra	CL-129, Sector II, Salt Lake City, Kolkata, 700091, West Bengal, India	00240145	December 24, 2004	Retired IAS officer, having served as an Additional Chief Secretary, Transport Department,

Name	Residential Address	Directors Identification Number (DIN)	Date of Appointment	Qualifications and experience
				Government of West Bengal. Ex chairman and managing director of UCO Bank.
Santosh Kumar Nanda	114B Satyanagar, Bhubaneswar, 751001, Orissa, India	00463749	December 24, 2004	Bachelors in Technology. Working as an engineer in the power sector with more than 45 years of experience. Ex-chairman of Orissa State Electricity Board.

54. Except, Mr. Debi Prasad Patra, the managing director of IPCL, as on the date of the Letter of Offer, no director of IPCL is on the board of directors of the Target Company. Accordingly, Mr. Debi Prasad Patra has recused himself from participating in any matter relating to the Offer.

55. The financial year of IPCL is April to March. Brief particulars of the audited standalone financials of IPCL for the 12-month period ending March 31, 2007, March 31, 2008, March 31, 2009 and the standalone limited review of the financials for the six (6) months period ended December 31, 2009 as certified by the statutory auditors of IPCL, Mr. Rajiv Singhi, Partner (Membership No. 53518), M/s Singhi & Co., Chartered Accountants, Emerald House, 4th Floor, 1B, Old Post Office Street, Kolkata-700 001,Tel: +91 33 2248 4573 / 77, Fax: +91 33 2230 7146 are summarized below:

(Rs. in lakhs except otherwise stated)

Profit & Loss Statement	Financial year ended March 31, 2007	Financial year ended March 31, 2008	Financial year ended March 31, 2009	6 months period ended September 30, 2009
Income from operations	690.15	2,103.16	2,150.45	1264.17

Profit & Loss Statement	Financial year ended March 31, 2007	Financial year ended March 31, 2008	Financial year ended March 31, 2009	6 months period ended September 30, 2009
Other Income	74.38	23.51	107.96	29.45
Total Income	764.53	2,126.67	2,258.41	1293.62
Total Expenditure.	722.56	1,991.64	2,132.13	1066.08
Profit/(Loss) Before Depreciation Interest and Tax	41.97	135.03	126.28	227.54
Depreciation	32.06	123.11	110.85	50.14
Interest	-	-	-	-
Profit/(Loss) Before Tax	9.91	11.92	15.43	177.40
Provision for Tax	8.11	7.40	4.93	28.55
Profit/(Loss) After Tax	1.80	4.52	10.50	148.85

Balance Sheet Statement	As On March 31, 2007	As on March 31, 2008	As on March 31, 2009	As on September 30, 2009
Sources of funds				
Paid up share capital	1,303.57	1,303.57	2,803.57	2,803.57
Reserves and Surplus (excluding revaluation reserves)	-	-	-	-
Profit & Loss Account	(9.97)	(5.45)	5.05	153.91
Networth (net of	1,293.60	1,298.13	2,808.62	2,950.94

Balance Sheet Statement	As On March 31, 2007	As on March 31, 2008	As on March 31, 2009	As on September 30, 2009
Miscellaneous expenditure not written off)				
Deferred Tax Liability	-	2.89	7.40	7.40
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Total	**1,293.60**	**1,301.02**	**2,816.02**	**2,958.34**
Uses of funds				
Net fixed assets	1,229.05	1,106.13	996.66	946.78
Investments	595.00	-	5.00	389.23
Net current assets	(535.11)	194.89	1,814.36	1,622.33
Deferred Tax Assets	4.66	-	-	-
Total	**1,293.60**	**1,301.02**	**2,816.02**	**2,958.34**

Other Financial Data	As On March 31, 2007	As on March 31, 2008	As on March 31, 2009	As on September 30, 2009
Dividend (%)	-	-	-	-
Earning per share (Rs.)	0.02	0.03	0.04	0.53*
Return on networth (%)	0.14	0.35	0.37	5.04
Book value per share (Rs.)	9.92	9.96	10.02	10.52

*-Not Annualized

56. The reasons for rise/fall in total income and profit after tax is as follows:

FY 2008/09 vis-à-vis FY 2007/08

IPCL had earned a total income of Rs. 2,258.41 lacs in FY 2008-09 as against a total income of Rs. 2,126.67 in FY 2007-08 showing an increase of approximately 6.19%. The profit after tax of IPCL in FY 2008-09 was Rs. 10.50 lacs as against Rs. 4.52 lacs in FY 2007-08 showing an increase of approximately 132.30%. The increase in profit after tax & total income are marginal.

FY 2007/08 vis-à-vis FY 2006/07

IPCL had earned a total income of Rs. 2,126.67 lacs in FY 2007-08 as against a total income of Rs. 764.52 lacs in FY 2006-07 showing a substantial increase. Accordingly the profit after tax also increased from Rs. 1.80 lacs in FY 2006-07 to Rs. 4.52 lacs in FY 2006-07. The increase in total income and resultantly the profit after tax was on account of both the Karnataka (10.4 MW) and Gujarat (24.8 MW) units becoming fully operational in FY 2007-08.

FY 2006/07 vis-à-vis FY 2005/06

IPCL had earned a total income of Rs. 764.52 lacs in FY 2006-07 as against a total income of Rs.7.10 lacs in FY 2005-06, which was on account of commissioning of the Karnataka (10.4 MW) unit for the entire period of FY 2006-07 and also commissioning the Gujarat (24.8 MW) units plant in the month of March 2007. Therefore IPCL was able to earn profits of Rs.1.80 lacs as against the loss of Rs. 11.89 lacs for FY 2005-06.

57. **Significant accounting policies of IPCL:**

1. Basis of Accounting

The financial statements are prepared and presented in accordance with generally accepted accounting principles in India including Accounting Standards prescribed by ICAI and the provisions of the Companies Act, 1956. IPCL follows the accrual method of accounting under historical cost convention.

2. Recognition of Income

Earnings from export of power are accounted for net of power imported and transmission losses and rebate in the month of generation. As value of VERs (Verified Emission Reduction) is not quantifiable with reasonable certainty, the same is recognised on receipt of verifier's report. Claim for short generation of power, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted for on settlement of the claim

3. Fixed Assets

a) Fixed asset are stated at cost including expenses incurred upto the state of their installation/commissioning as reduced by depreciation provided in the accounts.

b) Depreciation on fixed assets is provided on written down value method at rates prescribed under Schedule XIV to the Companies Act, 1956

c) Fixed assets costing less than Rs. 5,000/- are depreciated fully in the year of acquisition.

4. Investments

Long term investments are carried at cost. However, provision is made to recognize a decline, other than temporary, in the value of long term investments. Current investments are carried at lower of cost and fair value, determined on individual basis.

5. Operating leases

Lease payments under an operating lease are recognized as an expense in the statement of profit and loss account as per the terms of lease agreement.

6. Tax on Income

a) Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961.

b) Deferred tax is recognized on timing difference; being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subjects to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

7. Retirement Benefits to Employees

Retirement benefit in the form of gratuity are considered as defined benefit obligation and are provided for on the basis of an actuarial valuation, using projected unit credit method, as at balance sheet date. Actuarial gains/losses are taken to profit and loss account and are not deferred. Retirement benefit in the form of leave pay is provided on actual basis.

8. Earnings Per Share

IPCL reports basic and diluted earnings per equity share in accordance with Accounting Standard-20, 'Earnings Per Share' issued by the Institute of Chartered Accountants of India. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

9. Impairment of Assets

IPCL's assets at each balance sheet date are reviewed whether there is any indication of an asset being impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value, in which case the impairment loss is charged to the profit and loss account of the year. The impairment loss recognised in prior accounting periods is adjusted if there has been a change in the estimate of the recoverable amount.

10. Provisions

A provision is recognised when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate and adjusted to reflect the current best estimates.

11. Contingent Liabilities

Contingent liabilities not provided for in the accounts and are disclosed by way of notes to accounts.

58. None of the directors of IPCL have acquired any Shares during the twelve (12) months preceding the date of the Public Announcement.

59. Other than 72,417 Shares constituting 1.71% of the Share Capital, IPCL does not hold any Shares in the Target Company as on the date of the Public Announcement. No Shares have been acquired during the period between the Public Announcement and this Letter of Offer. Accordingly the reporting requirements under Chapter II of the SEBI (SAST) Regulations do not apply.

60. The shares of IPCL are not listed on any stock exchanges.

61. Apart from the Acquirer (which is not a sick company and against which no action has been taken by any of the regulator / statutory authorities), the details of all other companies promoted/acquired by IPCL are as follows:

i. India Power Corporation (Haldia) Limited

Date of incorporation	April 28, 2008
Nature of business	To undertake the business of and / or to establish operations of captive power plants for Polysilicon, Solar PV complex at Haldia and / or to generate, transmit, use, distribute & supply electrical energy or power (including captive energy or power) in all forms and manner for public

	and private purposes.
Particulars	**Financial Year Ended 31-Mar-2009**
	Amount (Rs. in lacs)
Equity capital	5.00
Reserves (excluding revaluation reserves)	NIL
Total income	NIL
Profit after tax	NIL
No. of shares (in lacs)	50,000
Earnings per share (Rs.)	NIL
Net asset value per share (Rs.)	2.84
Mention if the company is a sick industrial company	No
Whether any action has been taken against such companies by any of the regulator / statutory authorities	No

DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE SEBI (SAST) REGULATIONS

62. Pursuant to the listing norms applicable to the Target Company, the Target Company is required to maintain a minimum public shareholding of 25% of the Share Capital. If the Offer results in the public shareholding in the Target Company being reduced to less than 25% of the Share Capital, the Acquirer undertakes to comply with the requirements for continuous listing guidelines set out in the Listing Agreement executed between the Target Company and the Stock Exchanges as required under Regulation 21(2) of the SEBI (SAST) Regulations. In the event that it is so required under applicable law, the Acquirer shall either sell-down its shareholding in the Target Company or cause the Target Company to make a fresh issue of Shares or in any other manner as the relevant stock exchanges may deem fit, so as to issue additional Shares to the public such that the

minimum public shareholding threshold of 25% is maintained within the timeline specified in the said Listing Agreements.

BACKGROUND OF THE TARGET COMPANY

63. The Target Company was incorporated on July 2, 1919 as Dishergarh Power Supply Company Limited and is registered with the Registrar of Companies, West Bengal, situated at Kolkata under the registration number L40105WB1919PLC003263. The name of the Target Company was changed to its present name w.e.f. November 14, 2003. The registered and corporate office of the Target Company is situated at Plot No. X 1, 2 & 3, Block- EP, Sector-V, Salt Lake City, Kolkata - 700 091, India.

64. The Target Company was incorporated to primarily supply power to TBCCL of the Andrew Yule Group and to the railways, industries and town ships in the Asansol-Raniganj areas.

65. The Target Company is currently engaged in the businesses of generating and distributing electric energy. It has two power generating plants, with a total generating capacity of 42.2 Mega Watts (MW) both of which are located in Burdwan, West Bengal. The location and other details of the generating stations is as under:

S. No.	Plant / Location	Generating Capacity	Telephone Nos.
1.	Dishergarh Power Station Sanctoria, P.O. Dishergarh, Burdwan-713 333	30 Mega Watts	0341 2520 023
2.	Chinakuri Power Station P.O. Radhanagar, Railway Colony, Burdwan-713 372	12.2 Mega Watts	0341 2510 520

66. The Target Company has an authorized share capital of Rs.5,00,00,000 divided into 47,20,000 Shares of Rs. 10 each, 16,000, 10% ‘A’ Cumulative Preference Shares of Rs. 100 each and 12,000 10% ‘B’ Cumulative Preference Shares of Rs. 100 each. The fully paid up share capital of the Target Company as on the date of the Public Announcement is Rs. 4,23,38,680 divided into 42,33,868 Shares.

67. The Shares are listed on the NSE and the CSE.

68. The Target Company has no subsidiaries.

69. The Share capital structure of the Target Company as of the date of the Public Announcement was as follows:

Paid up equity Shares of the Target Company	No. of Shares	% of Shareholding
Fully paid up equity shares	42,33,868	100.0%
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	42,33,868	100.0%
Total voting rights in the Target Company	42,33,868	100.0%

70. The capital build-up for the Target Company is as given below:

Date of Allotment	Number and (%) of shares issued		Cumulative Number of shares issued		Cumulative paid up share capital	Mode of Allotment	Identity of allottees	Status of compliance
	Equity Shares	Preference Shares	Equity Shares	Preference Shares				
Prior to 1970	4,32,000	-	43,2000	-	43,20,000	N.A.	Public and financial institutions and body corporate	Yes
1970	-	2,80,000	43,2000	2,80,000	71,20,000	Preference shares	Public and financial institutions and body corporate	Yes
1973	2,88,000	-	72,0000	2,80,000	10,00,0000	Bonus issue	Public and financial institutions and body corporate	Yes
12-Jul-84	2,40,000	-	96,0000	2,80,000	12,40,0000	Bonus issue	Public and financial institutions and body corporate	Yes
14-Jun-90	4,80,000	-	14,40,000	2,80,000	1,72,00,000	Bonus issue	Public and financial institutions and body corporate	Yes
31-Mar-93	-	(2,80,000)	14,40,000	-	144,00,000	Redemption of preference shares	Public and financial institutions and body corporate	Yes
31-Jul-96	14,40,000	-	28,80,000	-	2,88,00,000	Right Issue (1:1)	Public and financial institutions and body corporate	Yes
5-Aug-98	13,53,868	-	42,33,868	-	4,23,38,680	Issue & conversion of warrants to equity shares	Public and financial institutions and body corporate	Yes

*The compliance mentioned above is filing of Form 2 with Registrar of Companies, getting the Shares listed with the respective Stock Exchanges.

71. All Shares are listed. To date, none of the Stock Exchanges have ever suspended trading in the Shares.

72. The Target Company has complied with the provisions of the listing agreements. There is no punitive and/ or penal action taken by any of the Stock Exchanges against the Target Company.

73. As on the date of the Public Announcement, there were no other outstanding instruments convertible into Shares of the Target Company or partly paid-up Shares of the Target Company.

74. The Target Company does not have adequate records of the filings under the SEBI (SAST) Regulations and there may be instances where the Target Company its promoters and major shareholders may have delayed in filings under Chapter II or may not have made any filings under Chapter II of the SEBI (SAST) Regulations and accordingly SEBI may initiate penal proceedings against the Target Company, its promoters and major shareholders.

75. The Target Company has not received any directions from SEBI under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act, prohibiting it from dealing in securities.

76. As on the date of the Letter of Offer, the details of the board of directors of the Target Company were as listed below:

Names of the directors	**Designation**	**Date of appointment to the board**	**Directors Identification Number (DIN)**	**Qualification**	**Experience**
Shri. Hemant Kanoria*	Chairman- Non Executive Director	January 29, 2010	00193015	Bachelors in Commerce (Honors)	Over 29 years of experience in industry, trade and financial services. Former Member of Board of Governors of Indian Institute of Management, Kolkata. Past President of Calcutta Chamber of

Names of the directors	Designation	Date of appointment to the board	Directors Identification Number (DIN)	Qualification	Experience
					Commerce.
Shri. D P Patra **	Non-Executive Director	January 29, 2010	00067269	Masters in Arts (Political Science) Retired IAS Officer	Over 30 years of experience in State and Central Government governance. Has held several key positions in West Bengal government like, DM-Darjeeling, DM-Kolkata, MD-WBIDC. Currently Vice Chairman of MCC PTA India Corp. Private Limited
Shri. Jyoti Poddar*	Non-Executive Independent Director	January 29, 2010	00690650	Bachelors in Commerce (Honors)	An industrialist with over 20 years of experience in the power sector.
Shri. N G Khaitan*	Non-Executive Independent Director	January 29, 2010	00020588	Bachelors of Commerce Attorney at Law	Over 35 years of experience in legal field. Currently partner of Khaitan & Co., Advocates and

Names of the directors	Designation	Date of appointment to the board	Directors Identification Number (DIN)	Qualification	Experience
					Solicitors.
Shri Sunil Kanoria*	Non-Executive Director	February 05, 2010	00421564	Fellow Member of the Institute of the Chartered Accountants of India	Chartered Accountant with more than 17 years of experience in the financial service industry. He is a governing body member of Construction Industry Development Council (CIDC), ASSOCHAM and among other responsibilities he has served as past President in Merchants' Chamber of Commerce, Federation of Indian Hire Purchase Association (FIHPA) and Hire Purchase & Lease Association (HPLA).
Shri Amit Kiran Deb*	Non-Executive Independent	February 05, 2010	02107792	Retired I.A.S.	Vast experience in State and Central Government

Names of the directors	Designation	Date of appointment to the board	Directors Identification Number (DIN)	Qualification	Experience
	Director				governance. Has held several key positions in State Government before retiring as Chief Secretary, Govt. of West Bengal
Shri. S Radhakrishnan***	Managing Director	January 25, 2008	-	Bachelors of Commerce (Honors) LLB Fellowship of Company Secretary	Over 32 years of experience in power industry and more than a decade experience in the field of software and business process outsourcing industry. Past president of Bengal Chamber of Commerce and Industry Member of Coordination Forum of Department of Power and Non Conventional Energy Sources, Government of West Bengal.

*Post the Public Announcement, Mr. E.I.Thomas, Mr. Asis Bandyopadhyay, Mr. Lait Kumar Dash, Mr. V K Kukreja and Dr. R.K.D.Shah, resigned from the Board of Directors and were replaced by the Acquirer Nominee Director on January 29, 2010 and Mr. Sunil Kanoria & Mr. Amit Kiran Deb was appointed as additional directors in the board meeting dated 05.02.2010

**Appointed as managing director w.e.f. February 11, 2010.

***-Submitted resignation vide letter dated February 5. 2010, which was placed before the board of directors on February 5. 2010 and accepted w.e.f. February 11, 2010.

77. There has been no merger, demerger, or spin off during the last three years involving the Target Company.

78. Brief audited standalone financial details of the Target Company for the last three years and the limited review financials for the nine (9) months period ended December 31, 2010 as certified by the statutory auditors of the Target Company, Price Waterhouse & Co., Kolkata, are summarized below.

(Rs. in lakhs except otherwise stated)

Profit & Loss Statement	**Financial year ended March 31, 2007**	**Financial year ended March 31, 2008**	**Financial year ended March 31, 2009**	**6 months ended September 30, 2009**
Income from operations	31,727.64	31,989.77	37,913.17	20,413.70
Other Income	408.31	291.81	409.81	106.89
Total Income	32,135.95	32,281.58	38,322.98	20,520.59
Total Expenditure.	30,855.66	31,177.97	36,275.52	19,424.13
Profit/(Loss) Before Depreciation Interest and Tax	1,280.29	1,103.61	2,047.46	1,096.46
Depreciation	311.38	354.11	466.39	267.93
Financial Expenses	226.28	481.19	543.31	154.12
Profit/(Loss) Before Tax	742.63	268.31	1,037.76	674.41
Provision for Tax	216.94	163.36	280.82	192.25

Profit & Loss Statement	Financial year ended March 31, 2007	Financial year ended March 31, 2008	Financial year ended March 31, 2009	6 months ended September 30, 2009
Profit/(Loss) After Tax	525.69	104.95	756.94	482.16

Balance Sheet Statement	As on March 31, 2007	As on March 31, 2008	As on March 31, 2009
Sources of funds			
Paid up share capital	423.39	423.39	423.39
Reserves and Surplus (excluding revaluation reserves)	7,985.09	8,007.11	8,714.51
Networth	8,288.64	8,362.82	**9,112.53**
Secured loans	2,890.00	4,034.18	2,640.45
Unsecured loans	0.00	1,000.00	0.00
Other funds	807.66	913.95	1,023.50
Deferred Tax Liability (Net)	1,308.69	1,381.28	1,511.10
Total	**13,414.83**	**15,759.91**	**14,312.95**
Uses of funds			
Net fixed assets (incl. WIP)	7,997.13	10,841.71	11,565.36
Investments	405.32	516.76	474.22
Net current assets	4,892.54	4,333.76	2,248.00

Balance Sheet Statement	As on March 31, 2007	As on March 31, 2008	As on March 31, 2009
Miscellaneous expenses	119.84	67.68	25.37
Total	**13,414.83**	**15,759.91**	**14,312.95**

Other Financial Data	As on March 31, 2007	As on March 31, 2008	As on March 31, 2009	6 months ended September 30, 2009
Dividend (%)	12.50	10.00	10.00	-
Earning per share (Rs.)	12.42	2.48	17.88	11.39
Return on networth (%)	6.34	1.25	8.31	-
Book value per share (Rs.)	195.77	197.52	215.23	-

Source: www.nseindia.com and Annual Reports – 2007, 2008 and 2009

79. The reasons for fall / rise in total standalone income and profit after tax of the Target Company in the relevant years are as follows:

FY 2008-09

Despite a nominal increase in the Income from Operations, higher profits were achieved on account of general satisfactory overall performance and implementation of the revised tariff structure approved by the Hon'ble West Bengal electricity Regulatory Commission for the year 2008-09. The generation during the year was adversely affected due to shortage of coal, which was on account of changes in the government policy with regard to supplies of coal to different users, and resultantly, the Dishergarh and Chinakuri power stations could be operated at a plant load factors of around 29% and 66% respectively, as against the targeted plant load factors of 48% and 80% respectively.

FY 2007-08

The Income from Operations registered a marginal increase of around 1%, which was primarily on account of lower growth in sale of energy during the year, which in turn is due to lower energy consumption by the consumers from the steel sector. The de-growth in profits is primarily attributable to higher interest costs, which more than doubled from Rs. 226.28 lacs in FY 2007 to Rs. 481.19 lacs in the FY 2008. The higher interest outgo was on account of a hardening of interest rates during the year and the huge cash credit facility availed in view of a substantial blockage of funds in claims for fuel and power purchase adjustments, realization of which from consumers was awaiting regulatory approvals.

FY 2006-07

The Income from Operations registered a y-o-y increase of around 6%, which was attributable to increased demand from existing consumers as well as addition of new consumers. Despite the overall increase in total sales, the overall profits have decreased by around 40% which was primarily on account of increase in operational cost including the finance charges.

80. Pre and post Offer shareholding pattern of the Target Company as on the date of the Public Announcement is as follows:

Shareholders' Category	Shareholding & voting rights prior to the agreement / acquisition & offer (Prior to January 28, 2010)		Shares /voting rights agreed to be acquired which triggered off the regulations		Shares / voting rights to be acquired in open offer(assuming full acceptances		Shareholding / voting rights after the acquisition and offer i.e.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a) Parties to agreement, if any	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1(a+b) [1]	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(2) Acquirers								
a) Main Acquirer	Nil	Nil	2,420,455	57.17%	846,774	20.00%	3,267,229	77.17%
b) PAC (SFIL)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) PAC (IPCL)	72,417	1.71%	Nil	Nil	Nil	Nil	72,417	1.71%
Total 2(a+b+c)	**Nil**	**Nil**	**2,420,455**	**57.17%**	**846,774**	**20.00%**	**3,339,646**	**78.88%**
(3) Parties to agreement other than (1)(a) & (2) [2]	**2,420,605**	**57.17%**	**(2,420,455)**	**(57.17%)**	**Nil**	**Nil**	**150**	**Negligible**
(4) Public (other than parties to agreement, acquirers & PAC)							This will depend on the response within each category of (4)	
a) Institutions (Mutual Funds / UTI, FIs/Banks/FIIs/ FVCI etc [3]	30,158	0.71%						
(b) Bodies Corporate [4]	1,607,261	37.97%						
(c) Individuals (Indian Public/ NRIs/ Foreign Individuals etc. [5]	103,427	2.44%						
Total (4)(a+b+c)	**1,740,846**	**41.12%**	-	-	**(846,774)**	**(20.00%)**	**894,072**	**21.12%**
Grand Total (1+2+3+4)	**4,233,868**	**100.00%**	-	-	-	-	**4,233,868**	**100.00%**

Notes:

[1] The Target Company does not have any identified Promoter Group. Post the Offer, the holding of the Acquirer will be shown under the Promoter Group category
[2] Refers to the cumulative shareholding of the Sellers. The balance 150 Shares are those of AYCL.
[3] Includes holding of Oriental Insurance Company Limited (24,957 Shares representing 0.59% of the Share Capital)
[4] In this category, Descon Limited holds around 32.31% of the paid up Share capital.
[5] Details of shareholding

Individual Public	99,165	2.34%
NRIs	2,899	0.07%
Clearing Member	1,363	0.03%

The Target company had 1,170 Shareholders as on December 31, 2009

81. As per the latest filing with the Stock Exchanges, the Target Company does not have any identifiable promoters. Except for the Sellers, Descon is one of the major shareholders, i.e. shareholders holding more than 5% of the Share Capital of the Target Company. Full information pertaining to compliance by the Sellers and Descon with their obligations under Chapter II of the SEBI (SAST) Regulations is not available.

82. The Target Company has been complying with the corporate governance requirements as are prescribed in Clause 49 of the listing agreements as amended from time to time.

83. The Target Company has confirmed that there are no material litigations pending against them.

84. Mr. Chiranjib Das, Secretary and General Manager (Legal & Admn) is the current compliance officer of the Target Company. However, Mr. Chiranjib Das has resigned from the post, and in his place Mr. Saikat Bardhan has been appointed as the Deputy Company Secretary and compliance officer. The said resignation and appointment which was to take effect from March 1, 2010 has been rescheduled and made effective from February 24, 2010

    The compliance officer can be contacted at Address: Plot No. X 1, 2 & 3, Block- EP, Sector-V, Salt Lake City, Kolkata - 700091, India; Tel No.: +91 33 2357 4308/09/10, Fax No.: +91 033 2357 3758; Email: sb@dpscl.com

OFFER PRICE AND FINANCIAL ARRANGEMENTS

Justification of the Offer Price

85. The Shares are listed on the NSE and the CSE. Based on information available, (*Source: www.nseindia.com and letter dated February 5, 2010 from the CSE)* the Shares are infrequently traded on the NSE and the CSE in terms of explanation (ii) to Regulation 20(5) of SEBI (SAST) Regulations as the annualized trading turnover during the six (6) months preceding the month in which the financial bid is made is less than five percent (5%) of the listed shares.

86. The details of trading volumes of the Target Company on the NSE and the CSE are as provided below:

Name of the Stock Exchanges	Total Shares traded during the six calendar months prior to the month in which the financial bids were opened (i.e. from May 1, 2009 to October, 2009)	Weighted average outstanding listed Shares	Annualized trading turnover as a percentage of weighted average outstanding listed Shares	Trading status in terms of the SEBI (SAST) Regulations
NSE	96,770	42,33,868	4.57	Infrequently traded
CSE	Nil	42,33,868	Not Applicable	Infrequently traded

Sources: www.nseindia.com, letter dated February 5, 2010 from the CSE

87. In terms of Regulation 20(6) of the SEBI (SAST) Regulations, in case of disinvestment of a Public Sector Undertaking whose shares are infrequently traded, the minimum offer price shall be the price paid by the successful bidder to the Government of India / State Government which has been arrived at after the process of competitive bidding of the Government of India / State Government for the purpose of disinvestment. Therefore the minimum offer price to be computed for this Offer would be governed by Regulation 20(6) of the SEBI (SAST) Regulations as being the price paid by the Acquirer (being the successful bidder) for the Sale Shares.

88. The Offer Price of Rs. 710 per Share, being the price agreed by the Acquirer to the Sellers under the SPA, is therefore justified in terms of Regulations 20 (6) of the SEBI (SAST) Regulations.

89. During the Offer period, the Acquirer may purchase additional Shares other than the Shares acquired pursuant to the transactions contemplated under the SPA. In the event that the Acquirer purchases any additional Shares during the Offer Period, in accordance with Regulation 20(7) of the SEBI (SAST) Regulations, such purchase shall be disclosed to the Stock Exchanges and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations. Provided that in terms of Regulation 20(7) of the SEBI (SAST) Regulations, no such acquisitions shall be made during the last seven (7) Working Days prior to the closure of the Offer.

90. As per the SEBI (SAST) Regulations, the Acquirer can revise the Offer Price / Offer Size up to seven (7) Working Days prior to the closure of this Offer, and the revision, if any, would be announced in the same newspapers in which the Public Announcement appeared and the revised price will be paid for all Shares acquired pursuant to this Offer. Such revised price shall not be less than the highest price paid by the Acquirer for any acquisition of Shares.

Financial Arrangements

91. The total financial resources required under the Offer, assuming full acceptance, will be Rs. 60,12,09, 540 (Rupees Sixty Crores Twelve Lacs Nine Thousand Five Hundred Forty Only) (the "**Maximum Consideration**").

92. The Acquirer proposes to fund this Offer with necessary financial assistance to be provided by SIFL from the regular business funds.

93. In accordance with the requirements of the SEBI (SAST) Regulations, the Acquirer has made a cash deposit of Rs. 60,12,09, 540 in an escrow bank account in name of "Axis Bank Escrow Account – DPSC Open Offer" with Axis Bank Limited, Kolkata Main Branch, Kolkata ("Cash Deposit"). The Cash Deposit represents 100% of the Maximum Consideration.

94. The Acquirer has confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Offer. The Acquirer has authorized the Manager to the Offer to operate and realize the Escrow Account in compliance with Regulation 28 of the SEBI (SAST) Regulations.

95. Mr. P K Drolia, Partner, (Membership No. 052629), M/s. ALPS & Co. an independent Chartered Accountant having its address at 9, Crooked Lane, 3rd Floor, Kolkata-700 069 Tel: +91 33 2248 4240 / 47 has certified vide certificate dated January 28, 2010 that based on information provided by the Acquirer, the Acquirer has adequate resources to fund the Offer. SIFL has also confirmed to the Manager to the Offer that it has adequate resources to enable the Acquirer to meet its financial obligations relating to the Offer and that they shall enable the Acquirer to hold sufficient funds to meet its financial obligations relating to the Offer.

96. In view of the above the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfill the Acquirer's obligations through verifiable means in relation to the Offer in accordance with the SEBI (SAST) Regulations.

TERMS AND CONDITIONS OF THE OFFER

Statutory Approvals

97. The acquisition of the Shares from the non resident shareholders under this Offer is subject to receipt of the of the approval of the RBI under FEMA (including) the Master Circular on Foreign Investment in India dated July 1, 2009 issued by the RBI, which approval was received vide RBI's letter no. FE.CO.FID/21440/10.21.183/2009-10 dated February 22, 2010.

98. To the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals required to implement the Offer, other than those contemplated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirer will have the right not to proceed with the Offer and withdraw the same in terms of

Regulation 27 of the SEBI (SAST) Regulations in the event that any of the statutory approval(s) contemplated above are refused.

99. In case of a delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the tendering Shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

100. To the best of the knowledge of the Acquirer and the PAC, the Acquirer does not require any approvals from financial institutions or banks for the Offer.

Others

101. All Shares tendered and accepted under the Offer up to 8,46,774 Shares will be acquired by the Acquirer, subject to terms and conditions set out herein. All necessary requirements for the valid transfer of the Shares will be the pre-conditions for valid acceptance.

102. In the event the Shares are subject to a lock-in, the Manager to the Offer shall ensure that there is no discrimination in the acceptance of locked-in and non locked-in Shares. The locked-in Shares shall be transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer

103. The Letter of Offer relating to the Offer together with the Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed (applicable for Shareholders holding Shares in physical form) will be mailed to all the Shareholders (except the parties to the SPA) whose names appear on the Registrar of Shareholders and to the beneficial owners of Shares in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business on the Specified Date i.e. February 26, 2010.

104. All Shareholders whose names appear in the register of Shareholders on the Specified Date and also persons who own Shares any time prior to the closure of the Offer, whether or not they are registered Shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

105. The acceptance of the Offer is entirely at the discretion of the Shareholders and each Shareholder to whom the Offer is being made, is free to offer his shareholding in the Target Company, in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified. The Acquirer / PAC will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

106. Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Applications in respect of Shares that are the subject matter of litigation wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if the directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

107. Accidental omission to dispatch this Letter of Offer or any further communication to any person to whom this Letter of Offer is or should be made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

108. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed (applicable for Shareholders holding Shares in physical form) constitute an integral part of the terms of the Offer.

109. Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of Shares, including despatch payment of consideration to the Shareholders who have accepted the Offer, by May 04, 2010.

110. The Acquirer is permitted to revise the Offer Price upward any time up to seven (7) Working Days prior to the date of the closure of the Offer. If there is any upward revision in the Offer Price before the last date of revision (i.e. April 07, 2010) or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers where the original Public Announcement appeared. Such revised Offer Price would be payable by the Acquirer to all Shareholders who tender their Shares at any time during the Offer and which are accepted under the Offer.

111. Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the offer, i.e. April 19, 2010, else the application would be rejected.

112. Any Shares credited in the Registrar's special depository account prior to the opening of the Offer, i.e., March 26, 2010, would be rejected.

113. The securities transaction tax will not be applicable to the Shares accepted in the Offer.

114. A schedule of the activities pertaining to the Offer is given below:

Activity	ORIGINAL SCHEDULE [1]	REVISED SCHEDULE
	Day and Date	Day and Date
Public Announcement Date	Saturday, January 30, 2010	Saturday, January 30, 2010
Specified Date*	Friday, February 26, 2010	Friday, February 26, 2010
Last date for a competitive bid	N A	N A
Date by which Letter of Offer will be dispatched to Shareholders	Tuesday, March 16, 2010	Thursday, March 25, 2010
Date for opening of the Offer	Friday, March 26, 2010	Wednesday, March 31, 2010
Last date for revising the Offer price / number of Shares	Monday, April 05, 2010	Wednesday, April 07, 2010
Last date for withdrawing acceptance from the Offer	Friday, April 09, 2010	Tuesday, April 13, 2010
Closure of the Offer	Friday, April 16, 2010	Monday, April 19, 2010
Last date of communicating rejection / acceptance and payment of consideration for applications accepted and for despatch of share certificates for the rejected Shares or for credit of unaccepted demat Shares	Thursday, April 29, 2010	Tuesday, May 04, 2010

[1] *As per Public Announcement dated January 30, 2010.*

** Specified Date is the date for determining the names of the Shareholders to whom the Letter of Offer would be sent, being all Shareholders (except the parties to the SPA) whose names appear on the register of members of the Target Company and as regards the beneficial owners of the dematerialized Shares, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on Friday, February 26, 2010.*

PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

115. The Acquirer made the Public Announcement on January 30, 2010 for the Offer. This Offer is made to all Persons eligible to participate in the Offer.

116. Holders of Shares in physical form who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgement, original Share certificate(s), and Transfer Deed(s) duly signed to the Registrar to the Offer – Maheshwari Datamatics Private Limited, Telephone number: :+91-33- 22482248 / 22435029 / 22435809, Fax number: +91-33-22484787, Address: 6, Mangoe Lane, Kolkata - 700 001, either by hand delivery on weekdays, or by registered post, on or before the closure of the Offer (i.e. no later than April 19, 2010), in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. Holders of Shares in physical form should also send the following documents along with the Form of Acceptance cum Acknowledgment:

- Registered Shareholders should enclose:

  (i) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appear in the Register of Shareholders and as per the specimen signature lodged with the Target Company;

  (ii) Original Share certificate(s);

  (iii) Valid Transfer Deed(s) duly signed as transferor(s) by the sole/joint Shareholders(s) in the same order as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature differences, etc) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.

  In case of registered Shareholders, the Offer shall be deemed to be accepted upon receipt of the Share certificates and the duly completed Transfer Deed despite non receipt of the aforesaid documents. Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such Shares.

- Unregistered owners of Shares should enclose:

(i) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein;

(ii) Original Share certificate(s);

(iii) Original broker contract note;

(iv) Valid Share transfer deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signature(s)) will be preconditions for acceptance;

(v) The acknowledgement received, if any, from the Target Company in case the Shares have been lodged with the Target Company.

117. A special depository account has been opened by the Registrar on behalf of the Acquirer with Shree Bahubali International Limited at the NSDL called, "**Maheshwari Datamatics Pvt. Ltd.- DPSCL Open Offer Escrow A/C**". The DPID is IN 300773 and Client ID is 10268353. Shareholders who have their beneficiary account with the Central Depositary Services India Limited must use the inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

118. Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instruction in "Off-market" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account to the Registrar to the Offer – Maheshwari Datamatics Private Limited, Telephone number: :+91-33-22482248 / 22435029 / 22435809, Fax number: +91-33-22484787, Address: 6, Mangoe Lane, Kolkata - 700 001, either by hand delivery on weekdays or by registered post, on or before the closure of the Offer (i.e. no later than April 19, 2010), in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the delivered Shares should be received in the special depository account on or before closure of the Offer (i.e. no later than April 19, 2010). Holders of Shares in dematerialized form should also enclose the following documents:

(i) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint Shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance cum Acknowledgement has to be tendered by the beneficial holder of Shares only.

In case of non-receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to have been accepted.

(ii) A photocopy or counterfoil of the Delivery Instruction Slip in "off market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the special depository account given in paragraph 118 of this Letter of Offer.

(iii) The Shareholders who wish to avail of and accept the Offer should deliver the Form of Acceptance cum Acknowledgement along with all the relevant documents at of the collection centre as mentioned below in accordance with the procedure as set out in the Letter of Offer.

S. No.	Collection centre	Address of collection centres	Contact person	Phone No.	Fax	Mode of delivery
1.	Kolkata	6, Mangoe Lane, Kolkata - 700 001	Mr. S. Rajagopal	+91- 33-22482248 / 22435029 / 22435809	+91- 33-22484787	Hand Delivery / Registered Post

The documents can be tendered at the above mentioned centre between 10.00 am to 4.30 pm from Monday to Friday. The abovementioned centre would be closed on Saturdays, Sundays and Public Holidays.

Please note that the Acceptance cum Acknowledgement Form along with all the relevant documents including original Share(s) certificates (in case of Shareholders holding Shares in physical form) should be sent to the Registrar to the Offer only and not to the Acquirer or the Target Company.

119. Persons eligible to participate in the Offer who own Shares at any time before the closure of the Offer, are eligible to participate in the Offer anytime and can transfer the Shares even if they are subject to lock-in. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating their name, address, number of Shares held, number of Shares offered, distinctive numbers, folio number, together with the original Share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their Shares. No indemnity is required from unregistered owners. Unregistered owners, if they so desire, may also apply in the Form of Acceptance cum Acknowledgement downloadable from SEBI's website (www.sebi.gov.in). If the signature of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, Shares tendered by such unregistered owners are liable to be rejected under the Offer even if the Offer has been accepted by a bona fide owner of such Shares.

120. In case of non-receipt of the Letter of Offer, Persons eligible to participate in Offer may send their application to the Registrar to the Offer, on a plain paper stating their name, address, number of Shares held, distinctive numbers, folio number and number of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the closure of the Offer (i.e. no later than April 19, 2010), or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating their name, address,

number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number, and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer (i.e. no later than April 19, 2010). Shareholders holding Shares in physical form should also send original Share certificate(s) and valid transfer deeds. Shareholders holding Shares in physical form who have lodged their Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of Shares.

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

- duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single shareholder) if the original shareholder is deceased;
- duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or Transfer Deed(s) (applicable for Shareholders holding Shares in physical form);
- no objection certificates from the chargeholder/ lender, if the Shares in respect of which the application is sent, are under any charge, lien or encumbrance;
- in case of companies, the necessary corporate authorization (including Board Resolutions);
- any other relevant documentation.

122. In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Persons eligible to participate in Offer desirous of withdrawing the Shares tendered by them in the Offer may do so up to three (3) Working Days prior to the date of closure of the Offer (i.e. no later than April 13, 2010). The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before April 13, 2010.

123. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer. Shareholders should enclose the following:

a. For Shares held in demat form:

(i) Duly signed and completed Form of Withdrawal. The signature(s) should be attested by the DP.

(ii) Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

(iii) Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

b. For Shares held in physical form:

- Registered Shareholders should enclose:

(i) Duly signed and completed Form of Withdrawal.

(ii) Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

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

- Unregistered owners should enclose:

(i) Duly signed and completed Form of Withdrawal.

(ii) Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by registered post.

124. In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application to the Registrar to the Offer along with the following details:

- In case of physical Shares: name, address, distinctive numbers, folio number, and number of Shares tendered; and
- In case of dematerialized Shares: name, address, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

125. The withdrawal of Shares will be available only for the Shares/Share certificates that have been received by the Registrar to the Offer. The Shares returned to the Shareholders will be at the address as per the records of the Target Company /depository as the case may be. The Form of Withdrawal should be sent only to the Registrars to the Offer. In case of partial withdrawal of Shares tendered in physical form by the registered Shareholder, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. Partial withdrawal of tendered shares can be done only by the registered

Shareholders/beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance cum Acknowledgement will stand revised to that effect. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

126. The payment to the Shareholders would be done through various modes as follows:

- National Electronic Clearing System ('**NECS**') – Payment would be done through ECS for Shareholders having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the depositories. Shareholders holding Shares in dematerialized form may opt for payment by RTGS / NEFT (please see below) failing which payment to such Shareholders will be made through NECS. In the event that payment to such Shareholders cannot be made by NECS on account of incorrect details or any other reason, payment to such Shareholders will be made by demand drafts / cheques. Shareholders holding Shares in physical form may opt for payment by RTGS / NEFT (please see below) failing which payment to such Shareholders shall be made by cheques / demand drafts as per bank details provided by such Shareholders in the Form of Acceptance cum Acknowledgment.
- Direct Credit – Shareholders having bank accounts with the Escrow Agent, as

mentioned in the Form of Acceptance cum Acknowledgement, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Agent for the same would be borne by the Acquirer.

- Real Time Gross Settlement ('**RTGS**') – Shareholders having a bank account at any of the abovementioned centres and whose amount exceeds Rs. 1 lacs, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Form of Acceptance cum Acknowledgement. In the event the same is not provided, payment shall be made through NECS in case of Shareholders holding Shares in demat form and through demand drafts / cheques in case of Shareholders holding Shares in physical form. Charges, if any, levied by the Escrow Agent for the same would be borne by the Acquirer. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.
- National Electronic Fund Transfer ('**NEFT**') – Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment will be made to the Shareholder through this method. The process flow in respect of payments by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

127. For all Shareholders, including physical Shareholders, to whom payments cannot be made by NECS / RTGS or NEFT, the payments will be dispatched under certificate of posting for value upto Rs. 2,500 and through speed post/ registered post for payments above Rs. 2,500 and above. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Agent and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Shareholders.

128. The Registrar to the Offer will hold in trust the Shares / Share certificates, Shares lying to the credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of Persons eligible to participate in Offer who have accepted the

Offer, until the cheques / drafts for the consideration and / or the unaccepted Shares / Share certificates are dispatched / returned, as applicable.

129. If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. Since the Shares are compulsorily traded in dematerialized form, minimum acceptance will be one Share.

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

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

132. While tendering their Shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a Tax Clearance Certificate ("**TCC**") or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such Shareholder.

133. As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a FII as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident shareholders will be required to submit a TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

134. In case of resident Shareholders, tax will be deducted on the interest component exceeding Rs.

5,000/- at the applicable current prevailing rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer or a self-declaration in form 15G of Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirer becomes liable to pay interest for delay in release of purchase consideration.

Shareholders are advised to consult their tax advisors for their taxability or any other procedural aspects including the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

DOCUMENTS FOR INSPECTION

The following documents will be available for inspection by the Shareholders at the registered office of the Target Company, whose address is given on the cover page of this document, between 10 am and 5 pm on all Working Days (except Saturdays and Sundays) until the Offer closing date:

a. Memorandum and Articles of Association of the Acquirer and the PAC.

b. Copy of the SPA and the Supplementary Agreement.

c. Copy of the MoU and Escrow Agreement.

d. Certificate dated January 28, 2010 by Mr. P K Drolia, Partner, (Membership No. 052629), M/s. ALPS & Co. an independent Chartered Accountant having its address at 9, Crooked Lane, 3rd Floor, Kolkata-700 069, regarding the adequacy of financial resources with the Acquirer to fulfill the Offer obligation.

e. Annual Reports of the Target Company for the financial year ended March 31, 2007, March 31, 2008 and March 31, 2009.

f. Annual Report of the Acquirer for the financial year ended March 31, 2009 and audited financial statements as at and for the period ended September 30, 2009

g. Annual Reports of the PAC for the financial year ended March 31, 2007, March 31, 2008 and March 31, 2009.

h. Copy of a certificate from Axis Bank Limited confirming the amount placed in the Escrow Account, towards the proposed Offer.

i. Copy of the Memorandum of Understanding with the Registrar to the Offer.

j. Published copy of Public Announcement made on January 30, 2010 by the Acquirer for acquiring up to 8,46,774 issued equity Shares of the Target Company.

k. Preliminary Information Memorandum dated August 2008 prepared by Deloitte & Touche Consulting India Private Limited.

l. Information Memorandum dated October 2008 prepared by Deloitte & Touche Consulting India Private Limited.

m. Letter dated March 19, 2007 from the Department of Heavy Industry to AYCL.

n. Letter from AYCL to SIFL dated February 13, 2009.

o. Copy of letter received from SEBI, Ref. Nos. CFD/DCRT/TO/DMS/19929/10 dated March 19, 2010, in terms of proviso to Regulation 18(2) of the SEBI (SAST) Regulations.

p. No Action Letter of SEBI dated December 16, 2008.

q. Copy of the RBI approval FE.CO.FID/21440/10.21.183/2009-10 dated February 22, 2010

DECLARATION BY THE ACQUIRER AND THE PAC

135. The information pertaining to the Sellers has been taken from publically available sources or the documents provided by AYCL, namely, the Preliminary Information Memorandum dated August 2008, the Information Memorandum dated October 2008 prepared by Deloitte & Touche Consulting India Private Limited, the letter dated March 19, 2007 from the Department of Heavy Industry and the letter from AYCL to SIFL dated February 13, 2009. The Acquirer / PAC are unable to verify the factual accuracy of information pertaining to the Sellers. As such in terms of Regulation 22 (6) of the SEBI (SAST) Regulations, the directors of the Acquirer and PAC do not accept any responsibility for statements pertaining to the Sellers. Subject to the above, the Acquirer, the PAC and their respective directors accept responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer and the PAC laid down in the SEBI (SAST) Regulations.

136. The Acquirer and PAC shall be jointly and severally responsible for ensuring fulfillment of their obligations under with the SEBI (SAST) Regulations.

137. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

138. As on the date of the Public Announcement and this Letter of Offer, in terms of Regulation 16(via) of the SEBI (SAST) Regulations, the Manager to the Offer does not hold any Shares. As required under Regulation 24(5A) of the SEBI (SAST) Regulations, the Manager to the Offer shall not deal in the Shares during the period commencing from the date of its appointment in terms of

Regulation 13 of the SEBI (SAST) Regulations until the expiry of fifteen days from the date of closure of the Offer.

For and on behalf of Orbis Power Venture Private Limited

Sd/-

Signature

For and behalf of Srei Infrastructure Finance Limited

Sd/-

Signature

For and behalf of India Power Corporation Limited

Sd/-

Signature

Place: Kolkata

Date: March 23, 2010

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
DPSC LIMITED - OPEN OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Maheshwari Datamatics Private Limited)

From: ____________________

Name: ____________________

Address: ____________________

____

OFFER OPENS ON :	Wednesday, March 31, 2010
LAST DATE OF WITHDRAWAL	Tuesday, April 13, 2010
OFFER CLOSES ON :	Monday, April 19, 2010

Tel No: (_____) ____________ Fax No.: (_____) ____________ E-mail: ____________________

To,

The Acquirer- Orbis Power Venture Private Limited
C/o. Maheshwari Datamatics Private Limited
6, Mangoe Lane,
Kolkata - 700 001

Dear Sir

SUB: Open Offer to acquire 8,46,774 equity shares of Rs.10/- each representing 20% of the Share Capital of DPSC Limited (Target Company) by Orbis Power Venture Private Limited ("Acquirer") along with Srei Infrastructure Finance Limited and India Power Corporation Limited (referred to as Persons Acting in Concert) in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto ("Regulations")

I/We refer to the Letter of Offer dated March 23, 2010 for acquiring the equity shares held by me/us in the Target Company. I/We, the undersigned have read the Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

SHARES IN DEMATERIALIZED FORM

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

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

TEAR ALONG THIS LINE

ACKNOWLEDGMENT SLIP
DPSC Limited - Open Offer
(To be filled in by the shareholder) (Subject to verification)

Sr. No.

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

Address ____________________

____

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

Form of Acceptance along with:

☐ Physical Shares: No. of shares ____________ : No. of certificates enclosed ____________

☐ Demat Shares: Copy of delivery instruction for____________ number of shares enclosed

(Tick whichever is applicable)

Signature of Official: ____________ , Date of Receipt ____________

Stamp of Collection Centre

SHARES IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate (s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

Ledger Folio No(s).

Sr. No.	Ledger Folio No(s).	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
		(In case the space provided in inadequate, please attach a separate sheet with details) **Total No. of Equity Shares**			

I/We have done an off-market transaction for crediting the shares to the depository account with _________ as the DP in NSDL styled **"Maheshwari Datamatics Pvt. Ltd.-DPSCL Open Offer Escrow A/C"** whose particulars are:

DP Name: SHREE BAHUBALI INTERNATIONAL LIMITED	**DP ID: 300773**	**Client ID: 10268353**

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

Enclosures (Please tick as appropriate, if applicable)

☐ **Duly attested Power of Attorney, if any person apart from the shareholder, has signed the acceptance form or transfer deed(s).**

☐ **Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories**

☐ **No Objection Certificate & Tax Clearance Certificate under Income-tax Act, 1961, for NRIs/OCBs/Foreign Shareholders as applicable**

☐ **Duly attested Death Certificate/ Succession Certificate (in case of single shareholder) in case the original shareholder has expired.**

☐ **Others (please specify):**

— — — — — — — — — — — — — — — — **TEAR ALONG THIS LINE** — — — — — — — — — — — — — — — —

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

Maheshwari Datamatics Private Limited
(Unit: DPSC Ltd-Open Offer)
6, Mangoe Lane, Kolkata - 700 001
Tel: :+91-33- 22482248 / 22435029 / 5809,
Fax: +91-33-22484787

- I/We confirm that the equity shares of DPSC Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever. I/we are not debarred from dealing in Shares.
- I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer.
- I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures, net of applicable withholding taxes, if any.
- I/We authorise the Acquirer to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.
- I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
- I/We authorise the Acquirer to accept the shares so offered or such lesser number of Shares that they may decide to accept which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer to return to me/us, share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof.
- I/We further authorise the Acquirer to split/consolidate the Share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purpose the Acquirer is hereby authorised to do all such things and execute such documents as may be found necessary and expedient for the purpose.

The Permanent Account No. (PAN) allotted under the Income Tax Act, 1961 is as under.

	1st Shareholder	**2nd Shareholder**	**3rd Shareholder**
PAN			

Bank Details

So as to avoid fraudulent encashment in transit, shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For the shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

Sr. No.	**Particulars Required**	**Details**
I.	Name of the Bank	
II.	Complete Address of the Bank	
III.	Account Type (CA/SB/NRE/NRO/Others - Please Mention)	
IV.	Account No.	
V.	IFSC Code (for RTGS/NEFT transfers)	

For NRIs / OCBs / Foreign Shareholders

I / We, confirm that the tax deduction on account of equity shares of DPSC Limited held by me / us is to be deducted on (select whichever is applicable):

☐ Long-term capital Gains

☐ Short-term capital Gains

☐ Trade Account

I / We, have enclosed the following documents

- No objection certificate / Tax clearance certificate from the Income Tax Authorities
- RBI approvals for acquiring shares of DPSC Limited hereby tendered in the Offer
- Copy of Permanent Account Number / PAN Card

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

For FII Shareholders:

I / We, confirm that the equity shares of DPSC Limited are held by me / us on (select whichever is applicable):

☐ Investment / Capital Account

☐ Trade Account

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

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

Yours faithfully,

Signed and Delivered

	Full Name(s) of the Shareholders	**Signature**
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed

Place:

Date:

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRARS AFTER THE CLOSE OF THE OFFER i.e. BY 4.30 P.M. ON MONDAY, APRIL 19, 2010 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance cum Acknowledgement.
2. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders. Each Shareholder to whom this Offer is being made is free to offer his Shares in whole or in part while accepting the Offer.
3. In the case of dematerialised shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the closure of the Offer i.e. Monday, April 19, 2010. The Form of Acceptance cum Acknowledgement of such demat shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.
4. Shareholders should enclose the following:

a. For Equity shares held in demat form:

Beneficial owners should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP').
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
- In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the shareholder.
- For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

b. For Equity shares held in physical form:

Registered shareholders should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s)
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with DPSC Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer.
- Please do not fill in any other details in the transfer deed except name, signature and witness. Verification and Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

  The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirers as buyer will be filled by the Acquirers upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

  If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid transfer deed from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders

Unregistered owners should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s)
- Original broker contract note
- Valid Share Transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.

5. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to Maheshwari Datamatics Private Limited, the Registrar to the Offer **and not to Axis Bank Limited, the Manager to the Offer, the Acquirers or Target Company.**
6. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with NSDL.
7. Where the number of Shares offered for sale by the Shareholders are more than the Shares agreed to be acquired by the Acquirer under this Offer, the Acquirer shall accept the offers received from the shareholders on a proportional basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of Shares from a Shareholder shall not be less than the minimum marketable lot or the entire holding, if it is under the marketable lot.

8. In case of joint holdings, all the holders whose names appears on the Share certificate or in the beneficiary account must sign this Form of Acceptance cum Acknowledgement in the same order in which these names appears on the register of members/ beneficial account and as per the specimen signature(s) lodged with the Target Company or the beneficial owners' DP.

9. In case of physical Shares, the enclosed transfer deed should be duly signed as transferors by all shareholders in the same order and as per specimen signatures lodged with the Target Company and should be duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorised to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER DEED. Relevant Share certificates must be annexed.

10. The Shareholders who have sent their Share certificates for dematerialization should submit their Form of Acceptance cum Acknowledgement and other documents, as applicable, along with a copy of the dematerialisation request form duly acknowledged by their DP. Shareholders who have sent their Shares for transfer should enclose, Form of Acceptance cum Acknowledgement duly completed and signed, copy of the letter sent to the Target Company (for transfer of shares) and valid Share transfer form(s).

11. In case of bodies corporate, proper corporate authorization should be enclosed.

12. Shareholders must note that on the basis of name of the Shareholders, DP's name, DP ID, beneficiary account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain, from the depositories, the Shareholders' demographic details including address, bank account details, the nine digit MICR code as appearing on a cheque leaf and occupation. These bank account details will be used to make payment to Shareholders holding Shares in dematerialized form. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the DP. Please note that failure to do so could result in delays in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders' sole risk and neither the Acquirer, the Manager to the Offer, Registrar to the Offer nor the Escrow Agent 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. Unless Shareholders holding shares in physical form opt for payment by RTGS / NEFT option or where relevant details for payment by RTGS / NEFT option provided by such Shareholders are incorrect, payments shall be made to Shareholders holding Shares in physical form by demand drafts / cheques as per bank details provided by such Shareholders in the Form of Acceptance cum Acknowledgment.

13. While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of the Target Company and a No Objection Certificate/ Tax Clearance Certificate from the Income-Tax authorities under the Income-tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirers before remitting the consideration. In case the previous RBI approvals are not submitted, the Acquirers reserve the right to reject such Shares tendered. In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirers will deduct tax at the currently prevailing rate as advised by their tax advisors on the entire consideration amount payable to such NRI / OCB /Non-domestic companies / Other persons who are not resident in India. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the assessing officer certifying the net income chargeable to capital gains tax. Alternatively, the Shareholders can submit a certificate from a Chartered Accountant certifying the cost of acquisition / net income that will be chargeable to capital gains. In the absence of the above tax would be deducted on the entire consideration paid to the shareholders.

14. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted to Maheshwari Datamatics Private Limited as mentioned elsewhere in the Letter of Offer.

15. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00 a.m. to 4.30 p.m. All queries pertaining to this Offer may be directed to the Registrar to the Offer.

FORM OF WITHDRAWAL

DPSC LIMITED - OPEN OFFER

(Please send this form with enclosures to Maheshwari Datamatics Private Limited)

From:

Name: ______________________________

Address: ______________________________

____

____

OFFER OPENS ON :	Wednesday, March 31, 2010
LAST DATE OF WITHDRAWAL	Tuesday, April 13, 2010
OFFER CLOSES ON :	Monday, April 19, 2010

Tel No: (______) ______________ Fax No.: (______) ______________ E-mail: ______________________

To,

The Acquirer- Orbis Power Venture Private Limited
C/o. Maheshwari Datamatics Private Limited
6, Mangoe Lane,
Kolkata - 700 001
Dear Sir/Madam,

SUB: Sub: Open Offer to acquire 8,46,774 equity shares of Rs.10/- each representing 20% of the Share Capital of DPSC Limited (Target Company) by Orbis Power Venture Private Limited ("Acquirer") along with Srei Infrastructure Finance Limited and India Power Corporation Limited (referred to as Persons Acting in Concert) in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto ("Regulations")

I/We refer to the Letter of Offer dated March 23, 2010 for acquiring the Equity Shares held by me/us in Target Company.

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

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorise the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirers/Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer as per the mode of delivery indicated in the Letter of Offer on or before the last date of withdrawal i.e. Tuesday, April 13, 2010.

I/We note that the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depositories from time to time.

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

Ledger Folio No(s):

Sr. No.	Ledger Folio No(s).	Certificate No(s)	Distinctive No(s) From	Distinctive No(s) To	No. of Shares
		(In case the space provided in inadequate, please attach a separate sheet with details) **Total No. of Equity Shares**			

TEAR ALONG THIS LINE

ACKNOWLEDGMENT SLIP - WITHDRAWAL FORM
DPSC Limited - Open Offer
(To be filled in by the shareholder) (Subject to verification)

Sr. No.

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

Address ______________________________

____

Physical Shares: Folio No. ______________ / Demat shares : DP ID ______________

Client ID : ______________

Signature of Official: ______________ , Date of Receipt ______________

Stamp of Collection Centre

I/We hold the following Shares in dematerialised form and had done an off-market transaction for crediting the shares to the **"Maheshwari Datamatics Pvt. Ltd.-DPSCL Open Offer Escrow A/C" as per the following particulars:-**

DP Name: SHREE BAHUBALI INTERNATIONAL LIMITED	**DP ID: 300773**	**Client ID: 10268353**

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our Shares have been tendered are as detailed below:-

Enclosures (Please tick as appropriate, if applicable)

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

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

In case of dematerialised shares, I/we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

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

Yours faithfully,

Signed and Delivered:

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

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

Place: ____________________ Date: ____________________

INSTRUCTIONS

1. Shareholders desirous of withdrawing their acceptance\s tendered in the Offer can do so. by Tuesday, April 13, 2010
2. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgement.
3. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
4. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer on all days (excluding Saturdays, Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00 a.m. to 4.30 p.m. All queries pertaining to this Offer may be directed to the Registrar to the Offer.

TEAR ALONG THIS LINE

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

Maheshwari Datamatics Private Limited
(Unit: DPSC Ltd-Open Offer)
6, Mangoe Lane, Kolkata - 700 001
Tel: :+91-33- 22482248 / 22435029 / 5809,
Fax: +91-33-22484787

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Book-Post

If undelivered, please return to :

Maheshwari Datamatics Private Limited
(Unit : DPSC Limited - Open Offer)
6, Mangoe Lane,
Kolkata - 700 001
Tel No. :+91-33-22482248 / 22435029 / 22435809
Fax No.: +91-33-2248 4787
Email : mdpl@cal.vsnl.net.in
Contact Person: Mr.S.Rajagopal
SEBI Registration No.: INR000000353