PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDER OF MSK PROJECTS (INDIA) LIMITED

Registered Office: 707-708 Sterling Centre, R. C. Dutt Road, Alkapuri, Vadodara 390 005. Tel: (0265) 2344756, Fax: (0265) 2341642.

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF MSK PROJECTS (INDIA) LIMITED ('TARGET COMPANY' OR 'MSK PROJECTS' OR 'MSK')

This Public Announcement ('PA') is being issued by Collins Stewart Inga Private Limited ('CSIN' or the 'Manager to the Offer') for and on behalf of M/s Subhkam Holding Private Limited ('Acquirer' / 'Subhkam') along with M/s Subhkam Securities Private Limited and Ms. Arti R Kathotia ('Persons Acting in Concert with the Acquirer' or 'PACs') pursuant to regulation 10 and other provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the 'SEBI (SAST) Regulations' or 'Regulations').

1. **Background of the Offer**

1.1 The Board of Directors of the Target Company, at their meeting held on October 20, 2007 has issued and allotted 44,50,000 fully paid-up equity shares of Rs. 10/- each on preferential basis representing 19.91% of the equity share capital of the Target Company for cash at a price of Rs. 84/- per share (including premium of Rs. 74/- per share) aggregating to Rs. 37,38,00,000/- (Rupees Thirty Seven Crores and Thirty Eight Lakhs only).

The details of preferential allotment are as under:

Names of the Allottee	Number of Equity Shares	% of Post Preferential Issue Equity Capital
Subhkam Holding Private Limited (Acquirer)	40,00,000	17.90%
Others	4,50,000	2.01%
Total	**44,50,000**	**19.91%**

1.2 The consent of the members for the aforesaid allotment was accorded by passing a Special Resolution at the Extra-Ordinary General meeting (EGM) held on August 27, 2007, under Section 81(1A) and other applicable provisions of the Companies Act, 1956. The EGM was held pursuant to the Board of Directors of the Target Company, passing a resolution on July 29, 2007 to issue and allot, 44,50,000 fully paid-up equity shares of Rs. 10/- each on preferential basis in accordance with the guidelines for Preferential Issue of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto ('Guidelines').

1.3 The equity shares allotted as mentioned above are subject to "Lock In" as per aforementioned Guidelines.

1.4 There are 40,14,522 Equity Shares under lock-in period as on the date of PA., which includes existing holding of 14,00,000 Lacs of the Acquirer in the Target Company for the period of Six Months from July 29, 2007 (relevant date) in terms of regulation 13.3.1.g of SEBI DIP Guidelines and the 44,50,000 Shares allotted on October 20, 2007 on preferential basis are under lock-in for One year from the date of allotment i.e. w.e.f. October 20, 2007 in terms of regulation 13.3.1.b of the SEBI DIP Guidelines.

1.5 The Acquirer along with PACs holds 54,23,000 equity shares of MSK representing 24.26% of the post preferential issue equity share capital as on the date of the PA.

1.6 The offer is being made to the Shareholders of the Target Company consequent to the allotment of equity shares to the Acquirer in the aforesaid Preferential Issue and in accordance with regulation 10 and other applicable provisions of the Regulations..

1.7 A Share Subscription and Shareholders Agreement ('SSA') was entered on October 20, 2007 among Subhkam, the existing promoters of the Target Company and the Target Company The salient features of the SSA are as follows:

1.7.1 Subscription amount has been paid by the Acquirer for acquiring 40,00,000 equity shares at a price of Rs. 84/- per share aggregating to Rs. 33,60,00,000/- (Rupees Thirty Three Crores Sixty Lacs Only).

1.7.2 So long as the Acquirer holds, directly or indirectly beneficial interest equivalent to or exceeding 25,00,000 equity shares of the Target Company, neither the promoters nor its affiliates shall, except on behalf of the business of the Target Company, directly or indirectly, compete with the business of the Target Company. The Promoters and their affiliates are obliged not to solicit or entice away any employee, counterparty, vendor, lessor, franchisees or business associates of the Target Company so long as the Acquirer holds at least 25,00,000 equity shares of the Target Company

1.7.3 Three years lock in on the shares held by the promoters and their affiliates, subject to the ability to sell the equity shares upto certain limits.

1.7.4 Restrictions on transfer of shares to the competitors by the Acquirer.

1.7.5 The right of the Acquirer to nominate a Director on the Board of the Target Company so long as the Acquirer holds at least 25,00,000 equity shares of the Target Company.

1.7.6 Indemnity by the Target Company to the Acquirer for breach of the Agreement and the customary representations and warranties are contained in the Agreement.

1.7.7 The Acquirer is a financial investor and a non-management shareholder.

1.7.8 In accordance with the terms of SSA, the overall management and control of MSK Projects will remain with the Promoters while the Acquirer will be a financial investor with certain minority investor protection rights.

1.8 Any further acquisition of shares / voting rights / control of the Target Company, whether direct or indirect, would be governed by the relevant provisions of SEBI (SAST) Regulations, and amendments thereto.

1.9 Acquirer, PACs and the Target Company have not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of SEBI Act or under any of the regulations made under the SEBI Act.

2. **The Offer**

2.1 As the aggregate equity stake of the Acquirer along with PACs in the paid-up equity share capital of the Target Company, after the Preferential Allotment is more than the stipulated threshold limit of 15%, the Acquirer along with PACs is making this offer in compliance with regulation 10 of the Regulations to acquire upto 45,77,572 fully paid-up equity shares of Rs.10/- each representing 20% voting rights of the Target Company, computed in accordance with regulation 21(5) of the Regulations, from the remaining equity shareholders of MSK Projects, at the Offer Price payable in cash subject to the terms and conditions mentioned hereinafter.

2.2 As on October 23, 2007 the paid-up equity share capital of the MSK Projects is Rs. 22,35,03,590/- comprising of 2,23,50,359 shares of Rs. 10/- each.

2.3 MSK Projects had issued 'Series B' Foreign Currency Convertible Bonds ('FCCB') worth USD 5 million on May 8, 2006, the terms of the issue of FCCB are: (1) for conversion into INR: 1 USD will be equal to Rs. 45.15, (2) the price for conversion of FCCB into equity share of the Target Company will not be less then Rs. 84/- per Share, floor price calculated as per the SEBI Price formula (3) conversion price reset commencing at the expiry of four months from the Issue Date (4) Conversion period will be from May 23, 2006 till May 1, 2011 at the option of the investor.

2.3.1 Out of 'Series B' FCCB worth USD 5 million issued as mentioned above, FCCB worth USD 4 million was converted into 18,83,015 Equity Shares at Rs.95.91 per share (Conversion reset price) and the same were allotted on October 20, 2007. Further, as per the terms, the equity equivalent of USD 1 million FCCB will be 5,37,500 shares calculated on floor price i.e. Rs. 84/- per share.

2.3.2 Therefore, while determining 20% of the paid-up equity share capital for the purpose of minimum Offer size, paid-up equity share capital of Rs. 22,88,78,590/- comprising of 2,28,87,859 Equity Shares of Rs. 10/- each (including 5,37,500 Equity Shares as mentioned in Para 2.3 above) is considered as required under Regulation 21(5) of Regulations.

2.3.3 Other than FCCB issued, there are no other securities issued by the Target Company which can be converted into Equity Shares.

2.4 As on the date of Public Announcement, the Acquirer along with PACs hold 54,23,000 equity shares representing 24.26% voting rights in the paid up capital of the Target Company The details of the highest and average price at which the equity shares of the Target Company has been acquired by the Acquirer and PACs during the last 12 months are as under:

Names	Date of Acquisition	Number of Equity shares acquired during the last 12 months	Highest price paid (Rs.)	Average price paid (Rs.)
Subhkam Securities Private Limited	January 02, 07	17,565	90.40	90.40
Subhkam Securities Private Limited	January 03, 07	2,435	92.90	92.90
Ms. Arti R Kathotia	March 13, 07	3,000	65.05	65.05
Subhkam Holding Private Limited	October 20, 07	40,00,000	84.00	84.00

However, the Acquirer and PACs have neither acquired nor sold any equity shares other then those mentioned above in the Target Company during the last six months from the date of PA.

2.5 There are no partly paid-up shares of MSK.

2.6 This is not a Conditional Offer. The Offer is not subject to any minimum level of acceptance. The Acquirer will acquire all the shares that are validly tendered as per the terms of the Offer, upto a maximum of 45,77,572 equity shares at the Offer Price.

2.7 The Acquirer and PACs undertake to complete the Offer formalities under the Regulations.

2.8 No separate consideration has been paid or would be paid by the Acquirer, other than as mentioned in Clause 1.1 above.

2.9 This Offer is being made to all Shareholders of MSK Projects except the parties to the SSA and PACs.

2.10 The Offer is subject to the terms and condition set out herein and in the Letter of Offer that would be sent to the shareholders of MSK.

2.11 The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of this Public Announcement.

2.12 This is not a Competitive Bid.

3. **The Offer Price**

3.1 The equity shares of MSK are currently listed on the Bombay Stock Exchange Limited, Mumbai ('BSE'), National Stock Exchange of India Limited, Mumbai ('NSE') and Vadodara Stock Exchange Limited, Vadodara ('VSE').

3.2 The annualised trading turnover during the preceding six calendar months ended September 2007 in each of the Stock Exchange where the shares are listed is as follows:

Name of the Stock Exchange	Total number of Shares traded during April 2007 to September 2007	Total number of listed shares	Annualized trading turnover (% of total listed shares)
BSE	88,64,691	1,60,17,344	110.69%
NSE	98,06,388	1,60,17,344	122.45%
VSE	Nil	1,60,17,344	—

(Source: www.bseindia.com;www.nseindia.com)

Based on the above information, the equity shares of the MSK are frequently traded on BSE, NSE and are infrequently traded on VSE within the meaning of explanation (i) to regulation 20(5) of the Regulations.

3.3 In accordance with regulation 20(4) and 20(5) of the Regulations, the Offer price of Rs.84/- per equity share is higher of the following parameters:

a)	Negotiated price payable under the Investment Agreement	Not Applicable
b)	Acquisition price under the Preferential Issue	Rs. 84/- per equity share
c)	Highest price paid by the Acquirer / PACs for acquisition of any equity share of MSK during the 6 months period preceding the date of the PA (other than Preferential Issue)	Rs. NIL per equity share
d)	Average of weekly high and low of the closing prices of the equity shares of MSK during the 26 weeks preceding the date of the Board meeting dated July 29, 2007where the Preferential Issue was proposed (On NSE where the shares are most frequently traded)	Rs. 71.40 per equity share
e)	Average of daily high and low of the equity shares of MSK during the 2 weeks preceding the date of the Board meeting dated July 29, 2007 where the Preferential Issue was proposed (On NSE)	Rs. 80.81 per equity share
f)	Other parameters with reference to the Target Company for	Year ended March 31, 2007
	Return on Net worth (%)	5.63
	Book Value (Rs.)	113.48
	Earnings Per Share (Rs.)	6.57**
	Price / Earnings (PE) Ratio based on Offer Price*	12.78

** The Target Company is operating in the Industry category 'Construction' with an Industry PE of 32 [Source: 'Capital Market' for the period September24, 2007 to October 7, 2007]. The industry PE is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to MSK and also vary widely in terms of financial parameters with MSK.*

** Calculated on the basis of weighted average number of equity shares

Mr. R. T. Mehta (Membership No. 5445) of M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai, Tel: 022 2205 7309 Fax: 022 2205 5432 vide report dated October 22, 2007, has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com case 30), the value of the equity shares of MSK Projects is Rs. 77.39 per share.

3.4 There is no non-compete agreement between the Acquirer and the Target Company and any other entity as envisaged under regulation 20(8) of the Regulations. No additional payments are being made by the Acquirer as non-compete fees.

3.5 The Offer Price of Rs.84/- per share offered by the Acquirer to the shareholders of MSK under the proposed Open Offer is justified in terms of regulations 20(4) and 20(5) of the Regulations. In the opinion of the Manager to the Offer, the Offer Price is justified.

4. **Information about the Acquirer – Subhkam Holding Private Limited ('Subhkam')**

4.1 Subhkam was incorporated on July 16, 1993 under the name and style of Subhkam Monetary Service Private Limited having its registered office at 15, Onlooker Building, 14 Sir P M Road, Fort Mumbai 400 001 Tel: 022 – 4094 2000, Fax: 022 – 2270 4381. The primary object of Subhkam at the time of incorporation was to provide finance and management consultancy to the companies. The name and the main objects were changed to Subhkam Holding Private Limited and to carry on the business of investment and trading in securities, bonds, debentures, etc. on March 6, 2007. Subhkam Holding Private Limited belongs to the Group 'Subhkam Ventures' promoted by Mr. Rakesh S Kathotia and Ms. Arti R Kathotia.

4.2 The financial highlights of Subhkam are as below:
Subhkam, as per the audited results for the year ended March 31, 2007 has reported a total income of Rs.1,902.64 lakhs and profit after tax of Rs. 384.23 lakhs. EPS for the year ended on March 31, 2007 is Rs. 38.05 per share. The share capital of Subhkam is Rs. 100.97 lakhs and an accumulated reserve is Rs. 3707.60 lakhs. The Networth of Subhkam as on March 31, 2007 is Rs.3808.17 lakhs which translates into book value of Rs.377.16 per equity share and into Return on Networth (RONW) of 10.09%.

4.3 The shares of Subhkam are not listed on the Stock Exchange.

5. **Information about the PACs –**

5.1 **Subhkam Securities Private Limited ('SSPL')** was incorporated on February 26, 1999 having its registered office at 204, Veena Chambers Dalal Street, Mumbai 400 023 and Corporate Office at 15, Onlooker Building, 14, Sir P M Road, Fort Mumbai 400 001 Tel: 022 – 4094 2000, Fax: 022 – 2270 4381. The primary object of SSPL is to engage in stock broking activity as a member of any recognized stock exchanges in India. Currently, SSPL is a member of Bombay Stock Exchange Limited. SSPL belong to the group 'Subhkam Ventures', promoted by Mr. Rakesh S Kathotia and Ms. Arti R Kathotia.

The financial highlights of SSPL are as below:
SSPL, as per the audited results for the year ended March 31, 2007 has reported a total income of Rs.4,866.09 lakhs and Profit / (Loss) of Rs. (130.07) lakhs. EPS for the year ended on March 31, 2007 is Rs. (1.30) per share. The share capital of SSPL is Rs. 1000 lakhs and an accumulated reserve is Rs. (104.15) lakhs. The Networth of SSPL as on 31 March, 2007 is Rs.895.85 lakhs which translates into book value of Rs.8.96 per equity share and into negative Return on Networth (RONW) of (14.52)%.

The shares of SSPL are not listed on the Stock Exchange.

5.2 **Ms. Arti R Kathotia**, wife of Mr. Rakesh S Kathotia, aged 35 years is a Promoter Director of Subhkam Holding Private Limited and Subhkam Securities Private Limited She is a Bachelor of Arts. She has an experience of 13 years in the field of capital market. She holds 3,000 equity shares in MSK Projects in her individual capacity. The networth of Ms. Arti R Kathotia as on March 31, 2007, certified by Mr. R. T. Mehta (Membership No. 5445) of M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai, Tel: 022 2205 7309 Fax: 022 2205 5432 as per certificate dated October 22, 2007, is Rs. 1090 lakhs.

6. **Information about the Target Company – MSK Projects (India) Limited**

MSK Projects was incorporated on December 20, 1994, having its Registered office at 707-708 Sterling Centre, R. C. Dutt Road, Alkapuri, Vadodara 390 005. Tel: 0265 – 2344756, Fax: 0265 – 2341642. MSK is in the business of EPC contracting and execution of projects under BOT basis. The projects executed and being executed includes Roads, Public Utilities (Bus Terminals) Water Distribution and Industrial Construction etc.

6.1 The total Paid-up Equity Capital as on the date of Public Announcement is as under:

Paid up Equity Shares of Target Company	No. of Equity Shares/ Voting Rights	% of Equity Shares/ Voting Rights
Fully paid up equity capital	2,23,50,359	100%
Partly paid up equity capital	Nil	–
Total issued and paid up equity capital	2,23,50,359	**100%**

6.2 The equity shares of MSK Projects are currently listed on Bombay Stock Exchange Limited, Mumbai ('BSE'), National Stock Exchange of India Limited ('NSE') and Vadodara Stock Exchange Limited, Vadodara ('VSE'). Trading in electronic mode (through NSDL & CDSL) is mandatory. The last traded price on NSE and BSE as on the date of Board Meeting to consider Preferential issue (July 27, 2007) was Rs. 96.10 and Rs. 96.50 respectively, and the volume on the same date on NSE and BSE was 6,37,627 and 5,84,230 equity shares, respectively.

6.3 There are no partly paid-up equity shares of the Target Company as at the date of the Public Announcement.

6.4 As per the audited accounts for the financial year ended on March 31, 2007 of the Target Company, the issued, subscribed and paid-up equity share capital of Rs.1,601.73 lakhs, comprising 1,60,17,344 fully paid-up equity shares of face value of Rs. 10/- each, total net worth was Rs. 18,175.79 lakhs. For the year ended March 31, 2007, the Target Company has reported total income of Rs. 16208.18 lakhs, profit after tax of Rs. 1,022.78 lakhs, return on net worth 5.63%, book value Rs. 113.48 per equity share of Rs. 10/- each, and EPS of Rs 6.57 (Calculated on the basis of weighted average number of equity shares)

7. **Object and purpose of the Acquisition and Future Plans in terms of regulations 16(ix) SEBI (SAST) Regulations**

7.1 The aggregate equity stake of the Acquirer in the paid up equity share capital of MSK after the Preferential Allotment is more than the threshold limit of 15% stipulated in Regulation 10 of the Regulations. In view of the above, to comply with regulation 10 of the Regulations, the Acquirer is making this Offer to acquire up to 45,77,572 fully paid-up equity shares of Rs.10/- each representing 20% voting rights of the Target Company (assuming that FCCB worth USD 1 Million outstanding as on the date of this Public Announcement issued will be converted as per the terms of the issue into equity shares before the expiration of 15 days after the closure of the Offer), computed in accordance with regulation 21(5) of the Regulations, from the remaining equity shareholders of MSK Projects, at the Offer Price payable in cash subject to the terms and conditions mentioned above.

7.2 This Offer is being made pursuant to the Preferential Allotment of Shares by MSK Projects to Subhkam in accordance with Section 81(1A) of the Companies Act and in compliance with Regulation 10 of SEBI (SAST) Regulations for the purpose of substantial acquisition of Shares and voting rights of the Target Company without change in control and management of the Target Company.

7.3 This Offer to the shareholders of MSK is being made pursuant to regulation 10 of the Regulations for substantial acquisition of Equity Shares of MSK.

7.4 The Acquirer is merely a financial investor and this acquisition will not result in a change in control of the Target Company and therefore, the Acquirer will not be in control of the management of the Target Company.

7.5 The Acquirer is a financial private equity investor and the Preferential Allotment by the Target Company is also a financial investment for the Acquirer. The Acquirer does have certain fundamental investor protection rights in the interests of corporate governance. The main activities of Subhkam are to acquire interests in attractive businesses that have the potential to grow and provide returns to investors. The investment in the Target Company was made by the Acquirer on the premise that the Target Company has a strong management and the growth potential, not only of the Business of EPC Contracting and execution of Project under BOT in general, but also the Target Company in specific. This Offer is being made in compliance with the SEBI (SAST) Regulations since the acquisition is in excess of the threshold limit specified in Regulation 10 of the SEBI (SAST) Regulations.

7.6 Since the investment by the Acquirer in MSK Projects is in the nature of a financial investment in the ordinary course of business and management control is retained by the existing Promoters of the Target Company, the Acquirer does not propose to sell, dispose of or otherwise encumber any substantial assets of MSK Projects in the succeeding two years except in the ordinary course of business of MSK Projects and except with the prior approval of the shareholders of MSK Projects. An undertaking to this effect has been provided to the Manager to the Offer. The Board of Directors or their authorized representatives, as the case may be, would take appropriate decisions in these matters, as per the requirements of business and in line with opportunities or changes in the economic scenario, from time to time.

7.7 As on the date of Public Announcement there are no representatives of the Acquirer or PACs on the Board of MSK Projects. The Acquirer is entitled, in terms of the SSA to appoint a nominee director on the Board of Directors of the Target Company. The Acquirer may exercise the said rights after the completion of the Offer.

7.8 The Target Company is in the business of EPC Contracting and execution of Projects under BOT basis. The Projects executed and being executed includes roads, public utilities (bus terminals), water distribution and industrial construction etc. Subhkam Holding Private Limited is in the business of investment in shares of listed and unlisted companies through primary and secondary market. Subhkam Holding Private Limited sees growth potential and good investment opportunity in MSK Projects (India) Ltd. Hence, made investment in the Target Company.

8. **Statutory Approvals and other Approvals for the Offer**

8.1 The Offer is subject to the receipt of approval from Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 (FEMA) for the acquisition of equity shares by the Acquirer from non-resident persons under the Offer.

8.2 To the best of knowledge and belief of the Acquirer, as of the date of this PA, there are no other statutory approvals or approval from lenders required for the acquisition of equity shares tendered pursuant to this Offer. The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.

8.3 In case of non receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of SEBI (SAST) Regulations, 1997. Further, if any, delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.

9. **Disclosure in terms of regulation 21 (2) of the Regulations**

The offer after assuming full acceptance will not result in the public shareholding falling below 25% of the expanded voting capital of the Target Company, which is the minimum level required to be maintained as per provisions of clause 40 A of the Listing Agreement. Therefore, the provisions of regulation 21(2) of Regulations are not applicable.

10. **Financial Arrangement for the Offer**

10.1 The total fund requirement or the maximum consideration for the Offer assuming full acceptance of the Offer would be Rs. 38,45,16,048/- (Rupees Thirty Eight Crores Forty five Lacs Sixteen Thousand Forty Eight Only) i.e. consideration payable for acquisition of 45,77,572 fully paid up equity shares of MSK at Offer Price of Rs. 84/- per equity share.

10.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, an escrow account has been created in the form of deposit of securities ("Escrow Account") with Axis Bank Ltd., Capital Market , Jeevan Prakash Building, sir P. M. Road, Fort Mumbai - 400001. The PAC has pledged in favour of the Manager to the Offer, of 1,00,000 (One Lakh only) fully paid equity shares of Gulf Oil Corporation Limited of face value of Rs. 10/- each having a closing market price of Rs. 1528.65 per equity share as on Gulf Oil Corporation Ltd., 2007 (Source: BSE website). The total value of securities pledged is Rs. 15,28,65,000 (Rs. Fifteen crores twenty eight lakhs sixty five thousand only) as on October 23, 2007, exceeds the escrow amount stipulated under Regulation 28(2). The Acquirer has undertaken to maintain a margin of 25% at all times during the Offer period over the minimum requisite escrow requirement as stipulated under Regulation 28 (2). The Manager to the Offer is empowered to realise the value of the securities by sale or otherwise, provided if there is any deficit on realisation of the value of the securities, such deficit, if any shall be made good by the Manager to the Offer. The Acquirer has also made a cash deposit of Rs.39,00,000/- (Rupees Thirty Nine Lakhs only) with HDFC Bank Limited Fort branch situated at Maneckji Wadia Building, Ground Floor, N. M. Marg, Mumbai 400 023 being more than 1% of the total consideration payable under the Offer. The Acquirer has authorised the Manager to the Offer to realise the value of the Escrow Account as required under the SEBI (SAST) Regulations.

10.3 The above mentioned securities held in the name of PAC, pledged for the escrow amount are free of lien/encumbrances and carry voting rights.

10.4 Mr. Satish Jain (Membership no. 48874) of M/s. Shankarlal Jain & Associates, Chartered Accountants, 12, Engineer Building, 265 Princess Street, Mumbai 400 002, Tel: 022 2203 6623, Fax: 022 2208 6269 , has certified vide certificate dated October 22, 2007 that Subhkam has adequate resources to meet the financial requirements of the Open Offer.

10.5 Mr. R. T. Mehta (Membership no. 5445) of Mehta Chokshi & Shah, Chartered Accountants, Cooper Building, Bokadia Mansion, 2nd Floor, 229 Princess Street, Mumbai 400 002. Tel: 022 2205 7309, Fax: 022 2205 5432, has certified vide certificate dated October 22, 2007 that SSPL and Ms. Arti R Kathotia has adequate resources to meet the financial requirements of the Open Offer.

10.6 The Manager to the Offer, on the basis of the above certificate, has satisfied itself that the Acquirer has the ability to implement the Offer in accordance with the Regulations, as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

11. **OTHER TERMS OF THE OFFER**

11.1 The Letter of Offer, specifying the detailed terms and conditions, together with the Form of Acceptance cum Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) will be mailed to the shareholders of MSK whose names appear on the register of members of MSK and to the Beneficial Owners of the equity shares of MSK whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on November 9, 2007 (the 'Specified Date'). Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the open offer in any manner whatsoever. A copy of the Letter of Offer (including Form of Acceptance) will be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

11.2 All owners of equity shares, registered or unregistered, are eligible to participate in the Offer anytime before closure of the Offer.

11.3 Shareholders who hold equity shares of MSK in physical form and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, original Share Certificate(s) and transfer deed(s) duly signed to the Registrars to the Offer at the following address, so as to reach on or before the closure of the Offer, i.e. January 2, 2008 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance. In case of non-receipt of the Letter of Offer, shareholder(s) may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the said shares.

Name & Address of Collection Centre	Contact Person	Mode of Delivery	Telephone No.	Fax No.
Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Email: isrl@intimespectrum.com	Ms. Awani Punjani	Postal / Hand Delivery	022-25963838	022-25946969

All registered owners can send the Form of Acceptance duly completed and signed in accordance with the instructions contained therein to the Registrars to the Offer at the collection center mentioned above, on or before the closure of the Offer, i.e. January 2, 2008. The documents can be tendered at the above centre between Monday to Friday from 10.30 am to 12.30 pm and 1.30 p.m. to 4.30 p.m. and on Saturdays from 10.00 am to 1.00 pm. The centre will be closed on Sundays and any other Public holidays.

11.4 The Registrars to the Offer, Intime Spectrum Registry Limited, has opened a special depository account with Stock Holding Corporation of India Limited in National Securities Depository Limited ('NSDL'). Beneficial Owners and shareholders holding equity shares of MSK in the dematerialised form, will be required to send their Form of Acceptance to the Registrars to the Offer, at the collection centres mentioned above in paragraph 10.3, on or before the closure of the Offer, along with a photocopy or counterfoil of the delivery instructions in 'Off-market' mode, duly acknowledged by the Depository Participant ('DP'), in favour of 'ISRL – MSK Projects Open Offer Escrow Account' and filled in with the details given below:

DP Name:	Stock Holding Corporation of India Limited
DP ID Number:	IN301330
Client ID Number:	20136925
ISIN	INE625G01013
Market	'Off-market'
Depository:	National Securities Depository Limited

Forms of Acceptance of dematerialized equity shares not credited to the above special depository account on or before the closure of Offer are liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least two working days prior to the date of closing of the Offer. Shareholders having their beneficiary account in Central Depository Services Limited ('CDSL') have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favor of the special depository account with NSDL.

11.5 Unregistered owners or shareholders who have not received the Letter of Offer, may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares 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 the 'off-market' mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No Indemnity is required from the unregistered owners.

11.6 Shareholders of MSK who have sent their equity shares for transfer should submit Form of Acceptance duly completed and signed, copy of the letter sent to MSK (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However, they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.

11.7 In case the number of shares tendered for sale by the shareholders are more than the shares agreed to be acquired under the Offer, the Acquirer shall accept the offers received from the shareholders on a proportionate basis as per regulation 21(6) of the Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

11.8 The Registrars to the Offer will hold in trust the equity shares and Share Certificate(s), equity shares lying in credit of the special depository account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of MSK who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned.

11.9 Equity shares tendered in the Offer by the shareholders of MSK shall be free from lien, charges and encumbrances of any kind whatsoever.

11.10 Non-Resident shareholders should submit copy of the permission received from Reserve Bank of India for acquisition of the shares of MSK. In case of its non-submission, Acquirer reserve their right to reject the shares tendered in the Offer.

11.11 The consideration to those shareholders whose Shares or share certificates and / or other documents are found complete, valid and in order, will be paid by crossed account payee cheques/demand drafts. Such considerations in excess of Rs. 1500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner. Equity shares held in dematerialised form, to the extent not accepted, 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 or otherwise. The Acquirer is required to deduct tax on source, as may be applicable. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

11.12 A schedule of some of the key events in respect of the Offer is given below:

Activity	Date	Day
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	November 9, 2007	Friday
Last date for a Competitive Bid	November 13, 2007	Tuesday
Last Date by which Letter of Offer will be posted to shareholders	November 29, 2007	Thursday
Date of Opening of the Offer	December 14, 2007	Friday
Last date for revising the Offer Price / Offer size	December 19, 2007	Wednesday
Last date of withdrawal of tendered application by the shareholders of MSK	December 27, 2007	Thursday
Date of Closing of Offer	January 2, 2008	Wednesday
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares / Share Certificate(s) will be dispatched / credited	January 16, 2008	Wednesday

12. **General**

In accordance with the regulation 22(5A) of the Regulations, shareholders who have tendered the requisite documents in terms of the Public Announcement and Letter of Offer shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at the collection centre mentioned above as per the mode of delivery indicated therein on or before December 27, 2007.

The withdrawal option can be exercised on submitting the form of withdrawal (which will be sent to Shareholders along with the Letter of Offer) and the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptance together with:

a) In respect of physical shares: name, address, distinctive numbers, folio number, number of shares tendered and number of shares to be withdrawn.

b) In respect of dematerialized shares: name, address, number of shares tendered, number of shares withdrawn, DP name, DP ID, beneficiary account number, photocopy of the delivery instruction in 'Off Market' mode duly acknowledged by DP.

In case of non-receipt of the form of withdrawal the above application can be made on a plain paper.

12.1 The Acquirer are permitted to revise the Offer Price of Shares / No. of equity shares upwards, such upward revision will be made in accordance with regulation 26 of the Regulations, not later than December 19, 2007, which is 7 (Seven) working days prior to the date of closure of the Offer. If the Offer Price is revised upward, such revised price will be payable to all shareholders who have accepted the Offer and submitted their equity shares at any time during the offer period to the extent that their Shares have been verified and accepted by the Acquirer. The same would be informed by way of Public Announcement in the same newspapers where this Public Announcement appears.

12.2 **If there is a competitive bid:**

a. The public offer under all the subsisting bids shall close on the same date.

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

12.3 The Acquirer, PACs, and MSK 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 any other regulation made under the SEBI Act.

12.4 Pursuant to regulation 13 of the Regulations, the Acquirer has appointed Collins Stewart Inga Private Limited, Mumbai as Manager to the Offer and Intime Spectrum Registry Limited, Mumbai as Registrars to the Offer.

12.5 Please note that some financial data contained in this Public Announcement have been rounded off to the nearest lakhs except where stated otherwise.

12.6 For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.

12.7 Acquirer, PACs, and their Directors accept full responsibility for the information contained in this Public Announcement (except that which pertains to the Target Company and has been compiled from publicly available sources) and also for the obligations of the Acquirer as laid down in the Regulations.

Eligible persons to the Offer may also download a copy of this Public Announcement from SEBI's website at www.sebi.gov.in.

Registrar to the Offer:

INTIME SPECTRUM REGISTRY LIMITED

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai - 400 078
Tel.: 022-25963838, Fax.: 022- 25946969
Email: isrl@intimespectrum.com
Contact Person : Ms. Awani Punjani

PUBLIC ANNOUNCEMENT IS ISSUED ON BEHALF OF THE ACQUIRER ALONG WITH PACS

Subhkam Holding Private Limited and Subhkam Securities Private Limited and Ms. Arti R. Kathotia as Persons Acting in concert with the Acquirer.

ISSUED BY

Collins Stewart Inga

Collins Stewart Inga Private Limited
A-404, Neelam Centre, 4th Floor
Hind Cycle Road, Worli, Mumbai – 400 030
Tel.: (+91 22) 2498 2919/ 2498 2927, Fax.: (+91 22) 2498 2956
Email: mskprojects@csin.co.in
Contact Person: Mr. Ashwani Deedwania

Place : Mumbai

Date: October 23, 2007