PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF
TEBMA SHIPYARDS LIMITED

Registered Office : 5/360, Rajiv Gandhi Salai (OMR), Okkiam Thoraipakkam, Chennai 600 097

CASH OFFER OF RS. 19.20 PER SHARE FOR ACQUISITION OF UPTO 1,54,72,301 EQUITY SHARES FROM SHAREHOLDERS / BENEFICIAL OWNERS (THE "OFFER")

This Public Announcement (**"PA"**) is being issued by YES BANK Limited (hereinafter referred to as the **"Manager to the Offer"**) to the equity shareholders (**"Shareholders"**) of Tebma Shipyards Limited (**"TSL"** or the **"Target Company"**) on behalf of Nirupam Energy Projects Private Limited (**"NEP"** / the **"Acquirer"**) along with Bharati Shipyard Limited (the **"Person Acting in Concert"** / the **"PAC"** / **"Bharati"**), pursuant to and in compliance with, among others, Regulation 10 and 12 of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the **"SEBI Takeover Regulations"** or the **"Regulations"**). This offer is subject to the receipt of certain approvals as more fully set forth in the section entitled "Statutory Approvals for the Offer" (see paragraph 7 below). Except as mentioned above, no other person / individual / entity is acting in concert with the Acquirer for the purposes of this Offer. This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.

1. The Offer

The Acquirer proposes to subscribe to 3,94,53,125 equity shares of Rs. 10 each of TSL (**"Subscription Shares"**), by way of preferential allotment, representing 51% of the Emerging Voting Capital (defined below) of TSL for a total purchase consideration of Rs. 75,75,00,000 (the **"Purchase Consideration"**) i.e. at a price of Rs. 19.20 per Subscription Share (the **"Negotiated Price"**), payable in cash, subject to satisfaction of the conditions precedent and on the terms and conditions as specified in a letter dated November 22, 2010 containing the details of the escrow arrangement, (hereinafter referred to as the **"Escrow Letter"**), provided by the Acquirer and TSL to Mr. Berjis Desai, partner of M/s. J. Sagar Associates, a law firm having office at Vakils House, 1st floor, 18, Sprott Road, Next to Grant Hotel, Ballard Estate, Mumbai – 400 038, is acting as an escrow agent (**"Escrow Agent"**) read with the Share Subscription Agreement also dated November 22, 2010 (**"SSA"**) executed by and between TSL and the Acquirer. Pursuant to the Escrow Letter, the Acquirer has deposited a sum of Rs. 35,00,00,000 (**"Escrow Monies"**) with the Escrow Agent being a portion of the amounts to be paid towards the Subscription Shares, subject to the terms and conditions contained therein.

1.1. In terms of the Escrow Letter read with the SSA, the proposed acquisition of Subscription Shares by the Acquirer is subject to the fulfillment of certain conditions specified in the Escrow Letter, which inter-alia include receipt of requisite Shareholders approvals and other conditions given as under:

a. The Board of Directors of TSL passing a resolution by November 26, 2010 approving the proposed issuance of the Subscription Shares to the Acquirer and 3,01,30,200 equity shares (**"IAF Shares"**) to India Advantage Fund – VI (**"IAF"**) (being the present promoter of TSL and who is intended to be declassified as such upon subscription to the Subscription Shares by the Acquirer) pursuant to the conversion of a portion of the share application money aggregating to Rs. 57,84,99,840 advanced by IAF to TSL, subject to the approval of the Shareholders;

b. TSL and IDBI Trusteeship Services Limited in its capacity as trustee of IAF acting through its investment manager ICICI Venture Funds Management Company Limited executing the SHA by December 3, 2010, governing the rights and obligations, inter se, of each of the parties to the SHA;

c. TSL passing a special resolution at a meeting of its shareholders to be held before December 27, 2010 approving (i) the issue and allotment of the Subscription Shares to the Acquirer; (ii) amendment to the Articles of Association of TSL for removal of all special rights available to IAF whatsoever and insertion of the rights available to Shareholders under the SSA (iii) increase in the authorized share capital to the extent necessary for issuance of the Subscription Shares as well as for the issuance of IAF Shares; (iv) issuance of IAF Shares; and (v) ratifying the cancellation by the Board of Directors of the Company in the circular resolution passed on November 17, 2010 of the proposed issue and allotment of Compulsorily Convertible Preference Shares by the Company on a preferential basis that was proposed to be approved by the shareholders of the Company in an extra-ordinary general meeting that was initially to be held on August 11, 2010;

d. IAF to issue a letter for (i) waiving their right to claim interest on the share application money pending with TSL; (ii) waiving their right to create a second charge over certain assets of TSL; (iii) permitting issuance of the Subscription Shares to the Acquirer; and (iv) relinquishing all their special rights prior to the date of shareholder's meeting by December 27, 2010;

e. TSL to obtain an in-principle approval of the stock exchange where its equity shares are listed i.e. Over the Counter Exchange of India (the **"OTCEI"**) for the issue and allotment of the Subscription Shares and the IAF Shares by December 27, 2010.

On fulfillment of all the conditions mentioned above, the Acquirer is required to deposit an additional sum of Rs. 40,75,00,000 with the Escrow Agent. The amounts deposited with the Escrow Agent are proposed to be handed over to TSL, which amounts are proposed to be utilized towards the subscription to the Subscription Shares by the Acquirer. In the event that IAF and/or TSL are not able to fulfill any of the conditions detailed above, the Escrow Agent/TSL is required to refund the Escrow Monies to the Acquirer.

Following are the salient features of the SSA:

a. The Acquirer and the Target Company have entered into the SSA on November 22, 2010, in pursuance whereof the Acquirer has agreed to subscribe to 3,94,53,125 Shares at Rs. 19.20 per Share, for an aggregate consideration of Rs. 75,75,00,000;

b. Parties have provided customary representations & warranties and indemnities to each other;

c. In terms of the SSA, the following rights would be available to the Acquirer and a Minority Shareholder (being a person who holds more than 18% but less 51% of the equity shares of TSL):

i. Each Minority Shareholder shall be entitled to nominate 2 Directors and one observer on the Board of the Target Company;

ii. Representatives of the Acquirer and of each Minority Shareholder must be present at every board meeting and shareholders meeting of the Target Company for the meeting to be deemed to have been validly convened;

iii. Minority Shareholders are entitled to affirmative rights on certain matters set out therein as also information and inspection rights;

d. The Acquirer is entitled to nominate 3 Directors on the Board of TSL as also the Managing Director, the Chief Executive Officer, the Chief Operating Officer, Chief Financial Officer, the Chairman (having a casting vote) and the Vice Chairman;

The Escrow Letter records detailed terms and conditions of a proposed Shareholders Agreement (**"SHA"**) which has been proposed by the Acquirer and which is required to be executed by IAF as a condition precedent to the subscription to the Subscription shares by the Acquirer. In terms of the proposed SHA, each party would be entitled to the following rights and obligations if the SHA is executed:

The parties have agreed for customary applicability of lock-in, right of first refusal and tag along rights;

a. In case of further issue of shares, (i) IAF would be entitled to subscribe to such number of shares to maintain its shareholding at 44% and (ii) would be entitled to a preferential right to subscribe to shares where the price is below Rs.19.20;

b. IAF would be entitled to sell the shares held by it (i) upon the listing of the shares of TSL on NSE/BSE; (ii) by exercise of a Put Option upon the Acquirer; (iii) by exercise of Drag Along Rights; and (iv) by exercise of a Put Option upon a default committed by the Acquirer.

1.2. As on the date of this PA, the IAF, Mr. P. K. Balasubramanian and Mrs. Kripa Balan (hereinafter referred to as the **"Existing Promoters"** of TSL) hold 45,05,936 equity shares representing 57.93% of the paid up equity and voting share capital of TSL.

1.3 As on the date of this PA, the paid up equity and voting share capital of TSL is Rs. 7,77,81,800 represented by 77,78,180 equity shares (**"Shares"**). The fully diluted voting rights (the **"Emerging Voting Capital"**) of the Target Company is calculated as follows:

Particulars	No. of equity shares
Total fully paid-up equity shares outstanding as on date of this PA (A)	77,78,180
New equity shares to be issued to the Acquirer under SSA (B)	3,94,53,125
New equity shares to be issued to IAF on conversion of the advance share application money (C)	3,01,30,200
Emerging Voting Capital (D) = (A) + (B) +(C)	**7,73,61,505**

The Offer is for acquisition of 1,54,72,301 fully paid up Shares (the **"Offer Size"**) from the existing Shareholders of TSL representing 20% of the Emerging Voting Capital of TSL, at a price of Rs. 19.20 per Share (Rupees Nineteen and paise Twenty only), payable in cash (the **"Offer Price"**) in accordance with the SEBI Takeover Regulations subject to the terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of TSL in relation to the Offer aggregating to Rs. 29,70,68,180 (Rupees Twenty Nine Crores Seventy Lacs Sixty Eight Thousand One Hundred and Eighty Only). As on the date of this PA, there are no outstanding partly paid up Shares or any other instruments convertible into Shares in TSL.

1.4. Since the Subscription Shares constitute 51% of the Emerging Voting Capital, this Offer is being made in compliance with Regulation 10 of the SEBI Takeover Regulations. Further, since the Acquirer and the PAC are the incoming promoters and will be in control of TSL, this Offer is also being made in compliance with Regulation 12 of the SEBI Takeover Regulations.

1.5. Bharati Shipyard Limited, the holding company of the Acquirer is a person acting in concert with the Acquirer for the purpose of the Offer. Due to the operation of Regulation 2(1)(e)(2) of the SEBI Takeover Regulations, there could be persons who could be deemed to be acting in concert with the Acquirer. However, such persons are not persons acting in concert for the purposes of this Offer.

1.6. Upon completion of the allotment of the Subscription Shares under the proposed SSA, the Acquirer's stake will be 51% of the Emerging Voting Capital and IAF's stake would decrease from 53% to 44.28%. In terms of the proposed SHA, the subscription to the Shares is proposed to be made by the Acquirer on the understanding that IAF will cease to be a promoter of TSL and will not be represented as such in accordance with the provisions of applicable laws. IAF as financial investor will be regarded as a public shareholder.

1.7. IAF and its Affiliates are not acting in concert with the Acquirer.

1.8. The Acquirer and the PAC do not hold any Shares carrying voting rights in the Target Company as on the date of this PA. Save as contemplated in the Escrow Letter, the Acquirer and the PAC have not acquired directly or through any person (i) any Shares during the twelve months period preceding the date of this PA; and (ii) any Shares during the last 26 weeks period prior to the date of this PA by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment. The Manager to the Offer does not hold any Shares in TSL, as on the date of this PA.

1.9. The Acquirer, the PAC and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the **"SEBI Act"**) or under any other Regulation made under the SEBI Act.

1.10. The Acquirer and the PAC will not pay any other monetary consideration, whether by way of any non-compete fee or otherwise, or pursuant to any non-compete agreement or any other agreement for acquisition of the Subscription Shares.

1.11. This Offer is being made to all Shareholders and is not conditional on any minimum level of acceptance. The Acquirer and the PAC will be obliged to acquire all Shares validly tendered in response to the Offer, subject to a maximum of 1,54,72,301 Shares representing 20% of Emerging Voting Capital and subject to the terms and conditions mentioned in this PA, Letter of Offer (the **"Letter of Offer"**) and the Form of Acceptance to be to be sent to the Shareholders of TSL.

12. The Acquirer and the PAC may purchase additional Shares from the market or through negotiation or otherwise, after the date of this PA in accordance with Regulation 20(7) of the SEBI Takeover Regulations and the details of such acquisition will be disclosed by the Acquirer within 24 hours of such acquisition to the OTCEI and to the Manager to the Offer in terms of Regulation 22(17) of the SEBI Takeover Regulations.

13. This Offer is subject to receipt of the statutory and other approvals mentioned in paragraph 7 of the PA. In terms of Regulation 27 of the SEBI Takeover Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

2. The Offer Price

2.1. As on the date of this PA, the Shares are listed on the OTCEI. For the purpose of this Offer, the Shares are deemed to be infrequently traded within the meaning of Regulation 20(5) of the SEBI Takeover Regulations.

2.2. Consequently, the minimum offer price to be computed for this Offer would be governed by Regulation 20(5) of the SEBI Takeover Regulations as being the highest of the following parameters:

Negotiated Price	Rs 19.20
Highest price paid by the Acquirer or PAC, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	Not Applicable
Other parameters based on the audited financial results for the year ended on March 31, 2010:	
Book Value per Share	Negative
Return on Net Worth	Not Applicable
Earnings per Share	Negative
P/E Ratio	Not Applicable
Fair Value per Share*	Rs. 10

* Fair value of the Shares has been determined vide valuation report dated November 24, 2010 issued by Mr. Rajesh Thakkar, Partner, (Membership No. 103085), M/s. MZS & Associates, Chartered Accountants, 1116, Raheja Chambers, Nariman Point, Mumbai-400021, an independent Chartered Accountant, taking into consideration the parameters set out by the Hon'able Supreme Court of India in the case of *Hindustan Lever Employee Union v. Hindustan Lever Limited,* (1995) 83 Comp Case 30. The said valuation report, prepared on the basis of Net Asset Value (negative), Profit Earning Capacity Value (negative) and Market Value (not applicable), indicates that the fair value of Shares based on the audited financial statements of TSL as on March 31, 2010 is Rs. 10 per Share.

2.3. The Offer Price of Rs. 19.20 per Share is therefore justified in terms of Regulation 20(5) of the SEBI Takeover Regulations as being more than the highest of the aforementioned parameters.

2.4. The Acquirer is permitted to make an upward revision in the Offer Price at any time upto seven working days prior to the date of closure of the Offer. In the event of such revision, an announcement will be made in the same newspapers where this PA has appeared and the revised offer price would be paid for all Shares tendered anytime during the Offer.

2.5. This PA is being released, as per Regulation 15(1) of the SEBI Takeover Regulations, in Business Standard (English national daily – all editions), Business Standard (Hindi national daily – all editions), Navshakti (Marathi regional language daily) and Makkal Kural (Tamil regional language daily) as the Shares are listed on the OTCEI and the registered office of TSL is situated in Chennai.

3. Information on the Acquirer

3.1. Nirupam Energy Projects Private Limited is an unlisted private limited company, incorporated on December 12, 2007 under the provisions of the Companies Act, 1956. The registered office of the company is situated at #302, Wakefield House, 3rd Floor, Sprott Road, Ballard Estate, Mumbai – 400001, India.

3.2. The Acquirer was incorporated inter-alia to deal in all forms of energy including electricity, power, any type of conventional and non-conventional energy.

3.3. The paid up equity share capital of the Acquirer consists of Rs. 1,00,000 represented by 10,000 equity shares of Rs. 10 each. As on the date of this PA, the Acquirer is a 100% subsidiary of Bharati Shipyard Limited. None of the directors of the Acquirer is on the board of TSL and have not acquired equity shares of TSL during the twelve months prior to the date of this PA.

3.4. Presently, the Acquirer does not carry out any business activities. As per the audited accounts for the year ended March 31, 2010, the Acquirer had a net loss of Rs. 0.17 Lacs, the earnings per share, book value and total networth was negative and the return on networth was not applicable. Since the Acquirer is not listed, the PE multiple cannot be computed.

3.5. All Shares validly tendered in terms of this Offer will be transferred in favour of the Acquirer.

4. Information on the PAC

4.1. Bharati Shipyard Limited was incorporated on June 22, 1976 under the provisions of the Companies Act, 1956 as a private limited company. Subsequently, Bharati became a public limited company with effect from April 22, 2004. The registered office of the company is situated at #302, Wakefield House, 3rd Floor, Sprott Road, Ballard Estate, Mumbai – 400001, India.

4.2. Bharati was incorporated inter-alia to carry on the business of shipbuilding, shipping, naval architecture, marine engineering and ocean engineering, undertake manufacture, repair and maintenance jobs for all kinds of ships and trade in vessels and their equipments or components. Bharati is the holding company of the Acquirer and is a person acting in concert with the Acquirer for this Offer.

4.3. The paid up equity and voting share capital of Bharati consists of Rs. 28,93,93,000 represented by 2,89,39,300 equity shares of Rs. 10 each. The equity shares of Bharati are listed on the Bombay Stock Exchange Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"**).

4.4. Bharati is promoted by Mr. P. C. Kapoor and Mr. Vijay Kumar, both naval architects from IIT Kharagpur. As on June 30, 2010, the promoter and promoter group hold 41.84% of the total outstanding equity shares of Bharati. None of the directors of Bharati is on the board of TSL and have not acquired equity shares of TSL during the twelve months prior to the date of this PA.

4.5. As per the consolidated audited accounts for the year ended March 31, 2010 and March 31, 2009: Bharati recorded total income of Rs. 1,35,387.48 Lacs, previous year Rs. 1,02,034.37 Lacs, net profit of Rs. 13,011.11 Lacs, previous year Rs. 13,360.57 Lacs, the total networth is Rs. 82,517.84 Lacs, previous year Rs. 69,443.38 Lacs, the diluted earnings per share is Rs. 39.09, previous year Rs. 41.90, return on networth is 15.77%, previous year 19.24% and book value per equity share is Rs. 285.14, previous year Rs. 251.89. The price to earnings was 5.82 (based on the closing price of Rs. 227.35 on BSE on November 25, 2010).

5. Information on the Target Company

5.1. TSL was originally incorporated as Tebma Engineering Private Limited on July 9, 1984, as a private limited company under the provisions of the Companies Act, 1956. Subsequently, TSL became a public limited company with effect from October 21, 1993. Company's name was thereafter changed to Tebma Shipyards Limited with effect from July 17, 1998. As on the date of this PA, there are no partly paid up Shares in the books of TSL. The Shares are listed on the OTCEI.

5.2. The original promoters of TSL were Mr. P.K Balasubramanian, Late Captain B. N. Rao, Mr. Eapen Chacko, Mr. A. K. Singh, Mr. K. A. Thomas and Mr. Biren Mukherjee, a team of six marine professionals having considerable experience in the shipbuilding and repair industry. However, on acquisition of equity stake by IAF in the year 2007, all the original promoters other than Mr. P.K Balasubramanian have disassociated as promoters with effect from January 2008.

5.3. TSL is engaged in shipbuilding activities, primarily in the design and construction of offshore support supply vessels dredgers, tugs, offshore vessels and fabrication of pressure vessels. TSL operates out of three shipbuilding facilities located at Chengalpet, Malpe and Cochin.

5.4. As per the audited accounts for the year ended March 31, 2010 and March 31, 2009: TSL recorded total income of Rs. 20,891.55 Lacs, previous year Rs. 32,134.96 Lacs, net loss of (Rs.18,643.26 Lacs), previous year (Rs. 7,563.66 Lacs), the paid up equity share capital is Rs. 777.82 Lacs represented by 77,78,180 equity shares of Rs. 10 each, previous year Rs. 777.82 Lacs, the total networth is (Rs. 12,286.74 Lacs), previous year Rs. 5,228.12 Lacs, the earnings per share is (Rs. 239.69), previous year (Rs. 97.24), return on networth is not applicable and book value per equity share is (Rs. 157.96), previous year Rs. 67.22. The price to earnings is not applicable. The last traded price was Rs. 2.25 on OTCEI as on December 11, 1999.

For the purpose of determination of earnings per share, book value and return on networth, ratios used are (a) Earnings per share = Profit after tax - preference dividend - tax on preference dividend / number of equity shares, (b) Net worth = Share capital + reserves & surplus - debit balance in profit & loss account, (c) Book value = Net worth / number of Equity shares and (d) Return on networth = Profit after tax / Net worth including preference share capital.

6. Reasons for the Acquisition, Offer and future plans

6.1. This Offer is being made in compliance of and in accordance with Regulations 10 and 12 and other applicable provisions of the SEBI Takeover Regulations for the purpose of substantial acquisition of Shares and voting rights in the Target Company accompanied with change in control and management, through, inter-alia, the right to appoint directors and by virtue of its shareholding. The Acquirer will seek reconstitution of the Board of Directors of the Target Company in accordance with the provisions contained in the SEBI Takeover Regulations and the Companies Act, 1956. On completion of the Offer, the Acquirer along with the PAC will be classified as promoters of the Target Company.

6.2. The proposed acquisition of the Subscription Shares by the Acquirer is a strategic investment. The Target Company proposes to use the proceeds of the issue of Subscription Shares to meet its working capital requirements and other business needs for existing as well as new growth opportunities. The Acquirer and the PAC intend to help grow the existing business of the Target Company and strengthen its position in the industry through various strategies.

6.3. Pursuant to the acquisition of the Subscription Shares and the Shares under this Offer, the Acquirer and the PAC will be in control of the Target Company. The Acquirer and the PAC, currently do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the two years from the date of the closure of this Offer except in the ordinary course of business of the Target Company. The Acquirer and the PAC hereby undertake not to sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the Shareholders of the Target Company as may be required in accordance with applicable law. The Acquirer and the PAC would take appropriate decisions in the aforesaid matters as per the requirements of the business of the Target Company and in line with opportunities or changes in the economic scenario, from time to time.

7. Statutory Approvals for the Offer

7.1. The Acquirer would seek approval of the Reserve Bank of India (**"RBI"**) under the Foreign Exchange Management Act, 1999 and / or the regulations made thereunder (**"FEMA"**), to acquire Shares tendered in this Offer by the non-resident Shareholders. This Offer and the obligation of the Acquirer to acquire Shares tendered in this Offer are subject to the receipt of approval from RBI. The Acquirer will shortly be filing an application to the RBI for such approval.

7.2. To the best of the Acquirer's knowledge, as of the date of this PA, (a) the Acquirer and the PAC do not require any approvals from financial institutions or banks for the Offer; and (b) other than the approvals mentioned above, no statutory or regulatory approval is required to acquire the Shares tendered pursuant to this Offer. If any other approvals are required or become applicable subsequently, the Offer would be subject to the receipt of such approvals. The Acquirer and the PAC will have a right not to proceed with the Offer in the event the approvals are refused, in terms of Regulation 27(1)(b) of the SEBI Takeover Regulations. In the event of withdrawal, a public announcement shall be made in the same newspapers in which this PA is being made.

7.3. In the event of any delay in receipt of the statutory approvals set out above, SEBI has the power to grant extension of time to the Acquirer for payment of purchase consideration to eligible Shareholders under the Offer subject to the Acquirer agreeing to pay interest as directed by SEBI, for the delayed period in terms of Regulation 22(12) of the SEBI Takeover Regulations. Further, if such delay occurs on account of willful default of the Acquirer in obtaining requisite approvals, Regulation 22(13) of the SEBI Takeover Regulations will also become applicable. Nothing herein contained shall bind the Acquirer to procure the necessary approvals under FEMA if the same are not forthcoming or are refused.

8. Continuous Listing

8.1. The minimum public shareholding required for continuous listing of the equity shares is 25% of the share capital of the Target Company. Pursuant to the acquisition of the Subscription Shares the Acquirer along with the PAC will be classified as promoters of the Target Company. Consequently, the Acquirer intends to request the Existing Promoters to cease to be the promoters of the Target Company and accordingly the public shareholding in the Target Company is not expected to fall below the level as specified for continuous listing in the Listing Agreement signed with OTCEI. In the light of the same, the provisions of Regulation 21(2) of the SEBI Takeover Regulations shall not apply. The Acquirer and the PAC do not intend to delist the Shares of the Target Company in the next three years.

9. Funding Arrangement

9.1. The maximum purchase consideration payable by the Acquirer under this Offer assuming full acceptance is Rs. 29,70,68,180 (Rupees Twenty Nine Crores Seventy Lacs Sixty Eight Thousand One Hundred and Eighty Only) (**"Maximum Consideration"**).

9.2. By way of security for the performance of its obligations under the SEBI Takeover Regulations, the Acquirer has opened a cash escrow account with YES Bank Limited, having its office at 9th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400018 (**"Escrow Banker"**) under the name and style of "NEP - TSL Open Offer Escrow Account" and bearing No. 008280200000015 ("Escrow Account") in terms of Regulation 28 of the SEBI Takeover Regulations.

9.3. The Acquirer has deposited a sum of Rs. 7,50,00,000 (Rupees Seven Crores Fifty Lacs Only) in the Escrow Account which is more than 25% of the Maximum Consideration being the minimum amount to be deposited in the escrow account by the Acquirer in terms of Regulation 28 of the SEBI Takeover Regulations.

9.4. The Acquirer has confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Offer. The Acquirer has authorized the Manager to the Offer to operate the Escrow Account in compliance with Regulation 28 of the SEBI Takeover Regulations. The Acquirer and the Escrow Banker have marked a lien on the Escrow Account in favour of the Manager to the Offer.

9.5. The Acquirer and the PAC would fund the Offer through internal accruals to meet their obligations under the Offer. Mr. Ashwin D. Patel, Membership No: 127052, Partner, DPH & Co., Chartered Accountants, 12, Ground Floor, Pearl mansion, 91, M. K. Road, New Marine Lines, Mumbai – 400020; Tel No: (022) 22019191/9393; Telefax: (022) 22019191; e-mail ID: ashwin@dphco.in has certified, based on the financial statements of the Acquirer and the PAC, vide his letter dated November 25, 2010 that Acquirer and the PAC have adequate financial resources to finance the acquisition of 1,54,72,301 Shares under the Offer. No borrowings from banks / financial institutions / foreign sources or otherwise is envisaged.

9.6. In view of above, the Manager to the Offer is satisfied that firm arrangements for financial resources required to implement the Offer i.e., funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirer and the PAC under the Offer and the Manager to the Offer is satisfied that the Acquirer and the PAC have adequate resources to meet the financial requirements of the Offer and ability to implement the Offer in accordance with the SEBI Takeover Regulations.

10. Other Terms of the Offer

10.1. The Letter of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance cum Acknowledgement (**"Form of Acceptance"**) and Form of Withdrawal will be mailed on or before Monday, January 10, 2011 to all the Shareholders, including NRIs, except the Acquirer and the PAC, whose names appear on the register of members of the Target Company and beneficial owners of the Shares, whose names appear as beneficiaries on the records of the respective depositories i.e., National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**), at the close of business hours on Friday, December 3, 2010 (**"Specified Date"**).

10.2. All owners (registered or unregistered) of Shares except the Acquirer and the PAC are eligible to participate in the Offer. Accidental omission to dispatch Letter of Offer to any member entitled to this Offer or non-receipt of the Letter of Offer by any member entitled to this Offer shall not invalidate the Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of TSL as on the Specified Date.

10.3. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai-400078 is acting as the Registrar to the Offer (**"Registrar to the Offer"**). The contact details of the Registrar are 25960320, Fax: (022) 25960329; Email: tsl.offer@linkintime.co.in, Contact Person: Mr. Nilesh Chalke. The Registrar has opened a special depository account with NSDL in the name and style of "LIIPL-TSL Open Offer Escrow Demat Account" (**"Special Depository Account"**) through Ventura Securities Limited, D/127, Kailash Industrial Complex, Building Number 1, Parksite, Off LBS Marg, Vikhroli (W), Mumbai – 400079 ("DP").

10.4. Beneficial owners holding Shares in dematerialized form will be required to send on or before the closure of the Offer, along with their Acceptance Form, a photocopy of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, for transferring the Shares in favor of "LIIPL-TSL Open Offer Escrow Demat Account" as per the instructions given below:

Depository	NSDL
Depository Participant / DP	Ventura Securities Limited
Special Depository Account Name	LIIPL-TSL Open Offer Escrow Demat Account
Client ID	10658002
DP ID	IN303116
ISIN	INE279H01017

Shareholders having their depository account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

10.5. This Offer is made to all Shareholders of the Target Company as on the Specified Date, and also to persons who acquire Shares before the closure of the Offer and tender these Shares into the Offer in accordance with this PA on or before the Offer Closing Date.

10.6. The Shareholders of the Target Company who wish to tender their Shares pursuant to this Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer together with their original share certificate(s), transfer deed or a photocopy of the delivery instruction to the depository participant and such other documents, duly signed as may be specified in the Letter of Offer and the Form of Acceptance to the Registrar to the Open Offer, Link Intime India Private Limited ("Registrar to the Offer") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance. Applicants who cannot hand deliver their documents at the collection centers mentioned below, may send the same by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at their address mentioned in paragraph 11.5 so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e. Tuesday, February 8, 2011. In case of non-receipt of the Letter of Offer, shareholders may download the same from the SEBI website (http://www.sebi.gov.in/) or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of ownership of the said Shares.

10.7. Shareholders of the Target Company who wish to accept the Offer shall send/deliver the Form of Acceptance along with all the relevant documents at any of the collection centers of the Registrar to the Offer mentioned below in accordance with the procedure as set out in the Letter of Offer.

Sl. No.	City	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
1	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078	Nilesh Chalke	022-25960320	022-25960329	Hand Delivery & Registered Post
2	Mumbai	Link Intime India Pvt. Ltd, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001	Vivek Limaye	022-22694127	022-25960329	Hand Delivery
3	New Delhi	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028.	Swapan Naskar	011-41410592/ 93/94	011-41410591	Hand Delivery
4	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Solly Soy	044 - 2815 2672, 044-4207 0906	044 - 2815 2672 (Telefax)	Hand Delivery
5	Kolkata	Link Intime India Pvt. Ltd, 59C, Chowringhee Road, 3rd Floor, Kolkata -700020	Debu Ghosh	033-22890539/ 40	033-22890539/ 40 (Telef.)	Hand Delivery
6	Bangalore	Link Intime India Pvt. Ltd., 543/A, 7TH Main, 3rd Cross, Hanuman – thanagar, Bangalore - 560 019	Prashant D. Shedbal	080-26509004	080-26509004 (Telefax)	Hand Delivery
7	Ahmedabad	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	079-2646 5179	079-2646 5179 (Telefax)	Hand Delivery

Note: Working Hours: Monday to Friday 10 am to 1 pm and 2 pm to 5 pm and on Saturday 10 am to 1 pm except Sundays and Bank Holidays

10.8. Persons who have acquired Shares of the Target Company but whose names do not appear in the Register of Members of the Target Company on the Specified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper clearly marking the envelope "TSL - Open Offer" and giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of this Offer. This is to be sent to the Registrar to the Offer together with:

a. In the case of Shares held in physical form, the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number together with the original Share certificate/s and valid transfer deeds. Persons who have acquired Shares of the Target Company should send to the Registrar to the Offer, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and/or such other documents as may be specified; or

b. In the case of Shares held in dematerialized form, DP name, DP ID, beneficiary account number together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Shares in favor of "LIIPL-TSL Open Offer Escrow Demat Account" as per the instructions given above.

10.9. No indemnity would be required from unregistered shareholders.

10.10. The Acquirer shall accept a maximum of 15,472,301 Shares from the shareholders who have validly tendered the Shares and /or other documents under the Offer and remit the consideration in respect thereof within 15 days from the date of closure of the Offer.

10.11. Shareholders, while tendering their Shares in the Offer may indicate an option to receive the payment of Offer consideration through electronic form by indicating in the space provided in the Form of Acceptance. The payment consideration for Shares accepted under the Offer, in such cases, may be made through National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as applicable, at specified centers where clearing houses are managed by the Reserve Bank of India, wherever possible. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance, provide the MICR / IFSC code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance.

10.12. For shareholders, who do not opt for electronic mode of transfer and for those shareholders, whose payment consideration is rejected / not credited through ECS / Direct Credit / RTGS / NEFT, due to any technical errors or incomplete/incorrect bank account details, such payment of consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered. It is advised that shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance.

The consideration by way of account payee cheques/demand drafts and documents i.e., Share certificates etc. in case of unaccepted Shares will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk. Consideration up to Rs. 1,500 will be dispatched "Under Certificate of Posting".

10.13. For the purposes of electronic transfer, in case of shareholders opting for electronic payment of consideration and for purposes of printing on the cheque / demand draft / payorder for the other cases, the bank account details will be directly taken from the Depositories' database, wherever possible. A shareholder tendering Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the depositories' database then the particulars provided by the shareholders would be used. In case of joint holders, payments will be made in the name of the first holder.

10.14. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

10.15. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance.

10.16. Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting the Shares dematerialized is completed well in time so that credit in the Special Depository Account should be received on or before the date of closure of the Offer failing which the application would be rejected.

10.17. Shares, if any, that are subject matter of litigation wherein the Shareholder/s is/are/ may be precluded from transferring the Shares during the pendency of such litigation are liable to be rejected in case directions/orders from competent authority regarding these Shares are not received together with the Shares tendered under the Offer. The Acquirer may at its discretion, forward the Letter of Offer to the concerned competent authority for further action at their end.

10.18. The Registrar to the Offer will hold, in trust, the Share certificates, Shares lying to the credit of the special depository account, the Form of Acceptance, if any and the transfer form/s on behalf of the Shareholders who have accepted the Offer, till the cheques/drafts for the consideration and/or the unaccepted Shares/Share certificates are dispatched/returned.

10.19. Shareholders who have lodged their Shares for transfer may either download the Letter of Offer and Acceptance Form from SEBI's website (www.sebi.gov.in) or request for the Form of Acceptance from the Registrar to the Offer. The Form of Acceptance, duly completed and signed in accordance with the instructions contained therein or an application in writing on a plain paper stating the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number shall be sent to the Registrar to the Offer along with the acknowledgement, if any, received from the Target Company for having lodged the equity shares for transfer. Shareholders who are attaching the acknowledgement are requested to direct the Target Company in writing to retain the share certificates for onward submission to the Registrar to the Offer.

10.20. In accordance with Regulation 22(5A) of the SEBI Takeover Regulations, Shareholders who have tendered the requisite documents in terms of the PA and Letter of Offer shall have the option to withdraw acceptances tendered upto three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrar to the Offer at the collection centres mentioned above as per the mode of delivery indicated therein on or before Thursday, February 3, 2011.

a. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

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

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

- In case of dematerialized shares: name, address, number of equity shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

10.21. A schedule of the activities in respect of the Offer is given below:

Activities	Days & Dates
Specified Date*	Friday, December 3, 2010
Last date for a competitive bid	Friday, December 17, 2010
Date by which Letters of Offer to be dispatched to shareholders	Monday, January 10, 2011
Offer Opening Date	Thursday, January 20, 2011
Last date for revising the Offer Price / Offer Size	Friday, January 28, 2011
Last date for withdrawing acceptance from the Offer	Thursday, February 03, 2011
Offer Closing Date	Tuesday, February 08, 2011
Last date of communicating acceptance / rejection and payment of consideration for accepted tenders /return of unaccepted Shares	Wednesday, February 23, 2011

*Specified Date is only for the purpose of determining the names of Shareholders as on such date to whom the Letter of Offer would be sent.

10.22. The Offer is not conditional on any minimum level of acceptance. In the event that the Shares tendered in the Offer are more than the maximum number of Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be as per the provisions of Regulation 21(6) of the SEBI Takeover Regulations i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the Shares are held in physical or dematerialized form. The minimum marketable lot for the Target Company is one Share.

10.23. While tendering Shares under the Offer, non-resident Shareholders (Non Resident Indians/Overseas Corporate Bodies/Foreign Shareholders) will be required to submit, wherever applicable, the previous approvals (specific or general) from the RBI and/or the Foreign Investment Promotion Board (as applicable) that they would have obtained for acquiring the Shares of the Target Company. In case such previous approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.

10.24. Compliance with tax and other regulatory requirements:

a. As per the provisions of Section 195(1) of the Income tax Act, 1961 (**"IT Act"**), any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess).

b. While tendering their Shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a no objection certificate or tax clearance certificate or certificate for deduction of tax at lower rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs on the entire consideration amount payable to such shareholder.

c. As per the provisions of Section 206AA which came into effect from April 1 2010, any person receiving a payment on which tax is deductible should obtain and provide a Permanent Account Number (**"PAN"**) to the party making the payment. In absence of a PAN, the tax deducted at source shall be at the rate specified in the relevant provisions of the Income Tax Act 1961 or the rates in force or 20%, whichever is higher.

d. In the event the aforementioned categories of shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Acquirer while submitting the Form of Acceptance cum Acknowledgement. In the absence of any such certificate from the Income Tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

e. No tax will be deducted at source for any other category of shareholders who are residents in India for purchase price of Shares acquired under the Offer and as per the prevailing laws. However, in case of resident Shareholders, the Acquirer will deduct the tax on the interest component exceeding Rs. 5,000 at the current prevailing rates, as applicable, if applicable. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit No Objection Certificate from the income tax authorities or a self declaration in Form 15H as may be applicable indicating the rate at which tax is to be deducted by the Acquirer. Shareholders eligible to receive interest component exceeding Rs. 5,000 would be required to submit their PAN for income tax purposes. Clauses relating to payment of Interest will become applicable only in the event of the Acquirer becoming liable to pay interest for delay in release of purchase consideration.

f. The securities transaction tax will not be applicable to the shares accepted in the Offer.

g. 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 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.

11. General

11.1. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / Letter of Offer shall have the option to withdraw acceptance tendered by them upto 3 (three) working days prior to the date of closure of the Offer, in terms of regulation 22 (5A) of the SEBI Takeover Regulations i.e. upto Thursday, February 03, 2011.

The Acquirer can revise the Offer Price upwards up to 7 working days prior to the closure of the Offer i.e. upto Friday, January 28, 2011 and if there is any upward revision in the Offer Price up to 7 (seven) working days prior to the date of closure of the Offer, the same would be informed by way of a public announcement in the same newspapers where this PA appears and the revised price would be payable to all Shareholders who have tendered their equity shares anytime during the Offer.

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

11.3. The Acquirer retains the option of acquiring Shares outside this Offer, subject to the provisions of the SEBI Takeover Regulations and other applicable law.

11.4. If there is a competitive Offer / bid, (i) the public offers under all the subsisting bids shall close on the same day and (ii) as the Offer Price cannot be revised during 7 working days prior to the date of closure of the Offer / bids, it would be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price of each offer / bid and tender their acceptance accordingly.

11.5. Pursuant to Regulation 13 of the SEBI Takeover Regulations, the Acquirer has appointed YES Bank Limited, Mumbai as Manager to the Offer. The details of the Registrar to the Offer is Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai-400078; 25960320, Fax: (022) 25960329; Email: tsl.offer@linkintime.co.in, Contact Person: Mr. Nilesh Chalke.

11.6. The Acquirer and the PAC, the Board of Directors of the Acquirer and the Board of Directors of the PAC accept full responsibility for the information contained in this PA, save and except for the particulars relating to the Target Company, and also accept responsibility for the obligations of Acquirer and the PAC, to the extent as required, as laid down in the SEBI Takeover Regulations, as amended. Publicly available information has been relied on for the purpose of disclosures made in relation to the Target Company.

11.7. All financial data contained in this PA have been rounded off to the nearest Lacs except where stated otherwise.

11.8. This PA, the Letter of Offer and the Form of Acceptance would also be available on SEBI's website (www.sebi.gov.in) during the period the Offer is open. Eligible persons to the Offer may also download a copy and send their acceptances by filling in the same.

For further details, please refer to the Letter of Offer and the Form of Acceptance which would be subsequently sent by post to the Shareholders.

Issued by the Manager to the Offer, for and on behalf of the Acquirer i.e. Nirupam Energy Projects Private Limited, 302, Wakefield House, 3rd Floor, Sprott Road, Ballard Estate, Mumbai – 400001, India and the PAC i.e. Bharati Shipyard Limited, 302, Wakefield House, 3rd Floor, Sprott Road, Ballard Estate, Mumbai – 400001, India.

Manager to the Offer	Registrar to the Offer
YES BANK EXPERIENCE OUR EXPERTISE	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
YES BANK Limited 12th Floor, Discovery of India Building Nehru Centre, Dr. Annie Besant Road Worli, Mumbai 400 018 **Tel No :** 91 22 66699000; **Fax No:** 91 22 24974158 **E-mail :** merchantbanking@yesbank.in **SEBI Registration No :** MB / INM 0000 10874 **Contact Person :** Mr. Dhanraj Uchil / Ms. Astha Daga	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup, Mumbai-400078 **Tel:** 91 22 25960320, **Fax:** 91 22 25960329 **Email:** tsl.offer@linkintime.co.in **SEBI Registration No:** INR 00000 4068 **Contact Person:** Mr. Nilesh Chalke

Date: November 26, 2010
Place: Mumbai

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