DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a shareholder of Firstsource Solutions Limited. If you require any clarifications about the action to be taken, you may consult your stock broker, investment consultant, the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in Firstsource Solutions Limited, please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and transfer deed to the member of stock exchange through whom the said sale was effected.

Open Offer ("Offer")

BY

Spen Liq Private Limited ("Acquirer")

Registered office: 31, Netaji Subhas Road, Kolkata - 700 001; Tel.: +91 (33) 6625 1000; Fax: +91 (33) 2230 6844

ALONG WITH

CESC Limited ("Person Acting in Concert" or "PAC")

Registered office: CESC House, Chowringhee Square, Kolkata - 700 001; Tel.: +91 (33) 2225 6040; Fax: +91 (33) 2225 5155

TO ACQUIRE

up to 19,84,85,163 (Nineteen Crore, Eighty Four Lakh, Eighty Five Thousand, One Hundred and Sixty Three) fully paid-up equity shares of face value of Rs. 10 (Rupees Ten) each (each an "**Equity Share**"), representing 26% (twenty six percent) of the fully diluted voting equity share capital as of the 10^{th} (tenth) Working Day (as defined below) from the Closure of the Tendering Period (as defined below) ("**Fully Diluted Shares**").

OF

Firstsource Solutions Limited ("Target Company")

Registered office: 5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064; Tel.: +91 (22) 6666 0888; Fax: +91 (22) 6666 0804

AT A PRICE OF

Rs. 12.20 (Rupees twelve and twenty paise) per Equity Share ("Offer Price") payable in cash

pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**")

Note:

1. This Offer is being made by the Acquirer pursuant to regulations 3(1) and 4 of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of the SEBI (SAST) Regulations.
3. To the best of the knowledge of the Acquirer/PAC, no statutory approvals are required by the Acquirer or PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer or PAC at a later date, this Offer will be subject to such approvals. Non-resident Indian ("**NRI**") and overseas corporate body ("**OCB**") holders of the Equity Shares, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the Reserve Bank of India ("**RBI**"), and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (as defined below) and other documents required to accept this Offer.
4. This Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.
5. If there is any upward revision in the Offer Price or the number of Equity Shares sought to be acquired in this Offer, prior to commencement of 3 (three) Working Days before the commencement of the Tendering Period, i.e. up to Tuesday, December 11, 2012, the same will be notified to the public by way of a public announcement in the same newspapers where the detailed public statement in relation to this Offer ("**DPS**") appeared. Such revised amount of the Offer Price would be payable for all the Equity Shares validly tendered anytime during the Tendering Period.
6. **There has been no competing offer as of the date of this Draft Letter of Offer.**
7. A copy of the public announcement in relation to this Offer ("**PA**"), the DPS and this Draft Letter of Offer are expected to be available on SEBI's website: www.sebi.gov.in.

Manager to the Offer

ICICI SECURITIES LIMITED
ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, India
Contact person: Mr. Ayush Jain
Tel: +91 22 2288 2460/70
Fax: +91 22 2282 6580
Email: firstsource.openoffer@icicisecurities.com
Website: www.icicisecurities.com
SEBI Registration Number: INM000011179

Registrar to the Offer

LINK INTIME INDIA PRIVATE LIMITED
C-13 Pannalal Silk Mills Compound, LBS Marg,
Bhandup West, Mumbai - 400 078, India
Contact person: Mr. Pravin Kasare
Tel: +91 22 2596 7878
Fax: +91 22 2596 0329
Email: firstsource.offer@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Activity	**Day and Date**
Date of the PA	Thursday, October 25, 2012
Date of publishing the DPS	Tuesday, October 30, 2012
Last date for public announcement of a competing offer(s)	Thursday, November 22, 2012
Identified Date*	Monday, December 3, 2012
Date by which Letter of Offer will be dispatched to the Shareholders (except the Selling Shareholders) as on the Identified Date	Tuesday, December 11, 2012
Last date for upward revision of Offer Price and / or Offer Size	Tuesday, December 11, 2012
Last date by which the recommendation of the committee of independent directors of the Target Company will be published	Thursday, December 13, 2012
Date of public announcement for opening of the Offer in the newspapers where the DPS has been published	Friday, December 14, 2012
Date of commencement of the Tendering Period	Monday, December 17, 2012
Date of closing of the Tendering Period	Monday, December 31, 2012
Last date of communicating rejection / acceptance and payment of consideration for accepted Equity Shares and / or share certificate(s) / demat delivery instruction for rejected Equity Shares will be dispatched / issued	Monday, January 14, 2013

**Date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Shareholders of the Target Company to whom the Letter of Offer shall be sent. It is clarified that all the Shareholders (registered or unregistered) of the Target Company (except the Selling Shareholders) are eligible to participate in this Offer at any time during the Tendering Period of the Offer.*

RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Offer and association with the Acquirer and the PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in this Offer, but are merely indicative. Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing risks with respect to their participation in this Offer.

A. Risk relating to the underlying transaction

1. In accordance with the terms and conditions of the Share Subscription Agreement and the Share Purchase Agreements, the transactions under the Share Subscription Agreement and the Share Purchase Agreements will be completed upon the fulfillment of the conditions precedent set out therein. In terms of and in accordance with regulation 23(1) of the SEBI (SAST) Regulations, if such conditions precedent are not fulfilled for reasons beyond the reasonable control of the Acquirer and the PAC and the Share Subscription Agreement or the Share Purchase Agreements is / are rescinded, the Acquirer/PAC shall have the right to withdraw this Offer.

2. The underlying transactions are subject to completion risks as would be applicable to similar transactions.

B. Risks relating to this Offer

1. To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case any statutory approvals are required by the Acquirer or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer/PAC shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory approvals, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer/PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer/PAC agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days, at such rate as may be specified by SEBI. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Shareholders, the Acquirer/PAC will have the option to make payment of the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirer/PAC will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.

2. NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.

3. In the event that either: (a) there is any litigation leading to a stay on this Offer; or (b) SEBI instructing the Acquirer not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the

payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer by the Acquirer, may be delayed.

4. The Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.

5. The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account (as defined below), along with the documents submitted by the Shareholders, on behalf of the Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Shareholders will not be able to trade in such Equity Shares, even if the acceptance of the Equity Shares in this Offer and dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares.

6. This Offer is an offer to acquire up to 19,84,85,163 (Nineteen Crore, Eighty Four Lakh, Eighty Five Thousand, One Hundred and Sixty Three) Equity Shares, representing 26% (twenty six percent) of the Fully Diluted Shares. In the case of over-subscription of this Offer, acceptance will be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Shareholders in this Offer will be accepted.

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

8. The Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as 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 the tax provisions set forth in this Draft Letter of Offer.

9. The Acquirer, the PAC and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer or the PAC, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources. Any person placing reliance on any other source of information will be doing so at their own risk.

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

C. Risks relating to the Acquirer and PAC

1. The Acquirer and the PAC make no assurances with respect to their investment decisions relating to the Target Company.

2. The Acquirer / PAC make no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.

3. The Acquirer / PAC make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim their responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in this Offer.

CURRENCY OF PRESENTATION

- In this Draft Letter of Offer, all references to “Rs.”/“Rupees”/“INR” are to Indian Rupee(s).
- At some places USD has been used, which represents United States Dollars.
- In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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DEFINITIONS AND ABBREVIATIONS

Term	Definition
Acquirer	Spen Liq Private Limited, having its registered office at 31, Netaji Subhas Road, Kolkata - 700 001
Aranda	Aranda Investments (Mauritius) Pte Ltd. having its registered office at Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius
Board of Directors	Board of Directors of the Target Company
BSE	BSE Limited
Bonds	Zero coupon convertible bonds issued by the Target Company
CDSL	Central Depository Services (India) Limited
Closure of the Tendering Period	December 31, 2012
Closing Date	Closing date in relation to allotment of Equity Shares in terms of the Share Subscription Agreement
Completion Date	3 (three) business days, following receipt of the completion certificate or such other date as the parties to the SPAs may agree
Depository Escrow Account	The depository account opened by the Registrar to the Offer with Ventura Securities Limited, having DP ID of IN303116 and beneficiary client ID of 11069838
Depositories	CDSL and NSDL
DP	Depository Participant
DPS / Detailed Public Statement	Detailed public statement in relation to this Offer published on October 30, 2012, by the Manager to the Offer, on behalf of the Acquirer and the PAC
Draft Letter of Offer	This draft letter of offer dated November 6, 2012
Equity Shares	Fully paid-up equity shares of the Target Company, having a face value of Rs. 10 (Rupees Ten) each
Equity Share Capital	Aggregate share capital of Target Company consisting of Equity Shares
Escrow Bank	ICICI Bank Limited, having its registered office at Landmark, Race Course Circle, Vadodara and acting through its office at R.N.M. CIBD Branch, Rasoi Court, 20 R. N. Mukherjee Road, Kolkata - 700 001 for the purposes of this Offer
ESOP	Employee Stock Options
FCCB	USD 275 million Bonds, out of which Bonds of face value USD 169.8 million are outstanding having a redemption value of USD 236.65 million and falling due for redemption on December 4, 2012
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum-Acknowledgement	The form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer
Fully Diluted Shares	Fully diluted voting equity share capital of the Target Company, as of the 10th Working Day from the closure of the Tendering Period of the Offer
GAAP	Generally Accepted Accounting Principles
Guarantee	An unconditional, irrevocable and on demand bank guarantee dated October 25, 2012, issued in favour of the Manager to the Offer by the Escrow Bank
ICICI Bank	ICICI Bank Limited, having its registered office at Landmark, Race

	Course Cirlce, Vadodara – 390 007 and its corporate office at ICICI Towers, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
Identified Date	Monday, December 3, 2012, i.e. the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent
Income Tax Act	Income-tax Act, 1961 and subsequent amendments thereto
Indian GAAP	GAAP, as applicable to Indian companies
Listing Agreements	Listing agreements entered into by the Target Company with BSE and NSE
Manager to the Offer	ICICI Securities Limited, having its registered office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020
Maximum Consideration	Total funding requirement for this Offer of Rs. 242,15,18,988.60 (Rupees two hundred and forty two crore, fifteen lakh, eighteen thousand, nine hundred and eighty eight and sixty paise), assuming full acceptance of this Offer
Metavante	Metavante Investments (Mauritius) Limited having its registered office at CIM Global Management, 4th Floor, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate
NRI	Non Resident Indian, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000
Offer	This open offer, which is being made by the Acquirer along with the PAC to the Shareholders of the Target Company, (other than the Selling Shareholders), for acquiring up to 19,84,85,163 (Nineteen Crore, Eighty Four Lakh, Eighty Five Thousand, One Hundred and Sixty Three) Equity Shares, representing 26% (twenty six percent) of the Fully Diluted Shares
Offer Period	The period between the date of entering into the Share Subscription Agreement and the Share Purchase Agreements and the date on which the payment of consideration to the Shareholders whose Equity Shares are valdily accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	Price of Rs. 12.20 (Rupees twelve and twenty paise) per Equity Share
Offer Size	Up to 19,84,85,163 (Nineteen Crore, Eighty Four Lakh, Eighty Five Thousand, One Hundred and Sixty Three) Equity Shares, representing 26% (twenty six percent) of the Fully Diluted Shares
Overseas Tax	Tax payable under the tax laws applicable in overseas jurisdictions
PA / Public Announcement	Public announcement dated October 25, 2012, issued by the Manager to the Offer on behalf of the Acquirer and the PAC, in relation to this Offer and sent to the Stock Exchanges on October 25, 2012
PAC / Person Acting in Concert	CESC Limited having its registered office at CESC House, Chowringhee Square, Kolkata - 700 001
PAN	Permanent Account Number
RBI	Reserve Bank of India

Registrar to the Offer	Link Intime India Private Limited, having its registered office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078, Maharashtra, India
Rs. / Rupees	Indian Rupees
RTGS	Real Time Gross Settlement
Sale Consideration	Total consideration of Rs. 120,35,42,980.80 to be paid by the Acquirer against the Sale Shares purchased from the Selling Shareholders in terms of the SPAs
Sale Shares	9,86,51,064 Equity Shares to be purchased by the Acquirer from the Selling Shareholders in terms of the SPAs
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Selling Shareholders 1	ICICI Bank and Metavante are collectively referred to as Selling Shareholders 1
Selling Shareholder 2	Aranda
Selling Shareholders	Selling Shareholders 1 and Selling Shareholder 2 are collectively called Selling Shareholders
Seller SPA 1	Share purchase agreement dated October 25, 2012 entered into by the Acquirer and Selling Shareholders 1
Seller SPA 2	Share purchase agreement dated October 25, 2012 entered into by the Acquirer and Selling Shareholder 2
Share Purchase Agreements / SPA	Seller SPA 1 and Seller SPA 2 are collectively called Share Purchase Agreements or SPA
Share Subscription Agreement / SSA	Share subscription agreement dated October 25, 2012 entered into by the Acquirer and the Target Company
Shareholders	Public shareholders of the Target Company holding the Equity Shares
Stock Exchanges	Stock exchanges where Equity Shares of the Target Company are listed i.e. BSE and NSE
Subscription Shares	22,68,97,444 Equity Shares to be subscribed to by the Acquirer pursuant to the Share Subscription Agreement
Subscription Amount	Total consideration of Rs. 274,54,59,072.40 to be paid by the Acquirer against the Subscription Shares
Target Company	Firstsource Solutions Limited, having its registered office at 5th Floor, Paradigm ‘B’ Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064, India
Tax Clearance Certificate / TCC	Certificate to be furnished by the NRIs/OCBs/FIIs and other non-resident Shareholders indicating the amount to be deducted by the Acquirer under the Income Tax Act, before remitting the payment consideration
Tendering Period	Period commencing from December 17, 2012 and closing on December 31, 2012 (both days inclusive)
Working Day	A working day of SEBI

***Note:** All terms beginning with a capital letter used in this Draft Letter of Offer, and not specifically defined herein, shall have the meanings ascribed to them in the SEBI (SAST) Regulations.*

1. 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 (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF FIRSTSOURCE SOLUTIONS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ICICI SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 6, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THIS OFFER

2.1 Background to this Offer

2.1.1 This Offer is a mandatory open offer being made in compliance with regulations 3(1) and 4 of the SEBI (SAST) Regulations. This is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations and is being made as a result of an agreement for a direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of the Target Company, pursuant to the SPAs and SSA, more particularly stated in paragraph 2.1.2 and 2.1.3 below.

2.1.2 The Acquirer and the Target Company have entered into the Share Subscription Agreement for the issue of 22,68,97,444 Equity Shares on a preferential basis to the Acquirer, at a price of Rs. 12.10 per share, representing 34.50% of the post preferential issue Equity Share Capital of the Target Company.

2.1.3 Further, the Acquirer has entered into two separate Share Purchase Agreements with Selling Shareholders 1 and Selling Shareholder 2 in terms of which the Acquirer has agreed to acquire, in aggregate, 9,86,51,064 Equity Shares representing 15% of the post preferential issue Equity Share Capital of the Target Company at a price of Rs. 12.20 per Equity Share.

2.1.4 Pursuant to the execution of the Share Subscription Agreement and the Share Purchase Agreements, the Acquirer has agreed to acquire 49.50% of the post preferential issue Equity Share Capital of the Target Company, and hence has under regulations 3(1) and 4 of the SEBI (SAST) Regulations triggered the mandatory Offer for 26% (twenty six percent) of the Fully Diluted Shares of the Target Company.

2.1.5 The salient features of the Share Subscription Agreement / SSA are as follows:

a) In terms of the SSA, the Acquirer has agreed to subscribe, on a preferential basis, to 34.5% (thirty four point five percent) of the post preferential issue Equity Share Capital of the Target Company as follows:

Sr. No.	Number of Equity Shares	% Post preferential issue Equity Share Capital	Price per Equity Share	Consideration (Rs.)
1	22,68,97,444	34.5%	12.10	274,54,59,072.40

b) Subject to terms and conditions of the SSA, the Acquirer has agreed to subscribe to the Subscription Shares free from all encumbrances and together with all rights, title and interest therein.

c) The Acquirer shall, subject to the terms of the SSA, remit Rs. 274,54,59,072.40 (Rupees Two hundred and seventy four crore, fifty four lakh, fifty nine thousand and seventy two and forty paise) to the Target Company for subscribing to the Subscription Shares.

2.1.6 The completion under the SSA is conditional on the satisfaction of certain customary conditions, including:

a) Approval from the shareholders of the Target Company for the issue of the Subscription Shares in favour of the Acquirer pursuant to section 81(1A) of the Companies Act, 1956;

b) Receipt of "in-principle" listing approval from the NSE and the BSE with respect to the listing of the Subscription Shares;

c) If the Closing Date is on November 30, 2012 or any later date, the Target Company shall ensure availability of cash not less than USD 137 million, free from encumbrances, for the purposes of redemption of the outstanding Bonds;

d) In accordance with regulation 22(2) of the SEBI (SAST) Regulations, and in the event Acquirer determines completion prior to completion of the Offer, the Acquirer shall have deposited in the escrow account under regulation 17 of the SEBI (SAST) Regulations, cash equivalent to 100% (one hundred per cent) of the consideration payable under the Offer assuming full acceptance of the Offer;

e) There not being in effect any order of a court or any applicable Law amounting to it having become unlawful or illegal for any of the Parties to consummate the transactions contemplated by the SSA;

f) All of the representations and warranties of the Parties being true and accurate in all material respects on the date of the SSA up to the Closing Date and having the same effect as if made on each such day.

2.1.7 The parties to the SSA have agreed that if pursuant to the consummation of the actions and transactions under the SSA and through purchase of Equity Shares from existing shareholders of the Target Company, the Acquirer's shareholding in the Target Company as on the Closing Date mentioned in the SSA is:

a) 49% (forty nine percent) or more of the Target Company's then issued and paid up Equity Share Capital, then the Acquirer shall be entitled to have a majority representation on the Board of Directors, and the Board of Directors shall appoint such directors; and

b) less than 49% (forty nine percent) of the Target Company's then issued and paid up Equity Share Capital, then the Acquirer shall be entitled to have a representation on the Board of Directors which is proportionate to its shareholding in the Target Company, and the Board of Directors shall appoint such directors.

2.1.8 Two nominees of the Acquirer may be appointed as directors in the Target Company, after expiry of 15 (fifteen) Working Days from the date of publication of the DPS and upon deposit of 100% (one hundred per cent) of the consideration payable under the Offer assuming full acceptance of the Offer, in compliance with first proviso to regulation 24(1) of the SEBI (SAST) Regulations.

2.1.9 Further the Acquirer has agreed to acquire, in aggregate, 15% (fifteen percent) of the post preferential issue Equity Share Capital of the Target Company at a price of Rs. 12.20 (Rupees twelve and twenty paise) per Equity Share, by entering into the following:

a) Seller SPA 1 dated October 25, 2012 amongst the Acquirer and Selling Shareholders 1; and
b) Seller SPA 2 dated October 25, 2012 between the Acquirer and Selling Shareholder 2.

2.1.10 The Acquirer has agreed to acquire the Equity Shares from the Selling Shareholders as under:

Sr. No.	Selling Shareholder	Number of Equity Shares	% Post preferential issue Equity Share Capital	Price per Equity Share	Consideration (Rs.)
1	ICICI Bank	3,28,83,688	5%	12.20	40,11,80,993.60
2	Metavante	3,28,83,688	5%	12.20	40,11,80,993.60
3	Aranda	3,28,83,688	5%	12.20	40,11,80,993.60
TOTAL		**9,86,51,064**	**15%**		**120,35,42,980.80**

The total number of Equity Shares to be sold by the Selling Shareholders to the Acquirer are 9,86,51,064 (Nine crore, eighty six lakh, fifty one thousand and sixty four) and the total consideration for the aforesaid Sale Shares shall be Rs. 120,35,42,980.80 (Rupees One hundred and twenty crore, thirty five lakh, forty two thousand, nine hundred and eighty and eighty paise).

2.1.11 Subject to the terms and conditions of the SPAs and fulfilment or waiver of the conditions precedent stipulated therein, the Selling Shareholders shall sell, transfer, convey, assign and deliver to the Acquirer and the Acquirer shall purchase, acquire and accept from the Selling Shareholders, the Sale Shares, free of all kinds of security interest of whatsoever nature including, any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of obligation of any person, and with all rights, title and interest in and to the Sale Shares without any restrictions whatsoever, at the price equal to the Sale Consideration in the manner set out in the SPAs.

2.1.12 The completion under the SPAs is conditional on the satisfaction of certain customary conditions / warranties, including:

a) Completion of the preferential allotment under the SSA;

b) The Selling Shareholders' warranties and Acquirer's warranties, as provided in the SPAs, being true and correct on the date of execution of the SPAs and remaining true and correct on the Completion Date, as if made on and as of the Completion Date;

c) There not being in effect on the Completion Date any actual litigation, writ, judgment, injunction, decree, or similar order of any court restraining, enjoining, or any statute or regulation, preventing consummation of any of the transactions contemplated by the SPAs or which has or would have the effect of rendering the sale of the Sale Shares by the Selling Shareholders void, illegal or otherwise prohibiting its completion or effectiveness;

d) Deposit of 100% of the Maximum Consideration in the escrow, if the acquisition of the Sale Shares has to be completed prior to the conclusion of the Offer.

2.1.13 Upon receipt of completion certificate from each of the Selling Shareholders, the parties to the SPAs shall proceed to completion on the date that is within 3 (three) business days, following receipt of the completion certificate or such other date as the parties to the SPAs may agree.

2.1.14 At completion, each of the Selling Shareholders has agreed to (i) cause their respective nominee on the Board of Directors to tender their resignation letter to the Target Company and release the Target Company from all claims relating to any loss of office or payment of any dues from the Target Company whatsoever pursuant to such resignation; and (ii) deliver a copy of such resignation letter to the Acquirer.

2.1.15 The parties to the definitive agreements have acknowledged and agreed that in the event that any conditions precedent are not satisfied for reasons outside the reasonable control of the Acquirer and the Acquirer elects to terminate the SPA, as per its provisions, then the Acquirer shall have the right to withdraw the Offer subject to the SEBI (SAST) Regulations.

2.1.16 The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities in terms of any directions issued under Section 11B of the SEBI Act or under any other applicable regulations made under the SEBI Act.

2.1.17 This Offer is being made to the Shareholders of the Target Company, other than the Selling Shareholders, the Acquirer and the PAC, in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations to capitalize on the favourable long term growth prospects of the Target Company and to facilitate the long term growth plans of the Acquirer.

2.1.18 As per regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors shall constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Shareholders and such recommendations shall be published at least two (2) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS related to the Offer was published, in compliance with regulation 26(7) of the SEBI (SAST) Regulations.

2.2 Details of the proposed Offer

2.2.1 This Offer is a mandatory open offer being made in compliance with regulations 3(1) and 4 of the SEBI (SAST) Regulations and is being made as a result of proposed direct acquisition of Equity Shares and control by the Acquirer over the Target Company. The underlying transaction will result in the Acquirer acquiring more than 25% of the voting rights in the Target Company and acquisition of control by the Acquirer over the Target Company.

2.2.2 This Offer has been triggered upon the execution of a Share Subscription Agreement dated October 25, 2012 entered into by the Acquirer and the Target Company and two Share Purchase Agreements entered into by the Acquirer with Selling Shareholders 1 and Selling Shareholder 2. As per the Share Subscription Agreement, the Target Company has agreed to issue 22,68,97,444 Equity Shares, to the Acquirer on a preferential basis, representing 34.50% of the post preferential issue Equity Share Capital, on compliance of certain terms and conditions. As per the Share Purchase Agreements, the Acquirer has agreed to acquire, in aggregate, 9,86,51,064 Equity Shares representing 15% of the post preferential issue Equity Share Capital of the Target Company from the Selling Shareholders.

2.2.3 The Public Announcement was issued on October 25, 2012 to the Shareholders of the Target Company through the Stock Exchanges where the Equity Shares of the Target Company are listed, by the Manager to the Offer for and on behalf of the Acquirer and the PAC.

2.2.4 Subsequently, the Acquirer and the PAC published the Detailed Public Statement on October 30, 2012 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Mumbai Lakshadeep	Marathi	Mumbai

A copy of the DPS is also available on SEBI's website: www.sebi.gov.in

2.2.5 This Offer is being made by the Acquirer to all Shareholders of the Target Company, other than the Selling Shareholders, the Acquirer and the PAC, pursuant to which the Acquirer has agreed to acquire up to 19,84,85,163 (Nineteen Crore, Eighty Four Lakh, Eighty Five Thousand, One Hundred and Sixty Three) Equity Shares, representing 26% (twenty six percent) of the Fully Diluted Shares of the Target Company, at a price of Rs. 12.20 (Rupees twelve and twenty paise) (i.e. the Offer Price) per Equity Share, to be paid in cash, in accordance with regulation 9(1)(a) of the SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and this Draft Letter of Offer.

2.2.6 The calculation of the Fully Diluted Shares of the Target Company and the Offer Size is as follows:

Particulars of the Target Company	Issued Equity Shares	Voting rights	% of Issued Equity Shares	% of Voting rights
Issued Equity Shares	43,07,76,307	43,07,76,307	100	100
Partly paid up shares	Nil	Nil	Nil	Nil
Total	**43,07,76,307**	**43,07,76,307**	**100**	**100**

FULLY DILUTED SHARES (as on the 10th Working Day from the closure of the Tendering Period of the Offer)	
Issued Equity Shares as on the date of the PA	43,07,76,307
Add: Equity Shares issued pursuant to the preferential allotment	22,68,97,444
Add: Total outstanding ESOPs for which Equity Shares may be issued	3,34,82,282
Add: Total outstanding FCCBs for which Equity Shares may be issued	7,22,48,439*
Fully Diluted Shares	76,34,04,472
Offer Size (26% of the Fully Diluted Shares)	19,84,85,163

**Based on the September 2012 shareholding pattern disclosed to the BSE by the Target Company*

2.2.7 As on the date of this Draft Letter of Offer, there are no partly paid-up Equity Shares issued by the Target Company. The Company had issued USD 275 million Bonds due for redemption on December 4, 2012, of which, Bonds of face value USD 169.8 million which have a redemption value (as at the maturity date) of USD 236.65 million are outstanding.

2.2.8 All the Equity Shares validly tendered in this Offer to the extent of 26% of the Fully Diluted Shares of the Target Company will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft Letter of Offer. The Shareholders of the Target Company who tender their Equity Shares under this Offer should ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares of the Shareholders of the Target Company, other than the Selling Shareholders, the Acquirer and the PAC, who validly tender their Equity Shares, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereon.

2.2.9 This Offer is being made at a price of Rs. 12.20 (Rupees twelve and twenty paise) per Equity Share.

2.2.10 As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer/PAC, there are no statutory approvals required by the Acquirer/PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer/PAC at a later date, this Offer shall be subject to such approvals and the Acquirer/PAC shall make the necessary applications for such approvals. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation the approval from the RBI), and submit such approvals along with other documents required in terms of the Form of Acceptance-cum-Acknowledgement and the terms and conditions mentioned in this Draft Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer/PAC reserve their right to reject such Equity Shares tendered in this Offer. No statutory approvals are required by the Acquirer for effecting the underlying transactions.

2.2.11 This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of SEBI (SAST) Regulations.

2.2.12 This Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.

2.2.13 The Acquirer and/or PAC have not acquired any Equity Shares after the date of PA, i.e. October 25, 2012, and up to the date of this Draft Letter of Offer.

2.2.14 The closing of the Share Purchase Agreements is conditional upon the completion of the conditions precedent set out therein. In the event that such conditions are not fulfilled for any reason outside the reasonable control of the Acquirer and the Share Purchase Agreements are rescinded, the Acquirer shall have a right to withdraw this Offer in terms of regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days in the same newspapers in which the DPS had been published and copies of such public announcement will also be sent to BSE, NSE and SEBI and the Target Company at its registered office.

2.2.15 The Equity Shares of the Target Company are listed on BSE and NSE. Pursuant to the acquisition of the Subscription Shares and the Sale Shares and assuming full acceptances in the Offer, the Acquirer will hold 52,40,33,671 Equity Shares post completion of the Offer, constituting 79.68% of the post preferential issue Equity Share Capital and 68.64% of the Fully Diluted Shares of the Target Company. As per Clause 40A of the Listing Agreements, read with Rule 19A of SCRR, the Target Company is required to maintain at least 25% public shareholding as determined in accordance with the SCRR, on a continuous basis for listing. If, pursuant to this Offer, the public shareholding in the Target Company reduces below the minimum level required as per the Listing Agreements, read with Rule 19A of the SCRR, the Acquirer hereby undertakes to reduce the non-public shareholding in the Target Company, within the period specified in the SCRR, such that the Target Company complies with the minimum public shareholding requirement prescribed in the Listing Agreements, read with Rule 19A of the SCRR.

2.3 Object of the underlying transaction and this Offer

2.3.1 The Acquirer is a private limited company, engaged in promoting the IT and BPO businesses of the RP-Sanjiv Goenka Group. The Acquirer believes that the Target Company offers an attractive investment opportunity and provides a chance to the RP-Sanjiv Goenka Group to diversify into the BPO and information technology enabled services (ITES) segment. The Acquirer proposes to support the Target Company in running its existing businesses and in growing the same in future.

2.3.2 The Acquirer has no intention at present to change the existing line of business of the Target Company.

2.3.3 Depending upon the business requirements of the Target Company, the Acquirer may consider disposing off or otherwise encumbering any assets or investments of the Target Company or its subsidiaries, through sale, lease, reconstruction, restructuring, amalgamation, demerger and/or re-negotiation or termination of existing contractual / operating arrangements, for restructuring and/or rationalizing the assets, investments or liabilities of the Target Company, to improve operational efficiencies and for other commercial reasons. The Board of Directors will decide on these matters.

2.3.4 The Acquirer proposes to extend necessary support to the Target Company, whenever required, in taking necessary steps to improve its operational efficiencies, extend the area of its operations and strengthen its business strategies. The Acquirer also intends to support the decisions of the Board of Directors in operational matters like employment and location of places of business of the Target Company.

3. BACKGROUND OF THE ACQUIRER AND THE PAC

A. Spen Liq Private Limited ("Acquirer")

1. The Acquirer, a private limited company, is engaged in promoting the IT and BPO businesses of the RP-Sanjiv Goenka Group. The Acquirer was incorporated on October 27, 1995 under the Companies Act, 1956 by the name Spen Liq Private Limited and is registered with the Registrar of Companies, West Bengal, with number U72900WB1995PTC075089. The registered office of the Acquirer is located at 31, Netaji Subhas Road, Kolkata - 700 001. The Acquirer's name has not changed since incorporation.

2. The Acquirer is a wholly owned subsidiary of CESC Limited, being the PAC in relation to this Offer and a part of the RP-Sanjiv Goenka Group. As of the date of this Draft Letter of Offer, the Acquirer does not hold any Equity Shares of the Target Company.

3. As of the date of this Draft Letter of Offer, none of the directors of the Acquirer have any interest in the Target Company and there are no directors representing the Acquirer on the Board of Directors of the Target Company. The Acquirer does not have any employees as on the date of this Draft Letter of Offer.

4. As the Acquirer has never held any shares of the Target Company in the past 10 years, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, and the provisions with regard to disclosures under Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirer.

5. The shareholding pattern of the Acquirer as on the date of this Draft Letter of Offer is as follows:

Sr. No.	Shareholder's Category	No. of shares held	Percentage of shares held
1	Promoters	28,050	100.00%

Sr. No.	Shareholder's Category	No. of shares held	Percentage of shares held
2	FII/ Mutual-Funds/ FIs / Banks	-	-
3	Public	-	-
	Total	**28,050**	**100.00%**

6. Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer, are as follows:

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1	Mr. Subrata Talukdar DIN – 01794978	20 years of experience in handling various critical assignments; core member of corporate strategy team; experience in manufacturing and finance industries. Alumnus of Kellogg School of Management, USA.	B.Com(H), ACA	19/10/2012
2	Mr. Subhasis Mitra DIN – 01277136	35 years of experience in different management capacities; overseeing management functions of various companies of the RP-Sanjiv Goenka Group.	B.Com (H), FCA, ACS	19/10/2012
3	Mr. Harish Toshniwal DIN – 00060722	20 years of experience in areas of finance, mergers, acquisitions and corporate restructurings; played a leading role in setting up new campuses for management institutes	B.Com (H), FCA, AICWA	23/11/2001
4	Mr. Arun Kumar Mukherjee DIN – 01626598	25 years of corporate experience with specialization in secretarial and legal matters; also served on the board of directors of various companies	B.A.	25/06/2007

7. None of the Acquirer's directors are on the Board of Directors of the Target Company.

8. The key financial information of the Acquirer, as derived from its audited financial statements as at and for the financial years ended March 31, 2012, March 31, 2011 and March 31, 2010 and limited reviewed financials for the 3 month period ended June 30, 2012 are as follows:

All figures in Rs., except as stated otherwise

	3 months ended June 30, 2012	Financial Year ended March 31,		
		2012	2011	2010
Profit and Loss statement				
Income from operations	-	-	-	-

Other Income	-	-	-	-
Total Income	**-**	**-**	**-**	**-**
Total Expenditure	4,943	15,407	404,188	-
Profit before Depreciation, Interest, Tax, Exceptional items and Minority Interest	**(4,943)**	**(15,407)**	**(404,188)**	**-**
Depreciation	-	-	-	-
Interest	-	-	-	-
Profit before Tax, Exceptional items and Minority Interest	**(4,943)**	**(15,407)**	**(404,188)**	**-**
Provision for Tax	-	-	-	-
Profit after Tax	**(4,943)**	**(15,407)**	**(404,188)**	**-**
Balance Sheet				
Sources of Funds				
Paid up Capital	280,500	280,500	280,500	280,500
Reserve & Surplus (Excluding Revaluation Reserve)	(424,538)	(419,595)	(404,188)	-
Total miscellaneous expenditure not written off	(10,372)	(11,315)	(15,087)	(409,475)
Networth	(154,410)	(150,410)	(138,775)	(128,975)
Secured Loan	-	-	-	-
Unsecured Loan	200,000	200,000	200,000	200,000
Total	**45,590**	**49,590**	**61,225**	**71,025**
Uses of Funds				
Net fixed Assets	-	-	-	-
Investments	-	-	-	100,200
Net Current assets	45,590	49,590	61,225	(29,175)
Total	**45,590**	**49,590**	**61,225**	**71,025**
Other Financial Data				
Dividend (%)	-	-	-	-
Earnings per share, basic and diluted	(0.18)*	(0.55)	(14.41)	-
(* not annualised)				

Source: As reported in the respective annual reports of FY 2010 and FY 2011 for respective year financials and as per the audited financial statements of FY 2012 and limited review report for the 3 month period ended June 30, 2012 dated October 19, 2012 by Bose & Chakrabarti, Chartered Accountants. For FY 2012 and the 3 month period ended June 30, 2012, the financials have been reclassified in the format as prescribed by SEBI.

9. As on March 31, 2012, the date of the last audited accounts, the Acquirer does not have any contingent liabilities.

10. The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

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

B. CESC Limited ("Person Acting in Concert" or "PAC")

1. The PAC, a public limited company, was incorporated on March 28, 1978 under the Companies Act, 1956 by the name The Calcutta Electric Supply Corporation (India) Limited. Subsequently, its name was changed to CESC Limited on January 1, 1987. It is registered with the Registrar of Companies, West Bengal with number L31901WB1978PLC031411. The registered office of the PAC is located at CESC House, Chowringhee Square, Kolkata - 700 001.

2. The equity shares of the PAC are listed on BSE (Scrip Code: 500084), NSE (Symbol: CESC), Calcutta Stock Exchange (Scrip Code: 10000034) and the London Stock Exchange (GB Register: 0162869, Indian Register: 6161097). The Global Depository Receipts of the PAC are listed on the Luxembourg Stock Exchange.

3. The closing prices of the equity shares of the PAC as on November 5, 2012 on the NSE and the BSE are Rs. 280.70 and Rs. 281.35, respectively. The equity shares of the PAC are not traded on the Calcutta Stock Exchange and the London Stock Exchange as on the date of this Draft Letter of Offer.

4. The PAC, an integrated power utility engaged in generation and distribution of power, is a part of the RP-Sanjiv Goenka Group and the promoters hold 52.48% of the total issued equity shares of the PAC as on the date of this Draft Letter of Offer. The main promoter group entities are Rainbow Investments Limited and Universal Industrial Fund Limited which respectively hold 24.86% and 14.24% of the total issued equity shares of the PAC. Based on the latest benpos, as of November 2, 2012, available on the date of this Draft Letter of Offer, no single public shareholder holds more than 5% of the total issued equity shares of the PAC.

5. The PAC serves over 2.6 million consumers within its licensed area of 567 square kilometers covering cities of Kolkata and Howrah, by delivering safe, cost-effective and reliable energy to its consumers. The PAC owns and operates four thermal power plants with an aggregate installed capacity of 1225 MW.

6. As of the date of this Draft Letter of Offer, the directors and key employees of the PAC do not have any interest in the Target Company and there are no directors representing the PAC on the Board of Directors of the Target Company.

7. As the PAC has never held any shares of the Target Company in the past 10 years, the provisions with regard to disclosures under Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, and the provisions with regard to disclosures under Chapter V of the SEBI (SAST) Regulations are not applicable to the PAC.

8. Based on the latest benpos, as of November 2, 2012, available on the date of this Draft Letter of Offer, the shareholding pattern of the PAC is as follows:

Sr. No.	Shareholder's Category	No. of shares held	Percentage of shares held
1	Promoters	6,55,72,309	52.48%
2	FII/ Mutual-Funds/ FIs / Banks	5,30,05,790	42.43%

Sr. No.	Shareholder's Category	No. of shares held	Percentage of shares held
3	Public	63,57,826	5.09%
	Total	**12,49,35,925**	**100.00%**

9. Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the PAC, are as follows:

Sr. No.	Name of Director, DIN and Designation	Experience	Qualification	Date of Appointment
1	Dr. Rama Prasad Goenka DIN – 00074606	Over 50 years of experience. Consolidated businesses into RPG Enterprises and expanded the group comprising Phillips Carbon Black, CEAT, KEC, CESC, Spencer's, Harrisons Malayalam, Zensar, Saregama, etc.	MA	29/4/1989
2	Mr. Sanjiv Goenka DIN – 00074796	Over 26 years of experience. Industrialist and Chairman of RP-Sanjiv Goenka Group; chairman of Board of Governors of IIT Kharagpur and currently serves on the board of IIM Kolkata; Vice Chairman, RPG Enterprises and Chairman, Phillips Carbon Black, Spencer International Hotels, Harrisons Malayalam, etc.	B.Com	29/4/1989
3	Mr. Pradip Kumar Khaitan DIN – 00004821	Over 40 years of experience. Solicitor and advocate with extensive experience commercial and corporate law, senior partner of Khaitan & Co., member of the Bar Council of India and the Bar Council of West Bengal. Chairman, Dalmia Bharat Enterprises Ltd., Electrosteel Castings Ltd. and OCL India Ltd.	B.Com, LLB	29/10/1992
4	Mr. Brij Mohan Khaitan DIN – 00023771	Over 60 years of experience. Industrialist with interest in tea, batteries and engineering; Chairman, Williamson Magor & Co. Ltd., Eveready Industries India Ltd. and Mcleod Russel India Ltd.	B.Com	10/5/1994

5	Mr. Srinivas Kothandaraman Vaidyanathan Srinivasan DIN – 02564527	Over 30 years of commercial banking experience; Executive Director, IDBI Bank Limited; Director of PPN Power Generating Company Limited	B.Tech (Chem), PGDM (Finance), CAIIB	16/2/2009
6	Mr. Chandra Kumar Dhanuka DIN – 00005684	Over 30 years of experience. Ex-Chairman of FICCI (Eastern Regional Council); former Chairman of Indian Tea Association and Vice-Chairman of the Tea Board	B.Com	4/5/2012
7	Mr. Om Prakash Vaish DIN – 00001360	Over 50 years of experience. Founder, Vaish Associates (law firm); earlier served in Indian Revenue Service and as Chief, Economics & Law, FICCI; Director, Godfrey Phillips India Ltd., Indo Rama Synthetics (India) Ltd., PNB Finance & Industries Ltd	B.Com, MA (Eco), BL	7/9/2011
8	Mr. Srikandath Narayan Menon DIN – 01475746	Over 40 years of experience. Retired IAS, held administrative positions in West Bengal and Central Government; Director of Fullerton India Credit Co. Ltd., West Bengal State Electricity Distribution Co. Ltd., Tata Tayo Rolls Ltd., Mcleod Russel India Ltd. and Voltas Ltd.	MA	7/9/2011
9	Mr. Sumantra Banerjee DIN – 00075243	Over 30 years of experience. President and Chief Executive of RPG Power and Retail Groups, on Boards of Dhariwal Infrastructure Ltd., Noida Power Co. Ltd. and Saregama (India) Ltd.	B.Tech (Hons), IIT, MS (USA), MBA (USA)	15/4/92

10. The key financial information of the PAC, as derived from its audited consolidated financial statements as at and for the financial years ended March 31, 2012, March 31, 2011 and March 31, 2010 and standalone limited reviewed financials for the 3 month period ended June 30, 2012 are as follows:

All figures in Rs. Crore, except as stated otherwise

	3 months ended June 30, 2012	Financial Year ended March 31,		
		2012	2011	2010
Profit and Loss statement				

Income from operations	1,419.85	5,891.72	5,070.80	4,327.15
Other Income	20.89	132.26	86.01	94.26
Total Income	**1,440.74**	**6,023.98**	**5,156.81**	**4,421.41**
Total Expenditure	1,130.99	4,932.19	4,190.00	3,748.99
Profit before Depreciation, Interest, Tax, Exceptional items and Minority Interest	**309.75**	**1,091.79**	**966.81**	**672.42**
Depreciation	77.00	340.05	316.48	251.35
Interest	77.09	332.43	298.77	204.00
Profit before Tax, Exceptional items and Minority Interest	**155.66**	**419.31**	**351.56**	**217.07**
Exceptional items	-	25.71	21.19	43.18
Provision for Tax				
-Current	31.10	149.15	128.21	89.40
-Deferred tax (net)	-	-	(75.23)	(71.86)
Minority Interest	-	1.43	0.99	0.90
Profit after Tax, Exceptional items and Minority Interest (Note 1)	**124.56**	**245.88**	**278.38**	**157.25**
Balance Sheet				
Sources of Funds				
Paid up Capital	125.60	125.60	125.60	125.60
Reserve & Surplus (Excluding Revaluation Reserve)	4,864.34	3,560.93	3,310.20	3,039.04
Miscellaneous expenditure not written off	5.55	5.73	6.42	7.13
Networth (Excluding Revaluation Reserve) (Note 2)	**4,984.39**	**3,680.80**	**3,429.38**	**3,157.51**
Revaluation Reserve	1,129.16	1,155.77	1,264.95	1,373.70
Share Application money	-	-	-	1.00
Advance against Depreciation	587.69	566.03	514.26	446.71
Consumers' Security Deposits	1,114.21	1,050.90	934.84	895.89
Secured Loan	2,985.00	5,065.92	3,300.76	2,806.22
Unsecured Loan	203.32	720.85	827.07	712.67
Minority Interest	-	2.69	2.11	0.89
Total	**11,003.77**	**12,242.96**	**10,273.37**	**9,394.59**
Uses of Funds				
Net fixed Assets including Capital Work in Progress & Capital Advance	8,187.35	11,159.02	8,941.93	8,287.17
Investments	1,084.85	176.36	417.37	437.39
Net Current assets (Note 3)	1,731.57	586.03	592.52	423.72
Deferred Tax Asset (Net)	-	321.55	321.55	246.31
Total	**11,003.77**	**12,242.96**	**10,273.37**	**9,394.59**
Other Financial Data				
Dividend (%) (Note 4)	-	50	40	40
Earnings per share, basic and diluted	9.95*	19.68	22.28	12.59

after exceptional items (Rs.)				
(* not annualised)				

Source: As reported in the respective annual reports of FY 2010 and FY 2011 for respective year financials and as per the audited financial statements of FY 2012 and limited review reports for the 3 month period ended June 30, 2012 dated July 27, 2012 and October 29, 2012 by Lovelock & Lewes, Chartered Accountants. For FY 2012 and the 3 month period ended June 30, 2012, the financials have been reclassified in the format as prescribed by SEBI.

Notes:

Note 1: Consolidated Profit after Tax, Exceptional items and Minority Interest for financial years 2011-12, 2010-11 and 2009-10 includes effect of deferred tax credit of Rs. Nil, Rs. 75.23 crore and Rs. 71.86 crore, respectively.

Note 2: Consolidated Networth as on March 31, 2012, March 31, 2011 and March 31, 2010 include impact of deferred tax asset of Rs. 321.55 crore, Rs. 321.55 crore and Rs. 246.31 crore, respectively.

Note 3: The residual items of Assets and Liabilities of the consolidated Balance Sheet as on March 31, 2012 and standalone Statement of Assets and Liabilities as on June 30, 2012, other than those appearing as such above, have been grouped in the Net Current Assets as on the respective dates.

Note 4: Dividend declared by the PAC.

11. The major contingent liabilities of the PAC and its subsidiaries as disclosed in the consolidated Balance Sheet as on March 31, 2012 are as follows:

I. CESC Limited

a. Claims not acknowledged as debts:

The West Bengal Taxation Tribunal had held meter rentals received by CESC Limited from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed Rs. 0.69 crore as sales tax on meter rentals received during the year ended March 31, 1993 and raised a demand of Rs. 0.36 crore on account of interest. Against the above demand, CESC Limited had deposited a sum of Rs. 0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, CESC Limited filed a writ petition in the Calcutta High Court and prayed for an interim order, inter alia, restraining the sales tax authorities from proceeding with the assessment for the subsequent years till disposal of the appeal. An interim order has been issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on CESC Limited. The disposal of the case is still pending.

b. Other amounts for which CESC Limited is contingently liable:

  i. Municipal Tax: Rs. 1.01 crore (previous year: Rs. 0.95 crore) in respect of certain properties, the rates of which are disputed by CESC Limited.
  ii. Water Cess: Rs. Nil (previous year: Rs. 6.74 crore) disputed by CESC Limited.

The future cash outflow in respect of a. and b. above cannot be ascertained at this stage.

II. Subsidiary Companies

a. Claim not acknowledged as debts:

  i. Retailer's Association of India (RAI), of which one of the subsidiaries of CESC Limited is a member, has filed a Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in October 2011 directing the members of RAI to pay 50% of total service tax liability up to September 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the subsidiary has deposited Rs. 4.60 crore and furnished a surety for Rs. 4.60 crore towards the service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition.

  ii. Miscellaneous claims: Rs 4.08 crore (previous year: Rs. 1.55 crore)

  iii. Guarantee to ABP Corporation to discharge obligation, if any, in event of default which is not quantifiable.

12. The PAC has not been prohibited by SEBI, from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

13. The PAC is in compliance with the corporate governance requirements as stipulated under the Listing Agreements.

14. The name and contact details of the compliance officer of the PAC is as below:
Name: Mr. Subhasis Mitra, Company Secretary
Address: CESC House, Chowringhee Square, Kolkata - 700 001
Tel.: +91 (33) 2225 6040; Fax: +91 (33) 2236 6038; Email: secretarial@rp-sg.in

4. BACKGROUND OF THE TARGET COMPANY

4.1 The Target Company, a public limited company, was incorporated on December 6, 2001 under the Companies Act, 1956 by the name ICICI Infotech Upstream Limited. Subsequently, the Target Company's name was changed to ICICI OneSource Limited on April 2, 2002 and later changed to Firstsource Solutions Limited on November 21, 2006. The registered office of the Target Company is located at 5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064, India.

4.2 The Target Company is engaged in the business of providing business process outsourcing (BPO) services across banking and financial services, telecommunications, media and healthcare industries.

4.3 The Equity Shares are listed on BSE (Scrip Code: 532809) and NSE (Symbol: FSL).

4.4 The Equity Shares are frequently traded on BSE and NSE in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations.

4.5 Details of the voting share capital as of the date of this Draft Letter of Offer are as follows:

Paid up Equity Shares of the Target Company	**No. of Equity Shares / voting rights**	**Percentage of Equity Shares / voting rights**
Equity Shares	43,07,76,307	100
Partly paid-up equity shares	Nil	Nil
Total paid-up Equity Shares	43,07,76,307	100
Total voting rights in Target Company	43,07,76,307	100

FULLY DILUTED SHARES / VOTING CAPITAL (as on the 10th Working Day from the closure of the Tendering Period of the Offer)	
Issued Equity Shares as on the date of the PA	43,07,76,307
Add: Equity Shares issued pursuant to the preferential allotment	22,68,97,444
Add: Total outstanding ESOPs for which Equity Shares may be issued	3,34,82,282
Add: Total outstanding FCCBs for which Equity Shares may be issued	7,22,48,439*
Fully Diluted Shares / Voting Capital	76,34,04,472
Offer Size (26% of the Fully Diluted Shares)	19,84,85,163

**Based on the September 2012 shareholding pattern disclosed to the BSE by the Target Company*

4.6 Trading of the Equity Shares is not currently suspended on the Stock Exchanges. There are no Equity Shares that are not listed on the Stock Exchanges.

4.7 As on the date of this Draft Letter of Offer, there are no partly paid-up Equity Shares issued by the Target Company. The Target Company had issued USD 275 million Bonds due for redemption on December 4, 2012, of which, Bonds of face value USD 169.8 million which have a redemption value (as at the maturity date) of USD 236.65 million are outstanding. Other than the ESOPs and FCCBs considered in paragraph 4.5 above, as on the date of this Draft Letter of Offer, there are no outstanding convertible instruments, fully or partially convertible debentures, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares. The Target Company has not issued any partly paid–up shares as on the date of the PA, the DPS and this Draft Letter of Offer.

4.8 There has been no merger, demerger or spin off during the last three (3) years involving the Target Company.

4.9 The details of the Board of Directors are set forth below:

Sr. No.	Name	Date of appointment	Designation	Director Identification Number
1	Dr. Shailesh J. Mehta	January 21, 2005	Chairman & Independent Director	01633893
2	Mr. Ananda Mukerji	February 13, 2002	Vice-Chairman & Non-Independent Director	00015304
3	Mr. Rajesh Subramaniam	August 1, 2011	Managing Director & CEO	02617781
4	Mr. Charles Miller Smith	August 19, 2002	Independent Director	00950635
5	Mr. K. P. Balaraj	September 2, 2003	Independent Director	00163632
6	Mr. Mohit Bhandari	January 9, 2009	Non-Executive & Non-Independent Director	02528942
7	Mr. Donald W. Layden Jr.	April 20, 2006	Independent Director	01268078
8	Mr. Yezdi Malegam	July 27, 2006	Independent Director	00092017
9	Mr. Ram V. Chary	October 27, 2009	Non-Executive & Non-Independent Director	02875452
10	Mr. Pravir Vohra	July 27, 2010	Non-Executive & Non-Independent Director	00082545

4.10 As of the date of this Draft Letter of Offer, the Acquirer / PAC does not have any representation on the Board of Directors.

4.11 The key financial information of the Target Company, as derived from its audited consolidated financial statements as at and for the financial years ended March 31, 2012, March 31, 2011 and March 31, 2010 and audited consolidated financial statements as at and for the 6 month period ended September 30, 2012 are as follows:

All figures in Rs. Crore, except as stated otherwise

	6 months ended September 30, 2012	Financial Year ended March 31,		
		2012	**2011**	**2010**
Profit and Loss statement				
Income from operations	1,392.80	2,254.99	2,055.28	1,970.79
Other Income	34.29	38.65	14.19	21.01
Total Income	**1,427.09**	**2,293.64**	**2,069.47**	**1,991.80**
Total Expenditure	1,269.07	2,069.90	1,772.09	1,698.67
Profit before Depreciation, Interest, Tax and Minority Interest	**158.02**	**223.74**	**297.38**	**293.13**

Depreciation and Amortization	45.13	89.26	89.08	87.26
Interest	37.89	58.49	33.01	45.59
Profit before Tax and Minority Interest	**75.01**	**75.98**	**175.30**	**160.28**
Provision for Tax	9.75	13.77	34.93	23.76
Minority Interest	0.35	0.18	1.86	0.45
Profit after Tax and Minority Interest	**64.91**	**62.03**	**138.51**	**136.07**

Balance Sheet Statement (as per the old Schedule VI format)	**Financial Year ended March 31,**	
	2011	**2010**
Sources of funds		
Paid up share capital	430.64	429.21
Share application money	-	0.35
Reserves and Surplus (excluding revaluation reserves)	992.08	994.82
Networth	1,422.72	1,424.37
Minority Interest	0.11	4.98
Secured loans	334.66	278.69
Unsecured loans	1,158.61	1,079.16
Deferred Tax Liability	5.80	-
Total	**2,921.89**	**2,787.19**
Uses of funds		
Goodwill on consolidation	2,045.40	2,072.59
Net fixed assets	228.53	183.80
Investments	132.93	100.53
Net current assets	515.02	424.76
Total miscellaneous expenditure not written off	-	-
Deferred Tax Asset	-	5.51
Total	**2,921.89**	**2,787.19**

Balance Sheet Statement (as per the revised Schedule VI format)	**6 months ended September 30, 2012**	**Financial Year ended March 31, 2012**
Equity and liabilities		
Paid up share capital	430.78	430.78
Reserves and Surplus (excluding revaluation reserves)	1,020.35	999.11
Networth	1,451.13	1,429.88
Minority Interest	1.66	1.33
Non-current liabilities	910.63	1,004.16
Current liabilities	1,735.29	1,496.12
Total	**4,098.71**	**3,931.49**
Assets		
Non-current assets	2,744.53	2,668.51
Current assets	1,354.18	1,262.98
Total	**4,098.71**	**3,931.49**

Other Financial Data	6 months ended September 30, 2012	Financial Year ended March 31,		
		2012	2011	2010
Dividend (%)	-	-	-	-
Earnings Per Share – Basic (Rs.)	1.51*	1.44	3.22	3.17
Earnings Per Share – Diluted (Rs.)	1.41*	1.44	2.91	2.84
Return on Networth (%)	4.47	4.34	9.74	9.55
Book Value per Share (Rs.)	33.69	33.19	33.04	33.19

** Not annualised*

Source: Annual reports for the respective years of the Target Company; BSE and NSE websites

4.12 Based on the latest benpos, as of November 2, 2012, available on the date of this Draft Letter of Offer, the shareholding pattern of the Target Company before and after this Offer is as follows:

(All % figures given below are of the Fully Diluted Shares)

Shareholders' category	Shareholding & voting rights prior to the acquisition of Equity Shares under the SSA, SPAs and the Offer		Shares / voting rights agreed to be acquired / (sold) through the SSA and SPAs which triggered the Offer		Shares / voting rights to be acquired in the Offer (assuming full acceptances)		Share holding / voting rights after the acquisition of Equity Shares under the SSA, SPAs and the Offer, i.e.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to the SPAs	7,79,63,491	10.21	(3,28,83,688)	(4.31)	-	-	4,50,79,803	5.91
b. Promoters other than (a) above	75,66,772	0.99	-	-	-	-	*	*
Total 1(a+b)	**8,55,30,263**	**11.20**	**-**	**-**	**-**	**-**	*****	*****
(2) Acquirer and PAC								
a. Acquirer	-	-	32,55,48,508	42.64	19,84,85,163	26.00	52,40,33,671	68.64@
b. PAC	-	-	-	-	-	-	-	-
Total 2(a+b)	**-**	**-**	**32,55,48,508**	**42.64**	**19,84,85,163**	**26.00**	**52,40,33,671**	**68.64@**
(3) Parties to the SPAs other than (1)(a) & (2)	**15,93,39,351**	**20.87**	**(6,57,67,376)**	**(8.62)**	**-**	**-**	**9,35,71,975**	**12.26**
(4) Public (other than parties to the SPAs, promoter group, Acquirer and PAC)								
a. FIs / MFs / FIIs / Banks / SFIs	93,29,452	1.22	-	-	-	-	*	*
b. Others	17,65,77,241	23.13	-	-	-	-	*	*
(No. of shareholders in "Public": 1,71,873)								
Total (4)(a+b)	**18,59,06,693**	**24.35**	**-**	**-**	**-**	**-**	*****	*****
GRAND TOTAL (1+2+3+4)	**43,07,76,307**	**56.43**	**22,68,97,444#**	**29.72**	**19,84,85,163**	**26.00**	**76,34,04,472 ^**	**100.00**

** The Equity Shares of the Target Company envisaged to be acquired by the Acquirer in the Offer would be from the categories of Shareholders mentioned in 1(b), 4(a) and 4(b) above and therefore the post Offer holding of these Shareholders are not ascertainable at this stage and would depend on the quantum of Equity Shares that are received from them and are accepted pursuant to the Offer*
#This figure will equal the Subscription Shares since the Sale Shares are netted off
^Assuming all FCCBs and ESOPs are converted into Equity Shares
@ The post Offer shareholding of the Acquirer based on the post preferential issue Equity Share Capital assuming full acceptances in the Offer shall be 79.68%

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Offer is made pursuant to the execution of the SSA and SPAs for the direct acquisition of Equity Shares by the Acquirer.

5.1.2 The Equity Shares are listed on the Stock Exchanges.

5.1.3 The annualized trading turnover based on the trading volume of the Equity Shares on the Stock Exchanges during October 1, 2011 to September 30, 2012 (i.e. 12 (twelve) calendar months preceding the month in which the PA is issued) is as under:

Stock Exchange	Number of Equity Shares traded during the 12 calendar months prior to the month in which the PA was issued	Total number of listed Equity Shares during this period	Annualized trading turnover (as a percentage of total listed Equity Shares)
BSE	18,06,25,796	43,07,76,307	41.93%
NSE	41,10,15,503	43,07,76,307	95.41%

Source: www.bseindia.com and www.nseindia.com

Therefore, in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on NSE and BSE.

5.1.4 Further, the Equity Shares are more frequently traded on NSE as compared to BSE in terms of trading volume during the immediately preceding 60 (sixty) trading days from the date of the PA, which is detailed below:

Stock Exchange	Number of Equity Shares traded during immediately preceding 60 trading days from the date of the PA
BSE	68,958,161
NSE	154,880,136

Source: BSE and NSE websites

5.1.5 The Offer Price of Rs. 12.20 (Rupees Twelve and Twenty paise) per Equity Share is justified in terms of regulations 8(2) and 8(5) of the SEBI (SAST) Regulations, in view of the following:

(a)	Highest negotiated price per Equity Share under the Share Subscription Agreement.	Rs. 12.10
(b)	Highest negotiated price per Equity Share under the Share Purchase Agreements.	Rs. 12.20

(c)	Volume-weighted average price paid by the Acquirer or the PAC, during the 52 weeks immediately preceding the date of PA.	Not Applicable
(d)	Highest price paid or payable for any acquisition, whether by the Acquirer or the PAC, during the 26 weeks immediately preceding the date of the PA.	Not Applicable
(e)	Volume-weighted average market price of the Equity Shares for a period of 60 trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the Equity Shares are recorded during such period, provided such Equity Shares are frequently traded.	Rs. 11.26
(f)	Per Equity Share value, as required under regulation 8(5) of the SEBI (SAST) Regulations.	Not Applicable

5.1.6 The price and volume data of the Equity Shares on NSE, i.e. where the Equity Shares are most frequently traded, for a period of 60 (sixty) trading days immediately preceding the date of the PA, as per regulation 8(2) of the SEBI (SAST) Regulations, are set forth below:

Sr. No.	**Date**	**Total traded Equity Shares**	**Total turnover (in Rs. lakhs)**	**Volume weighted average price (in Rs.)**
1.	27-Jul-2012	984,710	81.45	8.27
2.	30-Jul-2012	649,962	54.75	8.42
3.	31-Jul-2012	3,404,313	317.33	9.32
4.	1-Aug-2012	1,017,029	94.62	9.30
5.	2-Aug-2012	870,143	80.18	9.21
6.	3-Aug-2012	710,788	63.43	8.92
7.	6-Aug-2012	664,676	60.64	9.12
8.	7-Aug-2012	503,487	45.84	9.10
9.	8-Aug-2012	1,574,752	147.44	9.36
10.	9-Aug-2012	1,379,628	132.27	9.59
11.	10-Aug-2012	976,489	91.89	9.41
12.	13-Aug-2012	395,951	36.51	9.22
13.	14-Aug-2012	1,758,476	170.06	9.67
14.	16-Aug-2012	743,300	70.28	9.46
15.	17-Aug-2012	1,507,695	145.31	9.64
16.	21-Aug-2012	400,488	38.42	9.59
17.	22-Aug-2012	706,552	66.90	9.47
18.	23-Aug-2012	6,204,333	632.54	10.20
19.	24-Aug-2012	2,045,479	206.37	10.09
20.	27-Aug-2012	1,254,199	123.13	9.82
21.	28-Aug-2012	1,658,384	156.27	9.42
22.	29-Aug-2012	586,276	53.88	9.19
23.	30-Aug-2012	825,812	74.94	9.07
24.	31-Aug-2012	1,563,658	149.00	9.53
25.	3-Sep-2012	484,525	45.96	9.49

Sr. No.	Date	Total traded Equity Shares	Total turnover (in Rs. lakhs)	Volume weighted average price (in Rs.)
26.	4-Sep-2012	4,008,799	374.15	9.33
27.	5-Sep-2012	888,923	82.38	9.27
28.	6-Sep-2012	513,845	47.57	9.26
29.	7-Sep-2012	655,975	61.19	9.33
30.	8-Sep-2012	132,403	12.28	9.27
31.	10-Sep-2012	1,083,367	99.55	9.19
32.	11-Sep-2012	836,646	76.12	9.10
33.	12-Sep-2012	723,629	66.26	9.16
34.	13-Sep-2012	813,398	73.37	9.02
35.	14-Sep-2012	853,696	78.80	9.23
36.	17-Sep-2012	1,010,232	93.64	9.27
37.	18-Sep-2012	1,156,029	110.05	9.52
38.	20-Sep-2012	1,626,651	147.76	9.08
39.	21-Sep-2012	1,176,196	109.82	9.34
40.	24-Sep-2012	1,094,254	104.35	9.54
41.	25-Sep-2012	620,337	58.59	9.44
42.	26-Sep-2012	1,979,402	190.17	9.61
43.	27-Sep-2012	1,270,355	121.39	9.56
44.	28-Sep-2012	960,356	91.75	9.55
45.	1-Oct-2012	8,859,428	935.46	10.56
46.	3-Oct-2012	9,508,723	1,093.31	11.50
47.	4-Oct-2012	3,546,016	414.97	11.70
48.	5-Oct-2012	2,998,339	332.79	11.10
49.	8-Oct-2012	1,507,360	168.42	11.17
50.	9-Oct-2012	1,035,274	114.18	11.03
51.	10-Oct-2012	13,242,760	1,589.34	12.00
52.	11-Oct-2012	15,152,572	1,897.14	12.52
53.	12-Oct-2012	4,604,421	560.34	12.17
54.	15-Oct-2012	1,313,293	157.70	12.01
55.	16-Oct-2012	2,575,443	310.03	12.04
56.	17-Oct-2012	7,327,870	903.84	12.33
57.	18-Oct-2012	4,423,564	563.62	12.74
58.	19-Oct-2012	5,545,285	717.54	12.94
59.	22-Oct-2012	5,577,980	734.65	13.17
60.	23-Oct-2012	13,386,210	1,806.61	13.50
	Total	**154,880,136**	**17,438.54**	
Volume Weighted Average Price (Total turnover divided by total traded Equity Shares)				**Rs. 11.26**

(*Source: NSE website*)

5.1.7 In view of the parameters considered and presented in the table in paragraph 5.1.5 above, in the opinion of the Manager to the Offer, the Offer Price of Rs. 12.20/- (Rupees Twelve and Twenty paise) per Equity Share, being the highest of the prices mentioned above in paragraph 5.1.5, is justified in terms of regulation 8 of the SEBI (SAST) Regulations.

5.1.8 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under regulation 8(9) of the SEBI (SAST) Regulations. (Source: BSE and NSE websites)

5.1.9 There has been no revision in the Offer Price as of the date of this Draft Letter of Offer. Further revisions in the Offer Price for any reason including future purchases/competing offers shall be done only prior to the commencement of the last three Working Days before the commencement of the Tendering Period and will be notified to the Shareholders by a (i) public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneous notification to BSE, NSE, SEBI and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.

5.1.10 The Acquirer shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

5.1.11 If the Acquirer acquires any Equity Shares during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all Shareholders whose Equity Shares have been accepted in the Offer within sixty (60) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.

5.2 Financial Arrangements

5.2.1 The total funding requirement i.e. Maximum Consideration for this Offer is Rs. 242,15,18,988.60, assuming full acceptance of this Offer.

5.2.2 The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer and the Acquirer is able to implement this Offer. The payment obligations of the Acquirer under this Offer are proposed to be funded by the PAC from its available domestic funds through infusion of equity share capital and / or extension of loan to the Acquirer.

5.2.3 On behalf of the Acquirer, ICICI Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and acting through its office at R.N.M. CIBD Branch, Rasoi Court, 20 R. N. Mukherjee Road, Kolkata - 700 001 has issued an unconditional, irrevocable and on demand bank guarantee dated October 25, 2012 for Rs. 63,00,00,000 (Rupees sixty three crores) in favour of the Manager to the Offer in terms of regulation 17 of the SEBI (SAST) Regulations. The Guarantee is valid until April 24, 2013, i.e. throughout the Offer Period and for an additional period that is more than 30 (thirty) days after completion of payment to the Shareholders who validly tender their Equity Shares in this Offer, in accordance with regulation 17(6) of the SEBI (SAST) Regulations. The said amount of the Guarantee is more than the minimum prescribed amount of 25% (twenty five percent) for the first Rs. 500,00,00,000 (Rupees five hundred crores) of the maximum consideration payable under the Offer, as per regulation 17(1) of the SEBI (SAST) Regulations. The Guarantee entitles the Manager to the Offer to realize the value thereof in terms of the SEBI (SAST) Regulations.

5.2.4 By way of security for performance of its obligations under the SEBI (SAST) Regulations including regulation 17(4), the Acquirer has deposited a sum of Rs. 3,00,00,000 (Rupees three crores), being more than 1% (one percent) of the Maximum Consideration, in Fixed Deposit Account No. 000614144586 of the Escrow Bank, who has marked a lien on the Fixed Deposit Account with an irrevocable right to encash the proceeds in favour of the Manager to the Offer, through their letter dated October 25, 2012. The Manager to the Offer is duly authorised by the Acquirer to realise the value of the aforesaid Fixed Deposit Account in terms of the SEBI (SAST) Regulations.

5.2.5 In case of revision of the Offer Price and / or the Offer Size, the Acquirer shall (i) make further deposits into the Offer escrow account; and/or (ii) provide an additional bank guarantee in favour of the Manager to the Offer, to ensure compliance with regulation 17(2) of the SEBI (SAST) Regulations.

5.2.6 S.S.D. & Associates, Chartered Accountants (through its Proprietor, Mr. Santanu Sahu having membership no. 300-52774), having its address at C/17, New Garia Housing Co-operative Society, Kolkata – 700 094, Tel.: +91 90078 87055, Fax: +91 (33) 2465 1613, have vide its letter dated October 25, 2012, certified on the basis of their scrutiny of the books of accounts, records and documents of the Acquirer and PAC, that the Acquirer and the PAC have adequate and firm financial resources to enable them to meet their financial obligations relating to the Offer.

5.2.7 Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PAC to fulfill the Acquirer's obligations through verifiable means in relation to this Offer in accordance with the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THIS OFFER

6.1 This Offer is being made by the Acquirer along with the PAC to, except the Selling Shareholders, (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on December 3, 2012, i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on December 3, 2012, i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer, i.e. December 31, 2012 but who are not the registered Shareholders.

6.2 This Offer is being made by the Acquirer to all the Shareholders except the Selling Shareholders, to acquire up to 19,84,85,163 (Nineteen Crore, Eighty Four Lakh, Eighty Five Thousand, One Hundred and Sixty Three) Equity Shares, representing 26% (twenty six percent) of the Fully Diluted Shares, subject to the terms and conditions mentioned in the PA, DPS and the Letter of Offer.

6.3 This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of the SEBI (SAST) Regulations.

6.4 This Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.

6.4.1 There has been no revision in the Offer Price as of the date of this Draft Letter of Offer. Further revisions in the Offer Price for any reason including future purchases/competing offers shall be done prior to the commencement of the last three Working Days before the commencement of the Tendering Period and will be notified to the shareholders by a (i) public announcement in the same newspapers in which the DPS has been published; and (ii) simultaneous notification to BSE, NSE, SEBI and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.

6.5 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute an integral part of the terms of this Offer.

6.6 Accidental omission to dispatch the Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

6.7 Each Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

6.8 The Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares that are validly accepted in this Offer, together with all rights attached thereto, including the rights to dividends, bonuses and rights offers declared thereon.

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

6.10 The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the address mentioned in paragraph 7.3 below on or before **16:30 hours on December 31, 2012**, i.e. Closure of the Tendering Period. In the event any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Shareholder, the Manager to the Offer and the Acquirer reserve the right to reject the acceptance of this Offer by such Shareholder.

6.11 The Shareholders who have accepted this Offer by tendering their Equity Shares and requisite documents in terms of the PA, DPS and the Letter of Offer are **not** entitled to withdraw such acceptance during the Tendering Period for this Offer.

6.12 In the event that the aggregate of the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.

6.13 To the best of the knowledge of the Acquirer, the Target Company has no Equity Shares that are currently locked-in.

6.14 The Acquirer will not be responsible in any manner for any loss of share certificate(s) and Offer acceptance documents during transit. The Shareholders are advised to adequately safeguard their interest in this regard.

6.15 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.

6.16 **Statutory & Other Approvals**

6.16.1 To the best of the knowledge of the Acquirer, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer / PAC at a later date, this Offer shall be subject to such approvals and the Acquirer / PAC shall make the necessary applications for such approvals.

6.16.2 NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs had required any approvals including from the RBI or FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

6.16.3 In case of delay in receipt of any such statutory approvals, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer / PAC agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days from the Closure of the Tendering Period at such rate, as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Shareholders, the Acquirer / PAC will have the option to pay the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

6.16.4 The Acquirer has the right not to proceed with this Offer in accordance with regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused or if the conditions specified in paragraph 2.1.15 above are not fulfilled for any reason outside the reasonable control of the Acquirer / PAC and the underlying Share Subscription Agreement or the Share Purchase Agreements are rescinded. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, the Stock Exchanges and to the Target Company at its registered office.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

7.1 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to, except the Selling Shareholders, the Acquirer and the PAC, (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; and (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date.

7.2 The Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI's website at www.sebi.gov.in, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.

7.3 The Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at any of the collection centers mentioned below so as to reach the Registrar to the Offer during business hours on or before 16:30 hours on December 31, 2012, i.e. the Closure of the Tendering Period, in accordance with the procedure as set out in this Draft Letter of Offer:

City	Contact Person	Address	Tel. No. & Fax No.	E-mail ID	Mode of Delivery
Mumbai	Pravin Kasare	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai - 400078	Tel: +91 22 2596 7878 Fax: +91 22 2596 0329	pravin.kasare@linkintime.co.in	Hand Delivery & Registered Post
Ahmedabad	Hitesh Patel	Link Intime India Pvt. Ltd., 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad – 380009	Tel: +91 79 2646 5179 Fax: +91 79 2646 5179	ahmedabad@linkintime.co.in	Hand Delivery
Bangalore	Prashant D. Shedbal	Link Intime India Pvt. Ltd., 543/A, 7th Main, 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Tel: +91 80 2650 9004 Fax: +91 80 2650 9004	bangalore@linkintime.co.in	Hand Delivery
Baroda	Alpesh Gandhi	Link Intime India Pvt. Ltd., B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara – 390020	Tel: + 91 265 2356573 / 2356796 / 2356794 Fax: + 91 265 2356791	vadodara@linkintime.co.in	Hand Delivery
Kolkata	S. P. Guha	Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata -700020	Telefax: +91 33 2289 0539 / 40	kolkata@linkintime.co.in	Hand Delivery
New Delhi	Swapan Naskar	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	Tel: +91 11 4141 0592 / 93 / 94 Fax: +91 11 4141 0591	delhi@linkintime.co.in	Hand Delivery

City	Contact Person	Address	Tel. No. & Fax No.	E-mail ID	Mode of Delivery
Pune	Rajeeva Koteshwar	Link Intime India Pvt. Ltd., Block No 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001	Tel: +91 20 2616 0084 / 1629 Fax: +91 20 2616 3503	pune@linkintime.co.in	Hand Delivery
Chennai	Mrs. Solly Soy	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No. 20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai - 600 017	Tel: +91 44 2815 2672 / 4207 0906 Fax: +91 44 2815 2672	chennai@saspartners.com	Hand Delivery

All of the centers mentioned above will be open as follows:
Business Hours: *Monday to Friday: 10:30 to 16:30*
Holidays: *Saturdays, Sundays and Public Holidays*

7.4 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer, the PAC or the Target Company.

7.5 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078, Maharashtra, India; Tel: +91 22 2596 7878; Fax: +91 22 2596 0329; Email: firstsource.offer@linkintime.co.in; Contact Person: Mr. Pravin Kasare, so as to reach the Registrar to the Offer on or before 16:30 hours on December 31, 2012, i.e. Closure of the Tendering Period.

7.6 <u>Shareholders who are holding Equity Shares in physical form:</u>

7.6.1 The Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in this Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement along with self attested copy of PAN Card of all the transferors are required to be submitted.

7.6.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (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 or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.

7.6.3 Notwithstanding that the signature(s) of the transferor(s) has 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 Equity Shares are liable to be rejected in this Offer.

7.6.4 In case of registered Shareholders in whose respect, the aforesaid documents have not been received, but the original share certificate(s) and duly signed transfer form(s) have been received, the Offer shall be deemed to have been accepted.

7.7 **Shareholders who are holding Equity Shares in dematerialized form:**

7.7.1 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

7.7.2 The Registrar to the Offer has opened a special depository account with Ventura Securities Limited called "LIIPL FSL Open Offer Escrow Demat Account". The Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

Depository Participant Name	Ventura Securities Limited
DP ID	IN303116
Client ID	11069838
Account Name	LIIPL FSL Open Offer Escrow Demat Account
Depositary	National Securities Depository Limited ("NSDL")

7.7.3 It is the sole responsibility of the Shareholder to ensure credit of its Equity Shares in the Depository Escrow Account above, on or before December 31, 2012, i.e. Closure of the Tendering Period.

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

7.7.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.

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

7.7.7 In case of resident Shareholders in whose respect, the aforesaid documents have not been received, but the Equity Shares have been received in the above Special Depository Account, the Offer shall be deemed to have been accepted.

7.8 Shareholders who have sent their Equity Shares for dematerialization:

7.8.1 The Shareholders who have sent their Equity Shares for dematerialization who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in paragraph 7.7 above. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholder(s) whose name appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.

7.8.2 Such Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before December 31, 2012, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the share certificate(s) in this Offer as per the procedure mentioned in paragraph 7.6 above.

7.9 Unregistered Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 16:30 hours on December 31, 2012, i.e. Closure of the Tendering Period. Valid share transfer deed(s), as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (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 or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Shareholders. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s). The Shareholders should ensure that the share certificate(s) and above documents reach the designated collection centre on or before 16:30 hours on December 31, 2012, i.e. Closure of the Tendering Period.

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

- duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder is no more;

- duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;
- in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
- banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
- any other relevant documents.

7.11 In case of non-receipt of the Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 16:30 hours on December 31, 2012, i.e. Closure of the Tendering Period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 16:30 hours on December 31, 2012, i.e. Closure of the Tendering Period. In case of physical Equity Shares, original share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Shareholders who have sent their Equity Shares for dematerialization/re-materialization need to ensure that the process of getting Equity Shares dematerialized/rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical share certificate(s) are received by the Registrar to the Offer on or before 16:30 hours on December 31, 2012, i.e. Closure of the Tendering Period, else their application would be rejected.

7.12 NRI and OCB holders of the Equity Shares must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

7.13 In case of delay in receipt of any statutory approvals, which may be required by the Acquirer at a later date, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 10 (ten) Working Days from the Closure of the Tendering Period at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Shareholders, the Acquirer will have the option to pay consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

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

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

7.16 If the aggregate of the valid responses to this Offer by the Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of the Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 1 (one) Equity Share.

7.17 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the Shareholders'/unregistered Shareholders' sole risk to the sole/first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of the Offer formalities.

7.18 Payment to those Shareholders whose Equity Share are validly accepted, will be by way of a bankers' cheque / demand draft / NEFT / RTGS. The Shareholders who opt for receiving consideration through NEFT/RTGS are requested to give the authorization for the same in the Form of Acceptance-cum-Acknowledgement and enclose a photocopy of cheque along with the Form of Acceptance-cum-Acknowledgement. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) the share certificate(s) for any rejected Equity Shares, will be dispatched to the Shareholders by registered post, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

7.19 For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post at the Shareholder's sole risk.

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

7.21 Compliance with tax and other regulatory requirements:

A. General

a) As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the Income Tax Act or as business profits or interest income (if any) as the case may be, the Acquirer and the PAC are required to deduct taxes at source (including surcharge and education cess).

b) Resident and non-resident Shareholders (including FII) are required to submit their Permanent Account Number ("**PAN**") for income-tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder or is otherwise than as required by law, the Acquirer and the PAC will arrange to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act as discussed in paragraphs (B) to (D) below (as increased by surcharge and cess, as may be applicable), whichever is higher.

c) In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer and the PAC, it would be assumed that the status of the Shareholder is a non-resident Shareholder and taxes may be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Shareholder.

d) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

B. **Tax to be Deducted in case of Non-resident Shareholders**

While tendering Equity Shares under the Offer, NRIs / OCBs / non-resident Shareholders shall be required to submit a NOC / TCC from the Income-tax Authorities under Section 195(3) or Section 197 of the Income Tax Act along with the Form of Acceptance cum Acknowledgement, indicating the amount of tax to be deducted by the Acquirer and the PAC before remitting the consideration. The Acquirer and the PAC will arrange to deduct taxes at source in accordance with such NOC / TCC.

In case the aforesaid NOC or TCC is not submitted, the Acquirer and the PAC will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, on the entire consideration and interest if any, payable to such Shareholder. It is to be noted that benefit under applicable Double Taxation Avoidance Agreements or withholding of tax at source at lower or Nil rate would not be entertained without appropriate certificate issued u/s. 195 or 197 of the Income Tax Act.

C. **Withholding tax implications for FII**

a) As per provisions of section 196D(2) of the Income Tax Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in section 115AD of the Income Tax Act to a FII as defined in section 115AD of the Income Tax Act.

b) A FII should certify ("**FII Certificate**") that the nature of its income arising from the sale of Equity Shares in the Target Company as per the Income Tax Act is capital gains. In the absence of the FII Certificate (to the effect that their income from sale of Equity Shares is in the nature of capital gains), the Acquirer and the PAC will deduct tax at the maximum rate applicable to the category to which such FII belongs on the entire consideration payable to such FII. Should FII submit a NOC or TCC from the Income-tax Authorities while tendering the Equity Shares, indicating the amount of tax to be deducted by the Acquirer and the PAC under the Income Tax Act, the Acquirer and the PAC will deduct tax in accordance with the same.

c) In respect of interest income, FII should submit a NOC or TCC from the Income-tax Authorities indicating the amount of tax to be deducted by the Acquirer and the PAC under the Income Tax Act. The Acquirer and the PAC will deduct tax in accordance with the NOC / TCC so submitted. In absence of such NOC / TCC, the Acquirer and the PAC will arrange to deduct tax at the maximum rate applicable to the category to which such FII belongs.

d) It is to be noted that benefit under applicable Double Taxation Avoidance Agreements or withholding of tax at source at lower or Nil rate would not be entertained without appropriate certificate issued u/s. 195 or 197 of the Income Tax Act.

D. **Tax to be deducted in case of resident Shareholders**

a) In absence of any specific provision under the Income Tax Act, the Acquirer and the PAC will not deduct tax on the consideration payable to resident Shareholders for acquisition of Equity Shares.

b) The Acquirer and the PAC will deduct the tax at the stipulated rates (including applicable surcharge, education cess and secondary higher education cess) on interest, if any, payable to resident Shareholders, if the amount of interest payable is in excess of Rs. 5,000 (Rupees Five Thousand only).

c) The resident Shareholder claiming no tax is to be deducted or tax is to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-

Acknowledgement, an NOC or TCC from the Income-tax Authorities indicating the amount of tax to be deducted by the Acquirer and the PAC or, in the case of resident Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Shareholder furnishes PAN in such declaration. In case the aforesaid NOC or TCC or Form 15G or 15H, if applicable, is not submitted, the Acquirer and the PAC will arrange to deduct tax at the maximum rate as may be applicable to the category of the Shareholder under the Income Tax Act. Also, no tax is to be deducted on interest amount in the case of resident Shareholder being a Mutual Fund as per Section 10(23D) of the Income Tax Act or a Bank / an entity specified under Section 194A(3)(iii) of the Income Tax Act if it submits a copy of relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

E. **Issue of withholding tax certificate**

The Acquirer and the PAC will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and/ or interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

F. **Withholding taxes in respect of overseas jurisdictions**

a) Apart from the above, the Acquirer and the PAC will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes.

b) For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance-cum-Acknowledgement the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirer and the PAC will be entitled to rely on this representation at their sole discretion.

G. Shareholders who wish to tender their Equity Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

a) **Information requirement from non-resident Shareholder**

i) Self attested copy of PAN card

ii) NOC or TCC from the Income-tax Authorities

iii) Self attested declaration in respect of residential status, status of Shareholders (e.g. Individual, Firm, Company, FII, Trust, or any other - please specify)

iv) In case of FII, FII Certificate (i.e. self attested declaration certifying the nature of income arising from the sale of Equity Shares is capital gains)

v) SEBI registration certificate for FII

vi) RBI and other approval(s) obtained for acquiring the Equity Shares of the Target Company, if applicable

b) **Information requirement in case of resident Shareholder**

i) Self attested copy of PAN card

ii) Self attested declaration in respect of residential status, status of Shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify)

iii) If applicable, self declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any.

iv) NOC or TCC from the Income Tax authorities (applicable only for the interest payment, if any)

v) For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any)

The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the consideration received pursuant to this Offer in their respective tax returns. The tax rates and other provisions may undergo changes.

All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer/PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Manager to the Offer at ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai – 400020, Maharashtra. The documents can be inspected during normal business hours (10.00 AM to 5.00 PM) on all Working Days during the Tendering Period.

1. Certificate of Incorporation and Memorandum and Articles of Association of the Acquirer and the PAC

2. Board resolutions of the Acquirer and the PAC authorising this Offer

3. The Share Subscription Agreement and the Share Purchase Agreements, all dated October 25, 2012, that triggered this Offer

4. Annual Reports of FY 2010, FY 2011 and FY 2012 and Auditor's report for the 6 month period ended September 30, 2012 of the Target Company

5. Annual Reports of FY 2010, FY 2011 and FY 2012 and limited review report for the 3 month period ended June 30, 2012 of the Acquirer

6. Annual Reports of FY 2010, FY 2011 and FY 2012 and limited review reports for the 3 month period ended June 30, 2012 of the PAC

7. Public Announcement dated October 25, 2012 and the Detailed Public Statement published on October 30, 2012

8. Guarantee dated October 25, 2012 issued by the Escrow Bank in favour of the Manager to the Offer

9. Letter dated October 25, 2012, issued by the Escrow Bank, marking a lien on the Fixed Deposit in favour of the Manager to the Offer

10. Letter dated October 25, 2012, from S.S.D. & Associates, Chartered Accountants (through its Proprietor, Mr. Santanu Sahu having membership no. 300-52774), having its address at C/17, New Garia Housing Co-operative Society, Kolkata – 700094, certifying that the Acquirer and the PAC have adequate and firm financial resources to fulfill their financial obligations under this Offer

11. Agreement entered into with the DP for opening the Special Depository Account

12. Letter from SEBI dated [●] giving its observations on the Draft Letter of Offer

9. DECLARATION BY THE ACQUIRER AND THE PAC

9.1 The Acquirer and the PAC along with their directors accept full responsibility, severally and jointly, for ensuring compliance with the SEBI (SAST) Regulations and for fulfilling their obligations as laid down in terms of the SEBI (SAST) Regulations and for the information contained in this Draft Letter of Offer.

9.2 The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer, unless expressly stated otherwise.

9.3 The persons signing this Draft Letter of Offer on behalf of the Acquirer and the PAC have been duly and legally authorised by the respective boards of directors to sign this Draft Letter of Offer.

For and on behalf of the Acquirer	**For and on behalf of the PAC**
Sd/- **Mr. Harish Toshniwal** **Director**	Sd/- **Mr. Subhasis Mitra** **Company Secretary**

Place: Kolkata
Date: November 6, 2012

Encl:
1) Form of Acceptance-cum-Acknowledgement
2) Transfer deed(s) (for Shareholders holding Equity Shares in physical form)