LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of **MSK Projects (India) Limited.** If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager / Registrar to the Offer. In case you have recently sold your equity shares in **MSK Projects (India) Limited**, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

Subhkam Ventures (I) Private Limited
(formerly Subhkam Holding Private Limited)
Reg.Office: 15, Onlooker Building, 14, Sir P M Road, Fort, Mumbai 400 001.
(Tel: 022 – 4094 2000, Fax: 022 – 2270 4381)
(HEREINAFTER REFERRED TO AS 'ACQUIRER' / 'SUBHKAM VENTURES')
ALONG WITH
Subhkam Securities Private Limited
Reg. Office: 204, Veena Chambers Dalal Street, Mumbai 400 023.
Corp. Office: 15, Onlooker Building, 14 Sir P M Road, Fort, Mumbai 400 001.
(Tel: 022 – 4094 2000, Fax: 022 – 2270 4381)
AND
Mrs. Arti R. Kathotia
Office: 1202, Maker Chambers – V, Nariman Point, Mumbai 400 021.
(Tel: 022 – 2287 5863 Fax: 022 – 2287 6540)
(HEREINAFTER COLLECTIVELY REFERRED TO AS 'PERSON ACTING IN CONCERT WITH ACQUIRER' OR 'PACs')

MAKE A CASH OFFER AT Rs. 84/- (RUPEES EIGHTY FOUR ONLY) PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF RUPEES 10/- (TEN) EACH pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the 'SEBI (SAST) Regulations, 1997' or 'the Regulations')

TO ACQUIRE 45,77,572 FULLY PAID-UP EQUITY SHARES
representing 20.06% of the Post Preferential Issue, fully expanded, voting equity capital of
MSK PROJECTS (INDIA) LIMITED ('Target Company' or 'MSK Projects' or 'MSK')
Registered Office: 707-708 Sterling Centre, R. C. Dutt Road, Alkapuri, Vadodara 390 005.
(Tel: 0265 – 2344756, Fax: 0265 – 2341642)

Please Note:

a) This Offer is being made pursuant to regulation 10 and other applicable provisions of the SEBI (SAST) Regulations,1997.
b) The Offer is not subject to a minimum level of acceptance by the shareholders of the Target Company.
c) The Offer is subject to the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 for acquiring the shares tendered by non-resident persons under the Offer. Please refer to Para 8 of this Letter of Offer for details.
d) If the aggregate of the valid response exceeds 45,77,572 Equity Shares, the Acquirer shall accept shares equal to 45,77,572 Equity Shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with Regulation 21(6) of SEBI (SAST) Regulations, 1997.
e) The Acquirer can revise the Offer Price upto 7 (seven) working days prior to the date of closure of the Offer (i.e. February 22, 2010)
f) If there is any upward revision in the Offer Price by the Acquirer till the last date of revision or withdrawal of the Offer in terms of the SEBI (SAST) Regulations, 1997, i.e. **February 10, 2010** the same would be informed by way of a public announcement in the same newspapers where the original Public Announcement dated **October 23, 2007** had appeared. Such revised offer price would be payable for all the equity shares of **MSK Projects (India) Limited**, tendered anytime during the Offer and accepted under the Offer.
g) The procedure for acceptance is set out in Para 9 of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement and a Form of Withdrawal is enclosed with this Letter of Offer.
h) This is not a competitive bid.
i) 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 Acquirers from non-resident persons under the Offer, if any or such other statutory approval(s), if required to implement the offer.
j) The Public Announcement, Corrigendum to Public Announcement, Letter of Offer, Form of Acceptance-cum-Acknowledgement and Form of Withdrawal would also be available on the website of Securities and Exchange Board of India ('SEBI') http://www.sebi.gov.in
k) Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Corrigendum to Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer. Requests for such withdrawals should reach the Registrar to the Offer before the close of business hours on February 17, 2010.
l) There is no competitive bid for this Offer.
m) As the offer price cannot be revised during the period after February 10, 2010, it would therefore be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

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

Manager to the Offer

Collins Stewart Inga Private Limited
A-404, Neelam Centre, 4th Floor,
Hind Cycle Road, Worli, Mumbai 400 030
Tel.: (+91 22) 2498 2919 / 2498 2937
Fax: (+91 22) 2498 2956
Email: mskprojects@csin.co.in
Contact Person : Mr. Ashwani Deedwania

Registrar to the Offer

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai - 400 078
Tel.: +91- 022- 25960320
Fax.: +91 022- 25960329
Email: msk.offer@linkintime.co.in
Contact Person: Mr. Nilesh Chalke

OFFER OPENS: February 3, 2010 (Wednesday) | **OFFER CLOSES: February 22 , 2010 (Monday)**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

	Original Schedule		Revised Schedule	
Activity	**Date**	**Day**	Date	**Day**
Public Announcement Date	October 23, 2007	Tuesday	October 23, 2007	Tuesday
Corrigendum to Public Announcement Date	-	-	January 27, 2010	Wednesday
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	November 9, 2007	Friday	November 9, 2007	Friday
Last date for a Competitive Bid	November 13, 2007	Tuesday	November 13, 2007	Tuesday
Last Date by which Letter of Offer will be posted to shareholders	November 29, 2007	Thursday	January 30, 2010	Saturday
Date of Opening of the Offer	December 14, 2007	Friday	February 3, 2010	Wednesday
Last date for revising the Offer Price / Offer size	December 19, 2007	Wednesday	February 10, 2010	Wednesday
Last date of withdrawal of tendered application by the shareholders	December 27, 2007	Thursday	February 17, 2010	Wednesday
Date of Closing of the Offer	January 2, 2008	Wednesday	February 22, 2010	Monday
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired equity shares and/or the unaccepted demat Shares / Share Certificate(s) will be credited/ dispatched	January 16, 2008	Wednesday	March 8, 2010	Monday

RISK FACTORS

Given below are the risks related to the transaction, the proposed offer and the risks involved in getting associated with the Acquirer:

i. Transfer of equity shares received from Non Resident shareholders, as mentioned in Para 8, under the Offer is subject to receipt of RBI approval for the same.

ii. In the event that either (a) a regulatory approval is not received in time, (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities as indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of MSK whose equity shares have been accepted in the Offer as well as the return of the shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI. Further, shareholders should note that after the last date of withdrawal i.e. February 17, 2010 shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

iii. The Acquirer makes no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

iv. The Acquirer makes no assurance with respect to the financial performance of MSK Projects. The Acquirer also makes no assurance with respect to their investment / divestment decisions relating to their proposed shareholding in MSK Projects.

The risk factors set forth above pertain to the acquisition and the Offer and not in relation to the present or future business or operations of MSK Projects or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of MSK Projects are advised to consult their stockbroker or investment consultant, for further risks with respect to their participation in the Offer.

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1 DEFINITION

Acquirer / Subhkam Ventures	Subhkam Ventures (I) Pvt. Ltd. (Subhkam Holding Private Limited, originally the Acquirer making Public Announcement on October 23, 2007 pursuant to scheme of amalgamation merged itself into Welcome Capitals Private Limited. Subsequently, Welcome Capitals Private Limited rechristened to Subhkam Ventures (I) Private Limited)
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Corrigendum to Public Announcement	Dated January 27, 2010 made by Acquirer and PACs
DP	Depository Participant
Date of Public Announcement	Tuesday, October 23, 2007
DIP Guidelines	SEBI (Disclosure and Investor Protection) (DIP) Guidelines, 2000 and subsequent amendments thereto. (now replaced by SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2009)
FCCBs	Foreign Currency Convertible Bonds
FEMA	Foreign Exchange Management Act, 1999
EGM	Extra Ordinary General Meeting
FII(s)	Foreign Institutional Investor(s)
Form of Acceptance/ FOA	Form of Acceptance-cum- Acknowledgement
FOW	Form of Withdrawal
FY	Financial Year
Manager/ Manager to the Offer	Collins Stewart Inga Private Limited
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer	Open Offer for the acquisition of 45,77,572 fully paid up Equity Shares of the face value of Rs. 10/- each of MSK Projects at a price of Rs. 84/- per fully paid up Equity Share
Offer price	Rs. 84/- (Rupees Eighty Four only) per fully paid up share of Rs. 10/- each
Offer size	Rs. 38,45,16,048/-(Rupees Thirty Eight Crores Forty Five Lacs Sixteen Thousand Forty Eight Only)
PACs	Person Acting in Concert with the Acquirer viz. Subhkam Securities Private Limited and Mrs. Arti R Kathotia
Persons Eligible to participate in the Offer	All owners (registered and unregistered) of shares of MSK except (a) parties to the SSA i.e. Acquirer and Promoters as defined therein and (b) PACs with the Acquirer
Preferential Issue	Issue of 44,50,000 fully paid-up equity shares 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 Lacs only) to the Acquirer and other subscribers in accordance with the guidelines for Preferential Issue of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto.
Promoters	The Promoters of MSK Projects i.e. Ashok Madhavdas Khurana, Amit Ashok Khurana, Manju Ashok Khurana, Mohanan Choran, Ashok Khurana HUF, Rashika Khurana, C Mohanan HUF, Bindiya Khurana, M S Khurana HUF, C Rameshan, C Ravindran, C Surendran, Neelakshi Khurana

Public Announcement / PA	Announcement dated October 23, 2007 made by Acquirer and PACs
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
SAT	Securities Appellate Tribunal
SAT Order	Order issued by SAT dated January 15, 2010
SEBI	Securities & Exchange Board of India
SEBI Act	Securities & Exchange Board of India Act, 1992
SEBI Takeover Code or Regulations or SEBI (SAST) Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
Share(s)/ Equity shares	Fully paid equity shares of face value of Rs. 10/- each of MSK Projects
Specified Date	November 9, 2007
SSA	Share Subscription and Shareholders Agreement
Target Company/MSK Projects / MSK	MSK Projects (India) Limited
VSE	Vadodara Stock Exchange Limited

2 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF MSK PROJECTS (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY.

IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, COLLINS STEWART INGA PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 2, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3 DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Offer to the Shareholders of MSK Projects is being made by the Acquirer along with PACs in accordance with regulation 10 and other applicable provisions of the SEBI Takeover Code for the purpose of substantial acquisition of shares / voting rights pursuant to the Preferential Allotment of Shares by MSK Projects to Subhkam Ventures in accordance with Section 81(1A) of the Companies Act, 1956 ("Companies Act") and DIP Guidelines, as disclosed under Para 3.1.2 of this Letter of Offer.

3.1.2 Subsequent to receipt of the in-principal approvals from BSE vide its letter reference no. DCS/PREF/RAS/PRE/1787/07-08 dated October 8, 2007, NSE vide its letter reference no.NSE/LIST/57305-P dated October 1, 2007 and VSE vide its letter reference no. VSE/MD/List/07 dated October 10, 2007, 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 then 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 Lacs only), as detailed below :

Names of the Allottee	Number of equity shares	% of Post Preferential Issue Equity Capital
Subhkam Ventures (I) Pvt. Ltd.	40,00,000	17.90%
Others		
Ashka Construction Pvt. Ltd.**	3,00,000	1.34%
Brescon Corporate Advisors Private Ltd.**	1,50,000	0.67%
Total	**44,50,000**	**19. 91%**

**These entities are neither Person Acting in concert with the Promoters of the Target Company nor with the Acquirer.

3.1.3 The consent of the members for the aforesaid allotment was accorded by passing a Special Resolution at the Extra-Ordinary General meeting held on August 27, 2007, under Section 81(1A) and other applicable provisions of the Companies Act, 1956. The EGM was held pursuant to resolution passed by the Board of Directors of the Target Company, 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.

3.1.4 The Offer to the Shareholders of the Target Company is being made consequent to the aforesaid Preferential Issue and in accordance with regulation 10 and other applicable provisions of the Regulations. A Share Subscription and Shareholders Agreement ('SSA') dated October 20, 2007 was entered among Subhkam Ventures, the existing promoters of the Target Company and the Target Company.

3.1.5 The salient features of the SSA are as follows:

3.1.5.1 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);

3.1.5.2 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;

3.1.5.3 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;

3.1.5.4 Restrictions on transfer of shares to the competitors by the Acquirer;

3.1.5.5 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;

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

3.1.5.7 The Acquirer is a financial investor and a non-management shareholder;

3.1.5.8 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.

3.1.6 Any further acquisition of shares / voting rights / control of the Target Company, whether direct or indirect, would be governed by the relevant provisions of Regulations.

3.1.7 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.

3.1.8 As on the date of Public Announcement, the Acquirer along with PACs held 54,23,000 equity shares representing

24.26% voting rights in the then paid-up equity capital of the Target Company. The details of the highest and average price at which the equity shares of the Target Company have been acquired by the Acquirer and PACs during the last 12 months prior to the date of PA are as under:

Names	Date of Acquisition	Number of equity shares acquired during the last 12 months	% of issued and paid-up capital*	Highest price paid (Rs.)	Average Price Paid (Rs.)	Status of compliance
Subhkam Securities Private Limited	January 02, 07	17,565	0.11%	90.40	90.40	Not applicable
Subhkam Securities Private. Limited.	January 03, 07	2,435	0.02%	92.90	92.90	Not applicable
Mrs. Arti R Kathotia	March 13, 07	3,000	0.02%	65.05	65.05	Not applicable
Subhkam Ventures (I) Private Limited	October 20, 07	40,00,000	17.90%	84.00	84.00	Complied with regulation 7 of Regulations

*Percentages have been computed based on the issued and paid-up capital as on the date of acquisition.

The Acquirer and PACs have neither acquired nor sold any equity shares other than those mentioned above in the Target Company during the last six months from the date of PA. Further, the Acquirer and PACs have not acquired any equity shares of the Target Company since the date of PA upto the date of this Letter of Offer.

3.1.9 SEBI Order and SAT Order

Manger to the Offer pursuant to regulation 18(1) of the Regulations, vide its letter dated November 2, 2007 filed the Draft Letter of Offer with SEBI. In terms of regulation 18(2) of the Regulations, SEBI, vide its letter dated April 28, 2008 conveyed its observations. SEBI, besides giving general observations, directed to make an Offer under regulation 10 and regulation 12 (change in control) instead of regulation 10 (mandatory offer) of the Regulations and revise the Letter of Offer accordingly.

Being aggrieved by SEBI's direction, the Acquirer filed an appeal with Securities Appellant Tribunal (the "SAT") and the same was allowed. Securities Appellant Tribunal, vide its order dated January 15, 2010 set aside the direction of SEBI to make an offer under regulation 12 (change in control) of the Regulations and held as under:

Quote

"We are clearly of the view that none of the clauses therein taken individually or collectively demonstrates control in the hands of the appellant. In this view of the matter, Regulation 12 does not get triggered and Board was not justified in making the appellant incorporate this regulation in the letter of offer."

Unquote

In terms of Section 15Z of the SEBI Act, 1992, any person aggrieved by any decision or order of the Securities Appellate Tribunal may file an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Securities Appellate Tribunal to him on any question of law arising out of such order.

3.2 Details of the Offer

3.2.1 The Public Announcement dated October 23, 2007 was made in the following newspapers on October 24, 2007 (except for Economic Times in which Public Announcement was published on October 25, 2007) in accordance with regulation 15 of the SEBI Takeover Code. The Corrigendum to Public Announcement dated January 27, 2010 was also made in the same news papers

Newspaper	Language	Edition
Business Standard	English	All Editions
Pratahkal	Hindi	All Editions
Loksatta Jansataa	Gujarati	Vadodara Edition
The Economic Times	English	Mumbai and Kolkata Editions

(The Public Announcement and Corrigendum to Public Announcement are available on the SEBI website: www.sebi.gov.in)

3.2.2 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% under regulation 10 of the Regulations, the Acquirer along with PACs are making this Offer in compliance with regulation 10 of the Takeover Code to acquire upto 45,77,572 fully paid-up equity shares of Rs.10/- each representing 20.06% voting rights of the Target Company, computed in accordance with regulation 21(5) of the Takeover Code, from the remaining eligible equity shareholders of MSK Projects, at the Offer Price payable in cash subject to the terms and conditions mentioned hereinafter.

3.2.3 As on date of this Letter of Offer the paid-up equity share capital of MSK Projects is Rs. 22,82,11,120/- comprising of 2,28,21,112 shares of Rs. 10/- each.

3.2.4 There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity shares at any later date.

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

3.2.6 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.

3.2.7 The Acquirer undertakes to complete the Offer formalities under the Regulations.

3.2.8 No separate consideration has been paid or would be paid by the Acquirer, other than as mentioned in para 3.1.2 above.

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

3.2.10 This is not a Competitive Bid.

3.2.11 The Manager to the Offer does not hold any equity shares in the Target Company, on the date of the Public Announcement and has not acquired any equity shares of the Target Company since the date of PA upto the date of this Letter of Offer.

3.2.12 As on the date of this Letter of Offer 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.

3.3 Object and purpose of the Acquisition / Offer

3.3.1 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 along with PACs is making this Offer to acquire up to 45,77,572 fully paid-up equity shares of Rs.10/- each representing 20.06% voting rights of the Target Company from the remaining equity shareholders of MSK Projects, at the Offer Price payable in cash subject to the terms and conditions mentioned above.

3.3.2 The Acquirer and the Target Company are not in similar line of business operations. Therefore, the position of the Acquirer would not change in terms of market positioning, capacity utilization, etc. 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 main activity of Acquirer is to acquire interests in businesses that have the potential to grow and provide good returns. The investment in the Target Company was made by the Acquirer on the premise that the Target Company has a strong management and there is growth potential, not only in the Business of EPC Contracting and execution of project under BOT in general, but also the Target Company in specific.

3.3.3 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.

4 BACKGROUND OF THE ACQUIRER AND PACs

4.1 Details of the Acquirer – Subhkam Ventures (I) Private Limited (formerly: Subhkam Holding Private Limited)

4.1.1 Subhkam Holding Private Limited was incorporated on July 16, 1993 under the name and style of Subhkam Monetary Services Private Limited. The primary object of Subhkam Holding Private Limited at the time of incorporation was to provide finance and management consultancy to companies. The name was changed to Subhkam Holding Private Limited and the main objects were changed to carry on the business of investment and trading in securities, bonds, debentures, etc. on March 6, 2007.

4.1.2 Subhkam Holding Private Limited, through a scheme of amalgamation under section 391 – 394 of the Companies Act, 1956, sanctioned by the High Court of Judicature at Bombay, merged into Welcome Capitals Private Limited ('Scheme of Amalgamation'). Subsequently, "Welcome Capitals Private Limited" rechristened to "Subhkam Ventures (I) Private Limited" with effect from November 03, 2008. Subhkam Ventures is 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 object of Subhkam Ventures *inter alia*, includes to carry on business of, investment and trading in securities, bonds, debentures, etc. in India or elsewhere. Subhkam Ventures (I) Private Limited belongs to the Group 'Subhkam Ventures' promoted by Mr. Rakesh S Kathotia and Mrs. Arti R Kathotia. Present shareholders of Subhkam Ventures are Revati Realty Private Limited, Mr. Arun S Agarwal (as a Nominee of Revati Realty Pvt. Ltd.) and Mr. Rakesh S Kathotia

4.1.3 The financial details of the Acquirer are as under:

(Rs. lacs)

Profit & Loss Statement	December 31, 2009 (Certified)	March 31, 2009 (Audited)	March 31, 2008 (Audited)	March 31, 2007* (Audited)
Months	9	12	12	12
Income from operations	1,761.67	11,972.11	36,082.20	1880.14
Other Income	59.71	92.61	38.70	22.50
Total Income	**1,821.38**	**12,064.72**	**36,120.90**	**1902.64**
Total Expenditure.	**1,951.22**	**12,010.45**	**36,298.24**	**1,493.49**
Profit \ (Loss) Before Depreciation Interest and Tax	(129.84)	54.27	(177.34)	409.15
Depreciation	5.38	8.30	3.61	2.54
Interest	0.20	28.93	811.05	36.85
Profit \ (Loss) Before Tax	**(135.42)**	**17.04**	**(992.00)**	**369.76**
Provision for Tax	-	0.70	7.71	(14.47)
Profit \ (Loss) After Tax	**(135.42)**	**16.34**	**(999.71)**	**384.23**

Balance Sheet Statement	December 31, 09 (Certified)	March 31, 2009 (Audited)	March 31, 2008 (Audited)	March 31, 2007 (Audited)*
Months	9	12	12	12
Sources of funds				
Paid-up Equity share capital	197.00	197.00	100.00	100.97
Preference Share Capital	280.86	280.86	280.44	Nil
Reserves and Surplus (excluding revaluation reserves)	15,664.75	15,800.17	11,559.25	3,707.60
Secured loans	NIL	NIL	NIL	NIL
Unsecured loans	1,781.35	2,306.30	8,508.91	1,166.78
Deferred Tax Liability	1.04	1.04	NIL	NIL
Total	**17,925.00**	**18,585.37**	**20,448.60**	**4975.35**
Uses of funds				
Net fixed assets	51.60	56.97	50.56	9.13
Investments	13,946.12	14,530.60	12,991.60	3307.38
Deferred Tax Asset	NIL	NIL	(2.90)	1.90
Net current assets	3,926.66	3,997.18	7,408.57	1656.54
Total miscellaneous expenditure not written off	0.62	0.62	0.77	0.40
Total	**17,925.00**	**18,585.37**	**20,448.60**	**4975.35**

Other Financial Data	December 31, 2009 (Certified)	March 31, 2009 (Audited)	March 31, 2008 (Audited)	March 31, 2007* (Audited)
Months	9	12	12	12
Networth (Rs. Lacs)	15,861.13	15,996.55	11,658.48	3808.17
Dividend (%)	NIL	NIL	NIL	NIL
Earnings Per Share (Rs.)	(6.87)	0.83	(99.97)	38.05
Return on Networth (%)	(0.85)	0.10	(8.57)	10.09
Book Value Per Share (Rs.)	805.13	812.00	1,165.85	377.16

Source:Annual Report for the years 2007-2008, 2008-2009 and certified unaudited accounts for the Nine Months ended December 31, 2009 by the statutory auditors of Subhkam Ventures (I) Private Limited.

* Annual Report for the year 2006-2007 of Subhkam Holding Private Limited.

4.1.4 Reasons for fall / rise in total income and PAT for past three years is as under:

Financial year ended March 31, 2009

Total Income for the financial year ended on 31st March, 2009 is Rs. 12,064.72 Lacs as against Rs. 36,120.90 Lacs for the financial year 2008. Profit after Tax /(Loss) for the financial year ended March 31, 2009 is Rs.16.34 Lacs as against the Profit after Tax /(Loss) for previous financial year ended 31st March, 2008 of Rs. (999.71) Lacs. In the year 2009, the revenue has decreased when compared to previous financial year mainly on account of lower volume in trading in shares and securities on the exchanges in the financial year 2009. The rise in PAT in the year 2009 when compared to PAT of financial year 2008 is mainly due to improved profits by trading in derivative segment.

Financial year ended March 31, 2008

In accordance with the Scheme of Amalgamation, the Accounts of Subhkam Holding Private Limited were merged into the accounts of Subhkam Ventures (I) Private Limited with effect from the Appointed Date i.e. April 1, 2007. Accordingly, the financials for the year ended March 31, 2008 are not comparable with those of the previous financial year ended March 31, 2007.

Financial year ended March 31, 2007

Total Income for the financial year ended on 31st March, 2007 is Rs. 1902.64 Lacs as against Rs. 1640.17 Lacs for the financial year 2006. Profit after Tax /(Loss) for the financial year ended March 31, 2007 is Rs. 384.23 Lacs as against the Profit after Tax /(Loss) for previous financial year ended 31st March, 2006 of Rs. 1396.70 Lacs. In the year 2007, the revenue has increased when compared to previous financial year on account of higher volume in derivative trading in the financial year 2007. The decline in PAT in the year 2007 when compared to PAT of financial year 2006 is due to loss on trading in derivatives.

4.1.5 Details of earlier acquisition and status of compliance under Chapter II of Regulations :

Period / Year	Mode of acquisition	*Shares acquired Number & (%)	*Shares Sold Number & (%)	*Cumulative shares Number & (%)	Status of Compliance
Opening	NIL	NIL	NIL	NIL	
2005-2006 (allotted on 29.08.2005)	Preferential issue	14,00,000 (9.58%)	NIL	14,00,000 (9.58%)	Complied with regulation 7 of Regulations
2007-2008 (allotted on 20.10.2007)	Preferential Issue	40,00,000 (17.90%)	NIL	54,00,000 (24.16%)	Complied with regulation 7 of Regulations

*Percentages have been computed based on the issued and paid-up capital as on the date of acquisition.

The Acquirer has complied with the applicable provisions of Chapter II of the Regulations within the stipulated time.

4.1.6 Significant Accounting Policies

Basis of Accounting

The financial statements are prepared under the historical cost convention and accrual basis.

Revenue Recognitions

Dealing in shares, securities & derivative transactions are accounted for on the basis of broker note.

Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Fixed assets are capitalized at acquisition cost including directly attributable cost of bringing the assets to its working conditions for its intended use.

Depreciation

Depreciation on fixed assets, is provided on pro-rata basis on straight-line method at the rates and on the basis as specified in Schedule XIV to the Companies Act, 1956

Investments

Long Term Investments are stated at cost. Provision for diminution in the value of Long Term Investments is made only if such decline is other than temporary in the opinion of the management. Current investment is valued at lower of cost or market value.

Inventories

Stock in trade in the case of Quoted Scrips / Units of Mutual Fund are valued at Cost

Deferred Taxation

Income - tax expenses comprises current tax and deferred tax charge or credit. The deferred tax assets and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence.

Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realisation.

Equity Index/Stock Futures & Options

Equity Index/Stock Futures

I. Margin Deposits representing margin paid for entering into a contract for equity index/stock future which are released on final settlement / squaring-up of the underlying contract, are disclosed under Loans & Advances.

II. Equity index/stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the “Mark-to Market Margin - Equity Index / Stock futures Accounts” represents the net amount paid or received on the basis of movement in the prices of index/stock futures till the balance sheet date.

III. As on the balance sheet date, profit/loss on open positions in equity index/stock futures is accounted for as follows:

- Credit balance in the “Mark-to-Market Margin - Equity Index/Stock Futures Account”, being the anticipated profit, is ignored and no credit for the same is taken in the profit and loss account.
- Debit balance in the “Mark-to-Market Margin - Equity Index/Stock Futures Account”, being the anticipated loss, is adjusted in the profit & loss account.

IV On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between the settlement/squaring-up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract in “Mark-to-Market Margin - Equity Index/Stock Futures Account” after adjusted of the provision for anticipated losses is recognized in the profit & loss account.

Equity Index/Stock Options

I. Margin Deposits representing margin paid for entering into a contract for equity index/stock future which are released on final settlement / squaring-up of the underlying contracts, are disclosed under Loans & Advances.

II. “Equity Index/Stock Option Premium Account” represents the premium paid or received for buying or selling the options, respectively.

III. As at the balance sheet date, in the case of long positions, provisions is made for those options exceeds the premium prevailing on the balance sheet date, and in case of short positions, for the amount by which the premium prevailing on the balance sheet date exceeds the premium received for those options, and is reflected in “Provision for Loss on Equity Index/ Stock Option Account”.

IV. When the option contracts are squared-up before the expiry of the options, the premium prevailing on that date is recognized in the profit and loss account.

V. On the expiry of the contracts and on excercising the options, the difference between the final settlement price and the strike price is transferred to the profit & loss account.

In both the above cases, the premium paid or received for buying or selling the option, as the case may be, is recognised in the profit and loss account for all squared-up/settled contracts.

Provisions and Contingent Liabilities

Provision are recognized for present obligations of uncertain timing or amount as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation. Where it is not probable that amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow of resources embodying economic benefits is remote Possible obligation, whose existence will only be confirmed by the occurrence or non - occurrence of one or more uncertain events are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

Retirement Benefits

Staff benefits arising on retirement / death comprising Provident Fund, Superannuation and Gratuity Scheme, are not accounted for as the same is not applicable to the Company.

Impairment of Fixed Assets

The carrying amount of tangible fixed assets are reviewed for impairment, if events or change in circumstances indicate that the carrying value of an assets may not be recoverable if there are indicators of impairment , an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of assets exceeds its recoverable amount, impairment loss charged to the profit & loss account.

4.1.7 The experience and qualifications of the Directors of Subhkam Ventures are given below:

Mr. Rakesh S. Kathotia, aged 43 years, residing at 41, Venus Apartments, 87, Cuffe Parade, Mumbai 400 005, is a Director since August 25, 2008. He is a commerce graduate. He is the Founder – Chairman and the guiding force behind Subhkam Ventures group. His experience spans over 23 years in the financial services and capital markets in India. He does not hold any shares in MSK Projects.

Other Directorships: Subhkam Capital Limited, Subhkam Stocks and Shares Private Limited, Subhkam Securities Private Limited, Subhkam Properties Private Limited, Vilars Estates Pvt. Ltd., Flowers Valley Private Limited, Mindtree Trading Co. Pvt. Ltd., Eppixcomm Tech Ltd., Subhkam Capital Ventures Pvt. Ltd., Revati Realty Private Limited and Bonsai Network India Pvt. Ltd.

Mr. Manu Punnoose, aged 38 years, residing at B-202, Safal Pride, Sector – 25, Plot No.1, Nerul, Navi Mumbai – 400 709, is a Director since August 25, 2008. He holds Masters in Business Administration. He has over 16 years of experience in investments in primary and secondary markets. Mr. Manu Punnoose, spearheads the private equity business of Subhkam Ventures group. He holds 5000 equity shares in MSK Projects (India) Limited. Details of shares acquired and status of compliance under Chapter II of Regulations are shown below :

Period / Year	Mode of acquisition	*Shares acquired Number & (%)	*Cumulative shares Number & (%)	Status of Compliance
Opening			-----	-----
2009-till date	Market Purchase	5000 (0.02%)	5000 (0.02%)	Not Applicable

*Percentages have been computed based on in the issued and paid-up capital as on the date of acquisition.

Other Directorships: Subhkam Capital Limited, Milton Securities Limited, Flowers Valley Private Limited, Pathmakers Finance Limited, Subhkam Stocks and Shares Private Limited, Subhkam Capital Ventures Pvt. Ltd., Subhkam Properties Private Limited, Teck Consultancy & Services Pvt. Ltd., Shakti Pumps India Limited and Unicon Financial Intermediaries Pvt. Ltd.

Mr. Vipin Kumar Jain, aged 43 years, residing at 43, Venus Apartments, 87, Cuffe Parade, Mumbai – 400 005, is a Director since August 25, 2008. He is a Chartered Accountant and is a Law Graduate. He is founder of Tax Laws Chamber, a law firm of eminence, and has considerable experience in Corporate Laws including Indirect Taxes. He is currently a practicing lawyer. He does not hold any share in MSK Projects.

Other Directorships: Subhkam Capital Ventures Pvt. Ltd., Viswaat Chemicals Limited, Suyas Holding and Estate Developers Private Limited, Rivertop Properties Private Limited and ANR Properties Private Limited.

4.1.8 There are no mergers / demergers / spin offs involving Subhkam Ventures during the last 3 years except as detailed below :

Subhkam Ventures India Ltd., Subhkam Holding Pvt. Ltd. and Subhkam Capital Investments Pvt. Ltd. were amalgamated with the Subhkam Ventures (then known as Welcome Capitals Private Limited) vide Order dated July 4, 2008 passed by the Hon'ble High Court of Judicature at Bombay.

4.1.9 Details of actions pending at SEBI against Subhkam Ventures :

(a)	Brief Details / Facts	:	Show Cause Notice No. A&E /SD/AB/175124 dated August 31, 2009 issued under rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by adjudicating officer) Rules, 1995 for holding inquiry and adjudication under Section 15I of the SEBI Act, 1992 for imposing penalty u/s. 15(A)(b) of SEBI Act, 1992.
	Nature of Violation / Provisions	:	For alleged violation of regulation 7(1) read with regulation 7 (2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations,1997 for non disclosure of holding of shares of Gujarat Gas Company Ltd. for the alleged reason of crossing of the threshold limit of 5%.
	Present Status	:	1. Reply submitted vide letter dated October 5, 2009 and requested for an opportunity of personal hearing. Pending for disposal. 2. Application for Consent Order made on January 18, 2010. Pending for disposal.
(b)	Brief Details / Facts	:	Show Cause Notice No. IVD / ID-5/ SG/ BS/ 165648/ 2009 dated June 5, 2009 issued under regulation 11 and 12 (a) of SEBI (Prohibition of Fraudulent and unfair trade practices relating to Securities Markets) Regulations, 1995 read with Section 11(4) and 11B of SEBI of Act, 1992.
	Nature of Violation / Provisions	:	For alleged violation of provisions of Regulation 4(b), 11 and 12(a) of SEBI (Prohibition of FUTP relating to Securities Market) Regulations, 1995 read with Regulation 13 of SEBI (Prohibition of FUTP relating to Securities Market) Regulations, 2003 for alleged irregular transactions in the scrip of Gujarat Gas Company Ltd.
	Present Status	:	1. Reply submitted vide letter dated July 20, 2009 and requested for an opportunity of personal hearing. Pending for disposal. 2. Filed an Application for Consent Order on November 25, 2009. Pending for disposal.

For the above-mentioned alleged violations suitable action may be initiated by SEBI at a later stage.

4.2 Information about the PACs –

4.2.1 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 exchange in India. Currently, SSPL is a member of Bombay Stock Exchange Limited. SSPL belongs to the group 'Subhkam Ventures', promoted by Mr. Rakesh S Kathotia and Mrs. Arti R Kathotia.

The financial details of SSPL is as below:

(Rs. lacs)

Profit & Loss Statement	September 30, 2009 (Certified)	March 31, 2009 (Audited)	March 31, 2008 (Audited)	March 31, 2007 (Audited)
Months	6	12	12	12
Total Income	**415.99**	**1,904.65**	**3,082.77**	**4866.09**
Total Expenditure.	591.14	1,996.61	2,905.86	5039.40
Profit Before Depreciation Interest and Tax	(175.15)	(91.96)	176.91	(173.31)
Depreciation	2.99	6.68	4.83	6.09
Interest	0.00	0.04	0.02	0.13
Profit Before Tax	**(178.14)**	**(98.69)**	**172.05**	**(179.53)**
Provision for Tax	-	0.40	80.57	(49.46)
Profit After Tax	**(178.14)**	**(99.08)**	**91.48**	**(130.07)**

Balance Sheet Statement	September 30, 2009 (Certified)	March 31, 2009 (Audited)	March 31, 2008 (Audited)	March 31, 2007 (Audited)
Months	6	12	12	12
Sources of funds				
Paid-up share capital	1,000.00	1,000.00	1,000.00	1000.00
Reserves and Surplus (excluding revaluation reserves)	Nil	Nil	Nil	Nil
Total	**1,000.00**	**1,000.00**	**1,000.00**	**1000.00**
Uses of funds				
Net fixed assets	19.96	22.95	27.58	26.48
Investments	0.01	0.01	0.01	0.10
Net current assets	647.51	822.66	917.11	820.04
Deferred tax assets/ (liability)	42.63	42.63	42.63	49.23
Profit & Loss Account	289.89	111.75	12.67	104.15
Total	**1,000.00**	**1,000.00**	**1,000.00**	**1000.00**

Other Financial Data	September 30, 2009 (Certified)	March 31, 2009 (Audited)	March 31, 2008 (Audited)	March 31,2007 (Audited)
Months	6	12	12	12
Networth	710.11	888.25	987.33	895.85
Dividend (%)	-	-	-	Nil
Earnings Per Share (Rs.)	(1.78)	(0.99)	0.91	(1.30)
Return on Networth (%)	(25.09)	(11.15)	9.27	(14.52)
Book Value Per Share (Rs.)	7.10	8.88	9.87	8.96

Source: Annual Report for the years 2006-2007, 2007-2008, 2008-2009 and certified unaudited accounts for the Six months ended September, 2009 by the statutory auditors of SSPL.

4.2.2 Reasons for fall and rise in income and PAT during last three years:

Financial year ended March 31, 2009

Total Income for the financial year ended on 31st March, 2009 is Rs. 1904.65 Lacs as against Rs. 3082.77 Lacs for the financial year 2008. Profit after tax/(Loss) for the financial year ended March 31, 2009 is Rs.(99.08) Lacs as against the Profit After Tax/(Loss) for previous financial year ended 31st March, 2008 of Rs.91.48 Lacs. In the year 2009, the revenue has decreased as compared to previous financial year mainly on account of lower volume in trading in shares and securities in the financial year 2009. The Company incurred Loss for the Financial year 2009 as compared to the Profit for the previous financial year on account of F & O trading losses.

Financial year ended March 31, 2008

Total Income of the Company for the financial year ended on 31st March, 2008 is Rs. 3082.77 Lacs as against Rs. 4866.09 Lacs for the financial year 2007. Profit After Tax/(Loss) for the financial year ended March 31, 2008 is

Rs. 91.48 Lacs as against the Profit after tax/(Loss) Loss for the previous financial year ended 31st March, 2007 of Rs. (130.07) Lacs. In the year 2008, the revenue has decreased as compared to previous financial year mainly on account of lower volume in trading in shares and securities in the financial year 2008. The increased profits for the year ended March 31, 2008 are on account of increased profitability by trading in the F & O segment and on account of sale of long term investments.

Financial year ended March 31, 2007

Income for the financial year ended on 31st March, 2007 is Rs. 4866.09 Lacs as against Rs. 5455.10 Lacs for the financial year 2006. Profit after tax/(Loss) for the financial year ended March 31, 2007 is Rs. (130.07) Lacs as against the Profit after tax/(Loss) for previous financial year ended 31st March, 2006 of Rs. 886.78 Lacs. The income for the financial year 2006-2007 has marginally decreased as compared to previous financial year 2005-2006. However, the Company has incurred Loss during the financial year 2006-2007 as compared to Profit of previous financial year 2005-2006 due to loss on trading of shares and loss in trading of Derivatives.

4.2.3 Details of earlier acquisition and status of Compliance under Chapter II of Regulations :

Period / Year	Mode of acquisition/ sale	*Shares acquired Number & (%)	*Shares sold Number & (%)	*Cumulative shares Number & (%)	Status Compliance
Opening	NIL	NIL	NIL	NIL	
2004-2005	Market Purchase and Market Sale	13,486 (0.15%)	13,486 (0.15%)	NIL	Not Applicable
2005-2006	Market Purchase and Market Sale	5,000 (0.15%)	5,000 (0.15%)	NIL	Not Applicable
2006-2007	Market Purchase	20,000 (0.12%)	NIL	20,000 (0.12%)	Not Applicable

*Percentages have been computed based on in the issued and paid-up capital as on the date of acquisition.

4.2.4 Significant Accounting Policies:

Basis of Accounting

The accounts are prepared on historical cost convention basis generally following accrual system of accounting, as adopted consistently by the company.

Revenue Recognition

Income and expenses considered receivable and payable are accounted for on accrual basis when no significant uncertainties as to its realisation or determination exists.

Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation

Bombay stock exchange card is considered as an intangible asset as per accounting standard 26 issued by institute of chartered accountants of India.

Depreciation

Depreciation has been provided on pro rata basis using written down value method at the rates specified in schedule XIV to the Companies Act, 1956.

Bombay stock exchange card being an intangible asset is amortised @ 25% over a period of 10 years on written down value method.

Stock In Trade

Stock in trade is valued at cost.

Equity Index /Stock Futures:

(i) Initial margin - equity index / stock futures, representing the initial margin paid, and margin deposits representing additional margin paid over and above the initial margin, for entering into a contract for equity index / stock futures which are released on final settlement / squaring- up of the underlying contract , are disclosed under loans and advances.

(ii) Equity index/ stock futures are marked to market on daily basis .debit or credit balance disclosed under loans and advances or current liabilities, respectively in the mark-to-market margin equity index / stock futures account, reprints the net amount paid or received on the basis of movement in the prices of index / stock futures till the balance sheet date.

(iii) As on the balance sheet date, profit /loss on the open positions in equity index/ stock futures is accounted for as follows:

a. credit balance in the mark to market margin equity index/ stock futures account, being the anticipated profit , is ignored and no credit for the same in taken in the profit and loss account.

b. debit balance in the mark to market margin equity index/stock futures account, being the anticipated loss, is adjusted in the profit and loss account.

(iv) On final settlement or squaring up of contracts for equity index /stock futures, the profit or loss is calculated as the difference between the settlement / squaring up price and the contract price. Accordingly, debit or credit balance pertaining to the settled/ squared up contract in “mark to market margin equity index / stock future account” after adjustment of the provision for anticipated losses is recognized in the profit and loss account. When more than one contract in respect of the equity index / stock futures contract to which the squared up contract pertains is outstanding at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using the weighted average cost method for calculating the profit / loss on squaring up.

4.2.5 The experience and qualifications of the Directors of Subhkam Securities Private Limited are given below:

Mr. Rakesh S. Kathotia, aged 43 years, residing at 41, Venus Apartments, 87, Cuffe Parade, Mumbai 400 005, is a Director of SSPL since February 20, 1999. He is a commerce graduate. He has an experience of 23 years in the field of capital market. He does not hold any shares in MSK Projects.

Mr. Rakesh S. Kathotia is on the Board of Directors of the following companies:

Subhkam Securities Private Limited, Subhkam Capital Limited, Subhkam Stocks and Shares Private Limited, Subhkam Ventures (I) Private Limited, Subhkam Properties Private Limited, Vilars Estates Pvt. Ltd., Flowers Valley Private Limited, Mindtree Trading Co. Pvt. Ltd., Eppixcomm Tech Ltd., Subhkam Capital Ventures Pvt. Ltd., Revati Realty Private Limited and Bonsai Network India Pvt. Ltd.

Mrs. Arti R Kathotia, aged 38 years, residing at 41, Venus Apartments, 87, Cuffe Parade, Mumbai 400 005, is a Director of Subhkam Securities Private Limited since February 20,1999. She is an Arts graduate and has an experience of 15 years in the Capital Market. She holds 3000 Equity Shares in MSK in her individual capacity.

Mrs. Arti R. Kathotia is on the Board of Directors of the following Companies:

Subhkam Properties Private Limited, Vilars Estates Pvt. Ltd., Flowers Valley Private Limited, Milton Securities Limited, ANR Properties Private Limited, Revati Reality Private Limited and Subhkam Securities Private Limited.

Mr. Nikhil J Shah, aged 36 years, residing at 6/8, Anantwadi, 34 Nagarniwas, Kaluadavi, Mumbai – 400002 is a Director of Subhkam Securities Private Limited since July 26, 2000. He is a commerce graduate and has an experience of over 15 years in the Capital Market.

None of the Directors or their representatives is on the Board of Directors of the Target Company.

4.2.6 There are no mergers / demergers / spin offs involving SSPL during the last 3 years.

4.2.7 Details of actions pending at SEBI against SSPL :

(a)	Brief Details / Facts	:	Show Cause Notice vide its letter No. A&E /SD/AB/175122/2009 dated August 31, 2009 issued under rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by adjudicating officer) Rules,1995 for holding inquiry and adjudication under Section 15I of the SEBI Act, 1992 for imposing penalty u/s. 15(A)(b) of SEBI Act, 1992.
	Nature of Violation / Provisions	:	For alleged violation under regulation 7(1) read with regulation 7 (2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations,1997 for alleged non disclosure of holding of shares of Gujarat Gas Company Ltd., for the alleged reason of crossing of the threshold limit of 5%.
	Present Status	:	1. Reply submitted vide letter dated October 5, 2009 and requested for an opportunity of personal hearing. Pending for disposal. 2. Application for Consent Order made on January 18, 2010. Pending for disposal.
(b)	Brief Details / Facts	:	Show Cause Notice No. IVD/ID-5/SG/BS/161467/2009 dated April 24, 2009 under regulation 25 and 38 of SEBI (Intermediaries) Regulation, 2008 to show cause why the certificate of registration granted should not be suspended under SEBI (Intermediaries) Regulations, 2008
	Nature of Violation / Provisions	:	For alleged violations of the provisions of the SEBI Act, 1992 and contravening the provisions of Regulation 4(b) of SEBI (Prohibition of FUTP relating to Securities Market) Regulations, 1995 based on alleged investigation report in respect of SSPL alleged extensive dealing in the scrip of Gujarat Gas Company Limited
	Present Status	:	Reply submitted vide letter dated June 8, 2009 and requested for an opportunity for personal hearing. Pending for disposal.
(c)	Brief Details / Facts	:	Show case notice under regulation 28 of the SEBI (Intermediaries) Regulation 2008 vide letter INVD/ID-3/GR/PB /MGL/175063/2009 dated 31.08.2009 issued to show cause as to why penalty, as recommended by Enquiry Officer for suspension of registration for a period of two weeks, should not be imposed
	Nature of Violation / Provisions	:	For alleged violations of regulation 4 (b) & (d) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating the Securities Market) Regulations, 1995 and regulation 7 read with Clause A(1), (2) & (3) of the Code of Conduct for Stock Brokers, specified in Schedule II of the Stock Brokers Regulations, for alleged affairs relating to buying, selling and dealing in the shares of Mascon Global Ltd.
	Present Status	:	Requested for the copy of investigation report, vide letter dated September 10, 2009, as the Enquiry Officer has relied on investigation report for recommending the penalty. Reply is awaited.

For the above-mentioned alleged violations, suitable action may be initiated by SEBI at a later stage.

4.2.8 Mrs. Arti R Kathotia, wife of Mr. Rakesh S Kathotia, aged 38 years is having a degree of Bachelor of Arts. She has an experience of 15 years in the field of capital markets. She holds 3,000 Equity Shares in MSK Projects in her individual capacity. The networth of Mrs. Arti R Kathotia as on December 31, 2009, certified by Mr. Chetan M. Shah (Membership No. 47178) partner of M/s. Mehta Chokshi & Shah, Chartered Accountants, Mumbai, Tel: 022 2205 7309 Fax: 022 2205 5432 as per certificate dated January 19, 2010, is Rs 1783.54 Lacs.

Since the SEBI (SAST) Regulations came into effect, details of shares acquired by Mrs. Arti R. Kathotia in MSK and status of Compliance under Chapter II of Regulations are shown below. :

Period / Year	Mode of acquisition	*Shares acquired Number & (%)	*Cumulative shares Number & (%)	Status of Compliance
Opening			-----	-----
2006-2007	Market Purchase	3000 (0.02%)	3000 (0.02%)	Not Applicable

*Percentages have been computed based on the issued and paid-up capital as on the date of acquisition.

Mrs. Arti Kathotia is on the Board of Directors of the following Companies:

Subhkam Properties Private Limited; Vilars Estates Pvt. Ltd.; Flowers Valley Private Limited; Milton Securities Limited; ANR Properties Private Limited, Revati Reality Private Limited and Subhkam Securities Private Limited

Neither Mrs. Arti R Kathotia, nor her representative is on the Board of Directors of the Target Company.

4.3 Disclosures in terms of Regulation 16(ix) of the SEBI Takeover Code and Acquirer's future plans for MSK

4.3.1 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 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.

4.3.2 Subhkam Ventures (I) Private Limited being in the business of investment in shares of listed and unlisted companies through primary and secondary market found growth potential and good investment opportunity in MSK Projects (India) Limited hence, made investment in the Target Company.

4.3.3 The Acquirer and PACs has not entered into any Agreement with regard to this open offer / acquisition of Shares.

5 OPTION IN TERMS OF REGULATION 21(2), IF APPLICABLE

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.

6 BACKGROUND OF THE TARGET COMPANY (MSK PROJECTS (INDIA) LIMITED)

MSK Projects (India) Limited was incorporated on December 20, 1994, as a public limited company by conversion of partnership concern under provisions of Chapter IX of Companies Act, 1956. The Target Company has got certificate of Commencement of Business on January 27, 1995. The promoters of the Target Company are engaged in the construction business since 1976. The registered office of the Target Company is situated at 707-708 Sterling Centre, R. C. Dutt Road, Alkapuri, Vadodara 390 005. Tel: 0265 – 2344756, Fax: 0265 – 2341642.

MSK Projects has been undertaking the projects for residential township, industrial projects, infrastructure development projects specially road sector on build-operate and transfer (BOT) basis. MSK Projects is also serving and executing industrial projects for various large scales private as well as public sector companies engaged in the business of petrochemical, fertilizers, pharmaceutical, mining etc.

MSK Projects has also ventured into water distribution projects and other surface transport projects involving construction of public utilities. MSK Projects is presently implementing a project which is arguably the second project in the country involving construction of dedicated water supply infrastructure from a perennial source to medium and large scale Industries in a large Industrial area in Dewas in Madhya Pradesh.

MSK Projects went public in October 2004, when it came out with an IPO, which was fully subscribed. MSK's Shares are listed on BSE, NSE and VSE.

6.1 The share capital structure of MSK Projects as on the date is as follows:

Paid up Equity shares of Target Company	No. of Equity shares / Voting Rights	% of Equity shares / Voting Rights
Fully paid up equity capital	2,28,21,112	100%
Partly paid-up equity capital	Nil	Nil
Total issued and paid up equity capital 2	**,28,21,112**	**100 %**

6.2 Build up of the Capital Structure of MSK

Date of allotment	Issue Price	No of shares issued (of Rs. 10/- each)	% of Shares issued**	Cumulative Number of shares	% of cumulative No. Of Shares **	Mode of allotment	Consideration	Identity of allottees	Status of compliance
20.12.94	10	9,32,886	4.09%	9,32,886	4.09%	Allotted to partners of firm M.S. Khurana under part IX of the Companies Act, 1956	Consideration other than cash	Promoters and Promoter Group	Complied with
01.01.95	10	7,97,060	3.49%	17,29,946	7.58%	Allotted to Shareholders of M.S. Khurana (Eng. Constructions Pvt. Ltd.)	Consideration other than cash	Promoters and Promoter Group	Complied with
01.01.95	10	1,40,165	0.61%	18,70,111	8.19%	Allotted to Shareholders of Emsons Constructions Pvt. Ltd.)	Consideration other than cash	Promoters and Promoter Group	Complied with
01.04.95	10	4,220	0.02%	18,74,331	8.21%	Preferential allotment	Consideration other than cash	Promoters and Promoter Group	Complied with
03.09.96	---	7,20,897	3.16%	25,95,228	11.37%	Bonus Issue (ratio of 5:13)	---	Promoters and Promoter Group	Complied with
03.03.99	---	14,54,645	6.37%	40,49,873	17.75%	Bonus issue (ratio of 14:25)	---	Promoters and Promoter Group	Complied with
31.03.99	10	7,80,000	3.42%	48,29,873	21.16%	Allotted of Shares to M/s. Myraj Consultancy Ltd.	Cash	Promoter Group	Complied with
10.07.00	10	12,35,547	5.41%	60,65,420	26.58%	Bonus issue (ratio of 11.43)	---	Promoters and Promoter Group	Complied with
10.07.00	10	41,400	0.18%	61,06,820	26.76%	Preferential Allotment	Cash	Promoters and Promoter Group	Complied with
27.10.04	40	60,10,958	26.34%	121,17,778	53.10%	Initial Public Offering	Cash	Public	Complied with
29.08.05	70	25,00,000	10.95%	1,46,17,778	64.05%	Preferential issue	Cash	Others; Acquirer and Indian Body corporate	Complied with
29.07.06	84	13,99,566	6.13%	1,60,17,344	70.19%	Conversion of FCCB Series 'A'	Converted at Rs. 45.15 = 1 USD	Others- FII	Complied with

20.10.07	95.91	18,83,015	8.25%	1,79,00,359	78.44%	Conversion of FCCB Series 'B' worth USD 4 Mn.	Converted at Rs. 45.15 = 1 USD	Others – Foreign Body Corporate	Complied with
20. 10.07	84	44,50,000	19.50%	2,23,50,359	97.94%	Preferential issue	Cash	Others; Acquirer and Indian body corporate	Complied with
03.12.07	95.91	4,70,753	2.06%	2,28,21,112	100.00%	Conversion of FCCB Series 'B' worth USD 1 Mn @	Converted at Rs. 45.15 = 1 USD	Others– Foreign Body Corporate	Complied with

**% of shares issued is calculated on the total No. of paid-up equity shares as on the date of this Letter of Offer

@ Subsequent, to the PA date i.e. October 23, 2007, the outstanding Series B FCCB amounting to USD 1 million were converted into equity shares as per the terms of the FCCB offerings (refer clause 6.2 Buildup of Capital Structure).

6.3 There has been no suspension of trading of the equity shares of MSK Projects on BSE, NSE and VSE.

6.4 All the equity shares of MSK Projects are currently listed on BSE, NSE and VSE.

6.5 MSK Projects has following Wholly-Owned Subsidiary Companies as on date:

1. MSK Projects (Himatnagar Bypass) Pvt. Ltd.
2. Super Infrastructure & Toll Bridge Pvt. Ltd.
3. MSK Projects (Kim-Mandvai Corridor) Pvt. Ltd.

6.6 There are no partly paid-up equity shares of the Target Company. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. which are convertible into equity shares at any later date as on the date of this Letter of Offer.

6.7 Chapter II Compliance :

- Except for the disclosures required to be filed under Chapter II of the Regulations for the year 2005 which were not available for verification, the Target Company has complied with the applicable provisions of Chapter II of the Regulations within the stipulated time
- As informed by MSK Projects a disclosure with Stock Exchanges under regulation 8(3) of the Regulations was filed with a delay of 27 days for the year 2005. The Target Company had filed an 'application for consent order' with SEBI on February 9, 2008 for the said delay. The Consent order No. CO/EFD/DRA-II/487/46/2008 dated September 22, 2008 was passed by SEBI. MSK Projects has paid Rs. 50,000/- towards the settlement charges
- Grant Investments Ltd. filed disclosure with stock exchange under regulation 7 of Chapter II of Regulations with delay. Rest all the major shareholders have complied with the provisions of Chapter II of the Regulations within stipulated time. SEBI may initiate action in case of non-compliance.

6.8 MSK has complied with all the listing requirements.

6.9 The Board of Directors of the Target Company as on the date is as under :

Name (Designation)	Date of Birth	Date of appointment	Qualification	Experience
Ashok M. Khurana (Chairman)	23/11/1943	20/12/1994	B.Com	41 years experience in the construction line.
Amit A. Khurana (Managing Director)	29/12/1979	10/8/2001	B.B.A	10 years experience in the field of construction
Manju A. Khurana (Executive Director)	19/09/1950	20/12/1994	Sociology	26 years experience in the field of construction
Mohanan S. Choran (Executive Director)	18/05/1951	20/12/1994	B.Com	22 years of experience in the construction line. Mainly into accounts and finance of the Company
Mayur R. Parikh (Director)	13/11/1959	27/10/2004	B.Com , L.L.B. , F.C.A	He is a practicing Chartered Accountant
Dipti Shah (Director)	14/01/1960	27/10/2004	B.Com ,F.C.S	Fellow member of Institute of Company Secretaries of India
Ashok Gandhi (Director)	04/12/1939	27/10/2004	B.Com, LLB	He is a renowned practicing lawyer.
Sanjay Mehta (Director)	03/02/1966	15/03/2005	B.com , FCA	He is a practicing Chartered Accountant
Nirmal Gangwal (Director)	18/09/1956	30/01/2008	LL.B.(GEN.),FCA,FCS	He has nearly two decades of experience in,Accounting, Taxation, Consultancy, Merchant Banking, Broking, Financial Restructuring, Industrial Revival, Credit Syndication and Business Reorientation.

6.10 The audited financials of MSK Projects for the last three years and certified financials for half year ended on September 30, 2009 are as follows:

(Rs. Lacs)

Profit and Loss statement (For the year ended)	Sept. 30, 2009 (Certified)	March 31,2009 (Audited)	March 31, 2008 (Audited)	March 31,2007 (Audited)
Months	6	12	12	12
Income Statement				
Income from operations	19,128.17	3,6591.76	24,411.85	15,701.06
Other Income	208.42	439.48	299.20	450.94
Change in WIP	(656.63)	814.40	287.08	56.18
Total Income 18	**,679.96 37**	**,845.64 24**	**,998.13 162**	**08.18**
Total Expenditure	**14,981.23**	**31,465.94**	**20,597.21**	**13, 600.82**
PBDIT	3,698.73	6,379.70	4,402.79	2607.36
Depreciation	565.38	1,021.82	377.69	247.26
Interest (incl. Bank Charges)	1,554.46	2,721.42	2,023.94	1164.27
Profit before Tax	**1,578.89 2**	**,636.46 1**	**,999.28 1**	**,195.83**
Extra Ordinary Income	Nil	Nil	40.57	Nil
Prior Yr Income/Expenses	Nil	(102.39)	7.81	Nil
Provision for Tax	270.00	380.00	315.43	190.00
Provision for FBT	Nil	4.20	4.86	2.84
Deferred tax	Nil	(14.77)	12.25	(19.80)
Profit/(Loss) After Tax	**1,308.89**	**2,369.42**	**1,715.13**	**1,022.78**

Balance Sheet as at	Sept. 30, 2009 (Certified)	March 31,2009 (Audited)	March 31, 2008 (Audited)	March 31,2007 (Audited)
Paid up Equity Share Capital	2,282.11	2,282.11	2,282.11	1,601.73
Reserves & Surplus (excl. revaluation Reserves)	26,621.49	25,312.60	23,210.18	16,575.92
Sub Total	**28,903.60**	**27,594.71**	**25,492.29**	**18,177.65**
Secured Loans	22,295.42	23,276.41	17,362.53	13,221.83
Unsecured Loans	362.15	1,300.00	1,300.00	2,297.30
Sub Total	**22,657.57**	**24,576.41**	**18,662.53**	**15,519.13**
Total 5	**1,561.17 52**	**,171.12 44**	**,154.82 33**	**,696.78**
Uses of funds				
Net Fixed Assets	6,301.35	6,723.78	4,068.58	1,664.89
BOT Project Expenses	27,474.51	28,273.80	28,435.00	23,640.49
Investments	6309.24	6,309.23	5,723.23	864.50
Net Current Assets	11,571.96	10,960.20	6,038.67	7,623.44
Deferred Tax (Net)	(95.89)	(95.89)	(110.66)	(98.41)
Miscellaneous expenditure not written off	Nil	Nil	Nil	1.87
Total 5	**1,561.17 52**	**,171.12 44**	**,154.82 33**	**,696.78**

Other Financial Data	Sept. 30, 2009 (Certified)	March 31,2009 (Audited)	March 31, 2008 (Audited)	March 31, 2007 (Audited)
Dividend (%)	Nil	10%	10%	10%
Networth (Rs. Lacs)	28903.60	27,594.71	25,492.29	18,175.78
Earnings per Share (Rs.)	5.74	10.38	7.51	6.57**
Return on Networth (%)	4.53%	8.59%	6.73%	5.63%
Book Value per share (Rs.)	126.65	120.92	111.70	113.48

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

Source: Annual Report of MSK Projects for the years 2006-2007, 2007-2008, 2008-2009 and certified accounts for the half year ended on September 30, 2009 by the statutory auditors of the Target Company.

6.11 Reasons for rise / fall in Income and Profit after Tax during the last three years

Financial year ended March 31, 2009

Total Income for the financial year ended on 31st March, 2009 is Rs. 37845.64 Lacs as against Rs. 24998.13 Lacs for the financial year ended 31st March, 2008. Profit after Tax (PAT) for the financial year ended March 31, 2009 is Rs. 2369.42 Lacs as against Rs. 1715.13 Lacs for previous financial year ended 31st March, 2008. The income has increased in the financial year 2008-2009 as compared to previous financial year 2007-2008 due to gross toll collection of Rs. 1118.73 Lacs from the projects on BOT Basis. The contract receipt has increased by 92 % compared to previous financial year hence the profit has increased for the financial year 2008-2009 as compare to previous financial year 2007-2008.

Financial year ended March 31, 2008

Total Income for the financial year ended on 31st March, 2008 is Rs. 24998.13 Lacs as against Rs. 16208.18 Lacs for the financial year ended 31st March 2007. Profit after Tax (PAT) for the financial year ended March 31, 2008 is Rs. 1715.13 Lacs as against the PAT for previous financial year ended 31st March, 2007 of Rs. 1022.78 Lacs. . The income has increased in the financial year 2007-2008 as compared to previous financial year 2006-2007 due to gross toll collection of Rs. 491.02 Lacs from the projects on BOT Basis. The rise in income is mainly attributable to increase in contract receipt by 143 %. Rise in profit is mainly due to reduction in the material cost as well as reduction in site cost and other cost compared to previous year.

Financial year ended March 31, 2007

Total Income for the financial year ended on 31st March, 2007 is Rs. 16208.18 Lacs as against Rs. 8255.31 Lacs for the financial year ended 31st March, 2006. Profit after Tax (PAT) for the financial year ended March 31, 2007 is Rs. 1022.78 Lacs as against Rs. 780.75 Lacs for previous financial year ended 31st March, 2006. The income has increased in the financial year 2006-2007 as compared to previous financial year 2005-2006 due to gross toll collection of Rs. 1425.36 Lacs from the projects on BOT Basis. The contract receipt has increased by 92 % compared to previous financial year hence the profit has increased for the financial year 2006-2007 as compared to previous financial year 2005-2006.

6.12 MSK is in compliance with the listing agreements entered into with the Stock Exchanges. No investigations, proceedings, or inquiries are pending against MSK by the Securities and Exchange Board of India, any recognized stock exchange, or any other regulatory authority, in relation to the securities of MSK or trading therein or otherwise

6.13 Pre and Post offer shareholding pattern (as on the date of this Letter of Offer) of MSK Projects is as follows :

Sr. No.	Shareholder Category	Shareholding & voting rights prior to the Preferential Allotment		Shares / voting rights acquired through Preferential Allotment		Shareholding & voting after Preferential Allotment		Shareholding/ Voting rights (allotment of equity shares pursuant to conversion of FCCB after PA)		Shareholding/ Voting rights after conversion of FCCB		Shares/ Voting rights to be acquired in the Open offer (Assuming full acceptance)		Shareholding/ Voting rights after acquisition and offer	
		A	%	B	%*	C = A+B	%	D	%	E = C+D		F	%**	G = E+F	%
1)	**Promoter Group**														
	Promoters	4,948,495	27.64	-	-	4,948,495	22.14	-	-	4,948,495	21.68	-	-	4,948,495	21.68
	Total (1)	**4,948,495**	**27.64**	**-**	**-**	**4,948,495**	**22.14**	**-**	**-**	**4,948,495**	**21.68**	**-**	**-**	**4,948,495**	**21.68**
2)	**Acquirer and PACs**														
1	**Acquirer**														
	Subhkam Ventures (I) Pvt. Ltd.	1,400,000	7.82	4,000,000	17.90	5,400,000	24.16	-	-	5,400,000	23.66	4,577,572	20.06	9,977,572	43.72
2	**PACs**														
	Shubhkam Securities Pvt. Ltd.	20,000	0.11	-	-	20,000	0.09	-	-	20,000	0.09	-	-	20,000	0.09
	Arti Kathotia	3,000	0.02	-	-	3,000	0.01	-	-	3,000	0.01	-	-	3,000	0.01
	Total (2)	**1,423,000**	**7.95**	**4,000,000**	**17.90**	**5,423,000**	**24.26**	**-**	**-**	**5,423,000**	**23.76**	**4,577,572**	**20.06**	**10,000,572**	**43.82**
3)	**Public (other than parties to agreement)**							470,753	2.06	12,449,617	54.55	(4,577,572)	(20.06)	7,872,045	34.49
a	Fis/MFs/FIIs/Banks, SFIs	1,884,843	10.53		-	1,884,843	8.43								
b	Others	9,644,021	53.89	450,000	2.01	10,094,021	45.16								
	Total (3)	**11,528,864**	**64.41**	**450,000**	**2.01**	**11,978,864**	**53.60**	**470,753.00**	**2.06**	**12,449,617**	**78.32**	**(4,577,572)**	**(20.06)**	**7,872,045**	**34.49**
	Grand Total (1+2+3)	**17,900,359**	**100.00**	**4,450,000**	**19.91**	**22,350,359**	**100.00**	**470,753**	**2.06**	**22,821,112**	**100.00**	**-**	**-**	**22,821,112**	**100.00**

Notes :

1. Acquirer has not acquired any equity shares in the Target Company after the Public Announcement.
2. Shareholding pattern as on October 20, 2007 is as per the data provided by the Target Company.
3. * Percentage calculated based on the post issue share capital.
4. As on the Specified Date (November 9, 2007) the total number of shareholders of MSK is 8302.

6.14 Since the SEBI (SAST) Regulations came into effect, details of shares acquired / sold by promoter group is given below. The Promoter group has complied with the applicable provisions of Chapter II of the Regulations without any delay:

Period / Year	Mode of acquisition	*Shares acquired Number & (%)	*Shares sold Number & (%)	*Cumulative shares Number & (%)	Compliance
Opening as on 31st October, 2004	-----	-----	-----	48,94,649 (40.39%)	NA
31st October 2004-March 2005	-----	-----	-----	48,94,649 (40.39%)	NA
2005-2006	Off Market Purchase	36,400 (0.25%)	-----	49,31,049 (33. 73%)	NA
2006-2007	Open Market Purchase	17,446 (0.11%)	-----	49,48,495 (30.89%)	NA

*Percentages have been computed based on the issued and paid-up capital as on the date of acquisition

A date wise detail of acquisition of the equity shares of Target Company by the promoters is as follows:

Name of the Promoter	Date of acquisition DD/MM/YYYY	No. of Shares acquired	%	Compliance
Ms. Neelaxi Khurana	14.03.2006	36,400	0.25%	Not Applicable
Mr. Ashok Khurana	05.03.2007	1,000	0.01%	Not Applicable
Mr. Amit Khurana	05.03.2007	2,500	0.02%	Not Applicable
Mr. Ashok Khurana	07.03.2007	4,500	0.03%	Not Applicable
Mr. Ashok Khurana	09.03.2007	1,389	0.01%	Not Applicable
Mr. Ashok Khurana	15.03.2007	4,557	0.03%	Not Applicable
Mr. Ashok Khurana	16.03.2007	3,500	0.02%	Not Applicable
	Total	**53,846**		

*Percentages have been computed based on the issued and paid-up capital as on the date of acquisition.

6.15 The status of Corporate Governance is as follows:

MSK Projects has duly complied with the various requirements of Clause 49 relating to corporate governance under the Listing Agreement with the Stock Exchanges from time to time. No penal action has been initiated by the Stock Exchanges or SEBI against MSK Projects.

6.16 Details of Pending Litigation:

Following are the details of litigation pending by and / or against MSK Projects:

Court cases (civil and criminal) filed by MSK Projects (India) Ltd.

Sr. No.	Party Name	Brief facts	Case Number / Court	Status
1	MSK Projects V/s. Shrinivas Plates & Structures Co. Ltd & others	For recovery of amounts Rs. 8.42 Lacs.	Special Civil Suit No. 35/2003 6th Civil Judge(S.D), Baroda	Pending for hearing.
2	MSK Projects V/s. Shrinivas Plates & Structures Co. Ltd & others	For recovery of amounts Rs. 9.32 Lacs	Special Civil Suit No. 38/2003 6th Civil Judge, SD, Baroda	Date of hearing awaited

3	MSK Projects V/s. Sun Earth Ceramics Ltd & others	For recovery of amounts to Rs.428.46 Lacs	Summary Suit No. 398/2005 6th Civil Judge, SD, Baroda	Date of hearing awaited
4	MSK Projects V/s Savana Ceramics ltd & others	For recovery of amounts money Rs. 709.56 Lacs.	Special Civil Suit No. 17/2004 Civil Court, SD, Bharuch	Hearing in progress
5	MSK Projects V/s. Chem Star	For recovery of amounts Rs.30.60	Special Civil Suit No. 337/2002 6th Civil Judge, SD, Baroda Court	Date of hearing awaited
6	MSK Projects V/s. Vadodara Municipal Corporation (VMC)	For restraining imposing of tax against Vadodara Municipal Corporation.	Case No. 8/2007 & 12/2007 Main Civil Court, SD, Baroda	Pending for reply from opposite party
7	MSK Projects V/s. UP Jal Nigam ltd & others	Suit for restraining invoking of Bank Guarantee of Rs. 14,00,000/-	RCS. No.1151/2009 6th Civil Judge (SD), Baroda	Pending for reply from opposite party
8	MSK Projects V/s. Municipal Corporation Jalandhar	For restraining from removing the commercial advertisement boards.	Jalandhar District Court	Pending for hearing
9	MSK Projects V/s. Director State Transport Jalandhar & others	Appeal for restraining the recovery of amount of House Tax in respect of Jalandhar Bus Terminal	Chandigarh High Court	Date of hearing awaited
10	MSK Projects V/s. Punjab State Electricity Board	Appeal for restraining the recovery of amount of additional bill.	Ludhiana District Court	Date of hearing awaited
11	MSK Projects India Ltd V/s CICON Environment Technologies Ltd	Special Leave to Appeal against the order of the Gujarat High Court (Original Complaint under Sec. 138 of Negotiable Instruments Act) (Cheques amounts Rs. 24.77 Lac & Rs.39.72 Lac)	Special Leave Petition (Criminal) No. 4227/2007 & 4228/2007 Supreme Court New Delhi	Date of hearing awaited
12	MSK Projects V/s. Sun Earth Ceramics ltd & others	Complaints under Sec.138 of Negotiable Instruments Act (Cheques amounts Rs. 150.00 lacs)	Criminal Complaint: 4806/2002 4874/2002 1581/2003 1582/2003 1583/2003 Chief Judicial Magistrate Court, Baroda	Date of hearing awaited

13	MSK Projects V/s. Shrinivas Plates & Structures (SPS) Co. Ltd. & others	Complaint against Sec.138 of Negotiable Instruments Act (Cheque amounts Rs. 5.40 lacs)	Criminal Complaint No. 3799 / 2000 Chief Judicial Magistrate Court, Baroda	Date of hearing awaited
14	M/s. MSK Projects (India) Ltd V/s. State of Madhya Pradesh & others	Appeal for restraining the recovery of the CESS under the Building & other Construction workers' Welfare Cess Act	Assistant Commissioner Labour, Indore Appeal No. 28979/09 Appeal No. 28986/09 Appeal No. 29070/09 Appeal No. 29988/09	Hearing in progress

Cases (Civil & Criminal) filed against MSK Projects (India) Ltd

Sr. No.	Party Name	Brief of the Case	Case Number / Court
1	Amar Builder v/s MSK Projects	Suit for recovery of Money. Disputed amount Rs.50,000/-	Money suit No. No. 923/2003 Baroda Court
2	Vikram Cement v/s MSK Projects & other	Suit for recovery of Money. Disputed amount Rs.93327/-	Money suit No. No. 327/2000 Baroda Court
3	Shivsamarth Engineer v/s MSK Projects & Others	Suit for recovery of Money. Disputed amount Rs.55490	Regular Civil suit No. 77/2005/C Civil Court Junior Division Panji
4	Shivsamarth Engineer v/s MSK Projects & Others	Suit for recovery of Money. Disputed amount aprrx. Rs.1,17,087	Regular Civil suit No. 69/2005/A Civil Court Junior Division Panji
5	Mr. Kantilal Sharma v/s MSK Projects	MSK issued Cheque to party of Rs. 4,38,500/ as collateral security for using its land. Party has filed compliant disputing the nature of payment. from Madhya Pradesh	Criminal Complaint No. 542/2005 Harda Chief Judicial Magistrate Court
6	MSK Projects v/s. Sangeeta Prithiraj Khandekar (Thana)	Appeal against Award of Labour Court, Thane dated 17.02.2009 matter of Workmens' Compensation Application No. 321/B – 81 of 2002. (Compensation awarded Rs.2,99,000)	CAF (Delay Condoned Application) / 3203/2009 CAF (Stay Application) / 3204/2009 FAST (First Appeal) /18320/2009 Workmen Compensation Act Bombay High Court

Court Cases (Motor Vehicle Accident cases) filed against MSK Projects (India) Ltd.

Sr. No.	Party Name	Brief of the Case	Case Number / Court	Status
1	Khumsinh Chenna Bhilala V/s 1. Ratilal Chaudhary 2. MSK Projects 3. United India Insurance Company	Claim for injury in the Accident caused by Company's Vehicle . claim amount Rs. 33,500/-	MACT No. No. 22/2005 Jobat (MP) MACT Court	Hearing Awaited the date
2	Lalit Babula Tandan V/s 1. Narendra 2. MSK Projects 3. ICICI Lombard Motor Insurance Company	Claim for injury in the Accident caused by Company's Vehicle . claim amount of Rs. 2,00,000/-	MACT No. No. 71/2009 Khargon (MP) MACT Court	Reply from Insurance Company & others pending
3	Shishir Parida V/s 1. Deepak Sharma 2. MSK Projects 3. Bajaj Alienz General Insurance Company	Claim for injury in the Accident caused by Company's Vehicle. claim amount of Rs. 5,00,000/-	MACT No. No. 93/2009 Kannaud (Dist. Dewas) (MP) MACT Court	Reply from Insurance Company & others pending

Labour Court Cases against MSK Projects (India) Ltd.

Sr. No.	Case Matter	Place	Status
1	Application No. 01/ERA/04 (Bareli Pipariya Project) is filed against MSK under the provision of Minimum Wages Act 1948	Hausangabad Labour Court (JMFC)	Pending for reply of MSK
2	Application No. 15/06 (Hausangabad & Harda Road Project) is filed against MSK under the provision of Minimum Wages Act 1948	Hausangabad Labour Court (JMFC)	Pending for reply of MSK
3	App. No. 17/06 (Hausangabad & Harda Road Project) is filed against MSK under the provision of Minimum Wages Act 1948	Hausangabad Labour Court (JMFC)	Pending for reply of MSK
4	Application is filed against MSK under the provision of Section 18 & Rules 23, 29(2), 31(A),22(A) of Minimum Wages Act	Chief Judicial Magistrate Court, Dewas	Pending for reply of MSK
5	Application is filed against MSK under the provision of Sec. 13(3), 29(1) of Contract Labour (Reg.) Act	Chief Judicial Magistrate Court , Dewas	Pending for reply of MSK
6	Application is filed against MSK under the provision of Minor Act & Child Labour Act	Chief Judicial Magistrate Court , Dewas	Pending for reply of MSK
7	Application is filed against MSK under the provision of Section 105, Factory Act 1948	Chief Judicial Magistrate Court, Dewas	Pending for reply of MSK
8	App. No. 14/2007 is filed against MSK under the provision of Minimum Wages Act	Labour Officer (Central) Indore	Pending for reply of MSK
9	App. No. 19/2009 filed against MSK under the provision of Minimum Wages Act 1948	Labour Officer (Central) Indore	Pending for reply of MSK

Arbitration Matters:

Sr. No.	Party Name	Claim / Counter-claim	Status
1	M/s. MSK Projects (India) Ltd & M/s. SVC Superchem Ltd	Rs. 805.131 lacs is filed against the SVC Superchem Ltd, in respect of Construction of TA/PTA Plant at Chhata, Mathura Counter claim filed against MSK Rs.141.51 Crores	Matter is pending on Cross Examination of Claimant Witness
2	M/s. MSK Projects (India) Ltd & Shree Sanwaliyaji Mandir Mandal, Mandphiya, Dist. Chittorgarh	Claim for Rs. 259.08 lacs is filed by MSK Counter Claim for Rs. 152.45 Lacs is filed by Shree Sanwaliyaji Mandir Mandal, Mandphiya, Dist. Chittorgarh Matter pertains to Construction of 250 bedded Shree Sanwaliyaji Govt. Hospital at Chitorgarh	Award is awaited
3	M/s. MSK Projects (India) Ltd & State of Punjab, Director State Transport	(i) Prayer for extending the Concession Period & (ii) Claim for amount of Rs. 10,35,000/- for Bill amounts for construction of terminal building and Rs. 7,50,000 for remuneration for services. Matter pertains to construction of Bus Terminal on BOT basis at Jalandhar	Matter on Argument
4	M/s. MSK Projects (India) Ltd & CICON Environment Technologies Ltd	Rs. 336.90 Lacs is claimed by the MSK Matter pertains to Construction of Waste to Energy Project at Bhandewadi, Nagpur	Award is waited.
5	Modern Thread India Ltd v/s MSK Projects (India) Ltd	The Arbitral Tribunal had passed the award for Rs. 47,00,000.00 in favour of MSK. The appeal is filed by the party against the award of the arbitrator	Matter on final hearing in District Court Jaipur

Litigation for Income Tax

Case	AY 2007-08	AY 2006-07	AY 2005-06	AY 2004-05
Petitioner	MSK Projects (I) Ltd	MSK Projects (I) Ltd	ACIT, Cir-4, Baroda	ACIT, Cir-4, Baroda
Respondent	ACIT-Circle-4. Baroda	ACIT-Circle-4. Baroda	MSK Projects (I) Ltd.	MSK Projects (I) Ltd.
Jurisdiction	CIT-(A)-Vadodara	CIT-(A)-Vadodara	ITAT-Ahmedabad	ITAT-Ahmedabad
Brief of the case	Original Order Passed by ACIT-Circle-4, Baroda u/s 143 (3) For Rs. 3467524/-	Original Order Passed by ACIT-Circle-4, Baroda u/s 143 (3) For Rs. 4116317/-	Original Order Passed by ACIT-Circle-4, Baroda u/s 143 (3) For Rs. 1919476/-	Original Order Passed by Dy.CIT-Cen.Cir-1(2), Ahmedabad u/s 143 (3) For Rs. 6481720/-
Present Status	Appeal File with CIT (Appeal) BRD	Appeal File with CIT (Appeal) BRD And hearing on 01.01.2010 At CIT (BRD)	allowed in CIT (Appeal - Ahmedabad) But ACIT Filed Appeal in ITAT, Decision is Pending	allowed in CIT (Appeal - Ahmedabad) But ACIT Filed Appeal in ITAT, Decision is Pending

Case	AY 2003-04	AY 2002-03	AY 2001-02	AY 2000-01	Block Period
Petitioner	MSK Projects (I) Ltd	MSK Projects (I) Ltd	MSK Projects (I) Ltd	MSK Projects (I) Ltd	MSK Projects (I) Ltd
Respondent	ACIT-C.C. 1(2)	ACIT-C.C. 1(2)	ACIT-C.C. 1(2)	ACIT-C.C. 1(2)	ACIT-C.C. 1(2)
Jurisdiction	ITAT-Ahmedabad	ITAT-Ahmedabad	ITAT-Ahmedabad	ITAT-Ahmedabad	ITAT-Ahmedabad
Brief of the case	Original Order Passed by ACIT-Cen.Cir-1(2), Ahmedabad u/s 143 (3) For Rs. 5437267/- & Penalty U/S 271 (C) For Rs. 3344550/-	Original Order Passed by Dy.CIT-Cen.Cir-1(2), Ahmedabad u/s 143 (3) For Rs. 8835971/- & Penalty U/S 271 (C) For Rs. 877700/-	Original Order Passed by ACIT-Cen.Cir-1(2), Ahmedabad u/s 143 (3) For Rs. 101874/- & Penalty U/S 271 (C) For Rs. 503900/-	Original Order Passed by Dy.CIT-Cen.Cir-1(2), Ahmedabad u/s 143 (3) For Rs. 5204767/- & Penalty U/S 271 (C) For Rs. 2421594/-	Original Order Passed by ACIT-Cen.Cir-1(2), Ahmedabad u/s 158(BC) For Rs. 33333781/-
Present Status	Appeal Filed with ITAT and hearing Pending	Allowed by CIT (Appeal)-I but the same filed with ITAT by ACIT-C.C.-1(2), Ahmedabad	u/s 271 (1) (C) Amount of Rs. 503900/- allowed by ITAT, Subject to Produce before A.O. (BRD) and other disallowances U/S 143 (3) has allowed	Partly allowed by ITAT 143 (3), Details submit for 271 (C) to ITAT hearing fixed on 18.02.09 Decision is pending	hearing held on 31.12.2009 Decision is pending

6.17 MSK Infrastructure & Toll Bridge Pvt. Limited, MSK Highways Limited and Alpha Engicon Private Limited, subsidiaries of Target Company involved in BOT projects in Madhya Pradesh were amalgamated with the Target Company vide the Order dated November 2, 2006 passed by the Hon'ble High Court of Gujarat at Ahmedabad.

6.18 Details of the Compliance Officer of MSK Projects:

Bharatsinh C. Parmar
Company Secretary707, Sterling Center,
R.C. Dutt Road,
Alka Puri
Vadodara
Tel.: 0265-2359893 and Fax. 0265-2341642
Email: csmsk@rediffmail.com

6.6 The Major Shareholders of the Target Company has complied with the applicable provisions of Chapter II of the Regulations within the stipulated time except for Grant Investments Ltd. who has filed disclosure with stock exchange under regulation 7 of Chapter II of Regulations with delay. Except from aforesaid disclosure all the major shareholders have complied with the provisions of Chapter II of the Regulations within stipulated time.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The Equity Shares of MSK Projects are currently listed on Bombay Stock Exchange Limited, Mumbai ('BSE'), National Stock Exchange of India Limited, Mumbai ('NSE') and Vadodara Sock Exchange Limited, Vadodara ('VSE').

7.1.2 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	122.48%
VSE	Nil	1,60,17,344	--

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

Based on the above information, the Equity Shares of 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. 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)	NA
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, 2007 where 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*	14.10

** The Target Company is operating in the Industry category ‘Construction’ with an Industry PE of 32 [Source: ‘Capital Market’ for the period September 24, 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 July 30, 2007, 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.

7.1.3 The computation of average price in terms of regulation 20 (4) (c) of the Regulations is as below:

Table 1 The average price for the 26 weeks preceding the date of the Board Meeting (July 29, 2007) where the Preferential Issue was proposed is shown in table below:

Week	From	To	Closing price at NSE		Average Price (Rs.)	Volume Shares
			High (Rs.)	Low (Rs.)		
1	28.01.2007	03.02.2007	93.45	84.95	89.20	3,65,871
2	04.02.2007	10.02.2007	94.75	87.25	91.00	4,38,780
3	11.02.2007	17.02.2007	86.25	79.50	82.88	3,25,221
4	18.02.2007	24.02.2007	89.60	83.05	86.33	2,12,831
5	25.02.2007	03.03.2007	81.40	73.70	77.55	1,38,154
6	04.03.2007	10.03.2007	68.25	64.10	66.18	1,47,647
7	11.03.2007	17.03.2007	65.40	59.15	62.28	2,02,574
8	18.03.2007	24.03.2007	66.90	60.30	63.60	1,99,964
9	25.03.2007	31.03.2007	62.90	60.55	61.73	63,004
10	01.04.2007	07.04.2007	61.35	59.15	60.25	28,392
11	08.04.2007	14.04.2007	70.45	66.00	68.23	2,19,175
12	15.04.2007	21.04.2007	70.40	68.60	69.50	76,831
13	22.04.2007	28.04.2007	74.15	70.30	72.23	2,38,411
14	29.04.2007	05.05.2007	71.05	69.75	70.40	42,688
15	06.05.2007	12.05.2007	68.05	64.80	66.43	86,981
16	13.05.2007	19.05.2007	69.15	66.05	67.60	88,242
17	20.05.2007	26.05.2007	65.65	65.10	65.38	68,376
18	27.05.2007	02.06.2007	65.80	63.80	64.80	99,320
19	03.06.2007	9.06.2007	66.25	61.90	64.08	62,908
20	10.06.2007	16.06.2007	68.10	65.90	67.00	3,55,849
21	17.06.2007	23.06.2007	66.30	64.95	65.63	75,589
22	24.06.2007	30.06.2007	70.80	66.05	68.43	3,34,828
23	01.07.2007	07.07.2007	71.30	67.75	69.53	1,85,573
24	08.07.2007	14.07.2007	75.55	68.10	71.83	3,62,310
25	15.07.2007	21.07.2007	81.00	71.45	76.23	9,52,699
26	22.07.2007	28.07.2007	96.10	80	88.05	20,86,126
	Average				**71.40**	

Table 2 The average of the daily high and low of the price of Equity Shares of MSK Projects during the 2 weeks preceding the date of the Board Meeting (July 29, 2007) where the preferential issue was proposed is shown in the table below:

Day	Date	Closing Price at NSE		Average Price (Rs.)	Volume Shares
		High (Rs.)	Low (Rs.)		
1	16.07.2007	77.75	72.65	75.20	46,369
2	17.07.2007	76.50	72.50	74.50	1,05,709
3	18.07.2007	74.00	70.01	72.05	24,053
4	19.07.2007	77.30	72.00	74.65	1,70,322
5	20.07.2007	89.00	77.90	83.45	6,06,246
6	23.07.2007	84.90	81.00	82.95	3,27,598
7	24.07.2007	83.85	79.00	81.43	1,57,191
8	25.07.2007	85.90	78.10	82.00	2,25,931
9	26.07.2007	93.70	84.50	89.10	7,37,779
10	27.07.2007	100.90	84.55	92.73	6,37,627
	Average			**80.81**	

(Source : NSE Website)

7.1.4 There is no separate non-compete agreement entered between the Acquirer, PACs and the Target Company and any other entity except for non-compete clause in the SSA to protect the interest of the Acquirer as envisaged under regulation 20(8) of the Regulations (refer para 3.1.5). No payment is made by the Acquirer as non-compete fees to any person.

7.1.5 The Offer Price of Rs.84/- per share offered by the Acquirer to the shareholders of MSK Projects 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.

7.1.6 The Acquirer is permitted to revise this Offer upward 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 the PA has appeared and the revised offer price would be paid for all the equity shares tendered anytime during the Offer. If the Acquirer acquires equity shares of MSK Projects after the date of the Public Announcement up to seven working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

7.1.7 To the extent of the Offer Size, all Equity Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirer. The equity shares will be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

7.2 Financial Arrangements

7.2.1 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.

7.2.2 In accordance with Regulation 28 (4) (c) 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 had pledged in favour of the Manager to the Offer, 1,00,000 (One Lac only) fully paid equity shares of Gulf Oil Corporation Limited (‘GOCL’) of face value of Rs. 10/- each having a closing market price of Rs. 1528.65 per equity share as on October 23, 2007 (Source: BSE website). The total value of securities pledged was Rs. 15,28,65,000 (Rupees Fifteen Crores twenty eight lacs sixty five thousand only) as on October 23, 2007, which exceeded the escrow amount stipulated under Regulation 28(2). The Acquirer has also made a cash deposit of Rs.39,00,000/- (Rupees Thirty Nine Lacs 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.

7.2.3 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).

7.2.4 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 Acquirer has:

7.2.4.1 Further deposited a sum of Rs. 4,60,00,000/- (Rupees Four Crores Sixty Lacs only) on December 19, 2008, in the Escrow Account with HDFC Bank Limited.

7.2.4.2 Replaced GOCL shares by pledging 7,50,000 equity shares of Rs. 10/- each of Shakti Pumps India Limited in the "Escrow Account".

7.2.5 Closing market price of Shakti Pumps India Limited was Rs. 116.90 per equity share as on January 25, 2010 (Source: BSE website). The total value of securities pledged is Rs. 8,76,75,000/- (Rupees Eight Crores Seventy Six Lacs Seventy Five Thousand only) as on January 25, 2010.

7.2.6 The aggregate of cash and value of security deposited exceeds the escrow amount stipulated under Regulation 28(2).

7.2.7 The Acquirer has authorised the Manager to the Offer to realise the value of the Escrow Account as required under the SEBI (SAST) Regulations. 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.

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

7.2.9 Mr. Chetan M. Shah(Membership no. 47178) partner of M/s. Mehta Chokshi & Shah Chartered Accountants, Bokadia Mansion, 2nd Floor, 229 Princess Street, Mumbai 400 002, Tel: 022 2205 7309, Fax: 022 2205 5432 , has certified vide certificate dated January 19, 2010 that Subhkam Ventures (I) Private Limited has adequate resources to meet the financial requirements of the Open Offer.

7.2.10 Mr. Chetan M. Shah (Membership no.47178) partner of M/s.Mehta Chokshi & Shah, Chartered Accountants, Bokadia Mansion, 2nd Floor, 229 Princess Street, Mumbai 400 002. Tel: 022 2205 7309, Fax: 022 2205 5432, has certified vide certificates dated January 19, 2010 that SSPL and Mrs. Arti R Kathotia has adequate resources to meet the financial requirements of the Open Offer.

7.2.11 The Acquirer has made firm financial arrangements for the consideration payable as per the Regulations for the acquisition of Equity Shares under the Offer. For this purpose, the Acquirer intends to utilize internal accruals.

7.2.12 The Manager to the Offer 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.

8. TERMS AND CONDITIONS OF OFFER

8.1.1 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.

8.1.2 As of the date of this Letter of Offer, 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 the Offer. The Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of Regulation 27 of the SEBI Takeover Code.

8.1.3 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 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.

8.1.4 Other terms

8.1.4.1 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 only) will be mailed to the shareholders of MSK Projects whose names appear on the register of members of MSK Projects and to the Beneficial Owners of the Equity Shares of MSK Projects whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on November 9, 2007, Friday (the 'Specified Date').

8.1.4.2 All owners of shares, registered or unregistered (except the Parties to the SSA, Acquirer and PACs), are eligible to participate in the Offer, at any time before the closure of the Offer, as per the procedure set out in Part 9 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. The acceptance must be unconditional and should be absolute and unqualified. No indemnity is required from the unregistered owners. No Letter of Offer together with a Form of Acceptance-cum-Acknowledgement will be mailed to the Parties to the SSA, Acquirer and PACs.

8.1.4.3 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) is expected to 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.

8.1.4.4 The Offer is not subject to any minimum level of acceptance.

8.1.4.5 Any Shares of MSK Projects that are the subject matter of litigation or are held in abeyance due to the restriction from Court/ Forum/ ITO attachment etc. wherein the shareholder(s) may be precluded from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected in case directions/orders of the Court/ Forum/ITO etc. permitting transfer of these shares are not received together with the Equity Shares tendered under the Offer.

8.1.4.6 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.1.4.7 Incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected.

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

8.1.4.9 The instructions and provisions contained in the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal constitute an integral part of the terms of this Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders who hold equity shares of MSK Projects 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.

Link Intime India Private Limited at the following address by hand delivery or registered post between 10.00 am and 5.00 pm (Monday to Friday) and on Saturday from 10.00 am to 1.00 pm (excluding public holidays) on or before the closure of the Offer , February 22, 2010 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
Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West) Mumbai - 400 078 Email msk.offer@linkintime.co.in	Mr. Nilesh Chalke	Registered Post / Hand Delivery	022-25960320	022- 25960329

All registered owners can send Form of Acceptance duly completed and signed in accordance with the instructions contained therein to the Registrars to the Offer, Link Intime India Private Limited, at the collection centre mentioned above, on or before the closure of the Offer , i.e. February 22, 2010. The centre will be closed on Sundays and other public holidays.

9.2 Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed:

9.2.1 For Equity Shares held in physical form

Registered Shareholders should enclose

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original share certificate(s).
- Valid share transfer deed / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with MSK Projects and duly witnessed at the appropriate place.
- In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

Unregistered owners should enclose

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original share certificate(s).
- Original broker contract note.
- Valid share transfer deed(s) as received from the market. The details of the buyer should be left blank failing which the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.
- All other requirements for valid transfer will be precondition for acceptance.

9.2.2 For Equity Shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the special depository account.
- In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding Shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

  The Registrar to the Offer, Link Intime India Private 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 Projects in the dematerialised form, will be required to send their Form of Acceptance-cum-Acknowledgement to the Registrars to the Offer 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 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

Form of Acceptance of dematerialised Equity Shares not credited to the above special depository account on or before the closure of Offer is 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 Ltd ('CDSL') has to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the special depository account with NSDL.

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

9.2.3 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to)

- Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney, if any, person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

9.3 The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer. **They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.** The above-mentioned documents can be sent by hand delivery on all days except Sundays and public holidays.

9.4 The minimum marketable lot for the purposes of acceptance, for both physical and demat shares, would be one share.

9.5 In case of 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. 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.

The application should be signed by all the shareholders as per the registration details available with MSK Projects and should be sent to the Registrar to the Offer in an envelope clearly marked 'ISRL – MSK Projects Open Offer Escrow Account'.

Shareholders of MSK Projects, who have sent their Equity Shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to MSK Projects (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.

In case of non-receipt of the Letter of Offer / Form of Acceptance-cum-Acknowledgement / Form of Withdrawal, the eligible shareholders may obtain a copy of the same from the collection centre mentioned above on providing suitable documentary evidence of acquisition of shares of MSK Projects. The Letter of Offer and Form of Acceptance-cum-Acknowledgment will be available on SEBI's website: http://www.sebi.gov.in from the Offer opening date. The eligible shareholders, desirous of participating in the Offer, can download these documents from the SEBI's website and apply on the same.

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

9.7 In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to Acquirer for payment of consideration to shareholders, subject to the Acquirer agreeing to pay interest for the delayed period, as directed by SEBI in terms of Regulation 22(12) of the SEBI Takeover Code.

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 on or before February 17, 2010.

Kindly follow the detailed instructions given below with respect to withdrawal:

- The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer, duly signed by all the registered holders as per their specimen signature recorded with MSK Projects for shareholders in case of physical holdings/ with the Depository in case of electronic holdings so as to reach the Registrar to the Offer at the collection centre mentioned above on or before February 17, 2010. The signature of the beneficial holders on the Form of Withdrawal should be attested by the Depository Participant.
- The withdrawal option can be exercised by submitting the Form of Withdrawal attached to this Letter of Offer, duly completed together with Acknowledgement slip in original / copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

a) In case of physical shares: Name, address, distinctive numbers, folio number and number of shares tendered / withdrawn.

b) In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary Account no., and a photocopy of delivery instructions 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.

- Shareholders who have tendered shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining Equity Shares (i.e. shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with MSK Projects and duly witnessed at the appropriate place.
- The withdrawal of shares will be available only for the share certificates/ shares that have been received by the Registrar to the Offer/ credited to the special depository account.
- The intimation of returned shares to the shareholders will be at the address as per the records of MSK Projects or the Depositories as the case may be.
- In case of partial withdrawal of shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from MSK Projects.
- Partial withdrawal of tendered shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance-cum-Acknowledgement will stand revised to that effect.
- Shareholders holding shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP accounts.

9.8 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.

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. Shares held in demat 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-cum-Acknowledgement

It will be the responsibility of the equity shareholders to ensure that the unaccepted Equity Shares are accepted by their respective Depository Participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP accounts. Shareholders should ensure that their depository accounts are maintained till the offer formalities are completed.

9.9 The payment consideration for shares accepted under the Offer may be made through Electronic Clearing Services (ECS), Direct Credit (DC), RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) at specified centers where clearing houses are managed by the Reserve Bank of India or through warrants/Demand Drafts. Shareholders who opt for receiving consideration through ECS/RTGS/DC/NEFT are requested to give the authorization for ECS/RTGS/DC/NEFT in the Form of Acceptance - cum - Acknowledgment and provide the IFSC code and enclose a photocopy of cheque/ along with the Form of Acceptance.

9.9.1 Direct Credit – Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the FOA.

9.9.2 RTGS – Applicants having a bank account at any of the RBI managed centres and whose payment consideration exceeds Rs. 1 lac, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the IFSC code in the FOA. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.

9.9.3 NEFT (National Electronic Fund Transfer) – Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

9.9.4 For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct credit due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.

9.9.5 In case of payment consideration is rejected through the ECS/Direct credit facility, the registrar would endeavor to dispatch the payment consideration within 3 working days of such rejection.

9.9.6 **The bank account details for ECS/DC/RTGS/NEFT will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the FOA.**

9.9.7 **It is advised that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgment so that same can be incorporated in the demand draft/pay order**

9.9.8 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 or through DC/NEFT/ RTGS/ECS. 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 dematerialized 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 are 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.

9.9.9 It is advised that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgment so that same can be incorporated in the cheque / demand draft/pay order.

9.10 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 Projects, who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned.

9.11 If the number of Equity Shares offered by the shareholders are more than the Offer Size of 45,77,572 shares, then the acquisition from each shareholder will be, in consultation with the Manager to the Offer, as per Regulation 21(6) of the SEBI Takeover Code, on a proportional basis. The Equity Shares of MSK Projects are compulsorily traded in dematerialised form and the minimum marketable lot for the purpose of acceptance, for both physical and demat will be one equity share.

9.12 The Acquirer is 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 February 10, 2010, which are 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 the Public Announcement appeared.

10 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of MSK Projects at the office of the Manager to the Offer, Collins Stewart Inga Private Limited, A – 404, Neelam Centre, Hind Cycle Road, Worli, Mumbai – 400 030 from 10.30 a.m. to 1.00 p.m. on any day except Saturdays, Sundays and public holidays from the date of opening of the Offer until the Offer closes.

a) Copy of Public Announcement dated October 23, 2007 as published in the newspapers.

b) Corrigendum to Public Announcement dated January 27, 2010 as published in the newspapers.

c) Certificate of Incorporation and Memorandum and Articles of Association of Subhkam Ventures (I) Private Limited.

d) Annual Accounts of Subhkam Ventures (I) Private Limited (formerly named as Welcome Capitals Pvt. Ltd.) for the financial year 2007-2008, 2008-2009 and certified unaudited accounts for the nine months ended December 31, 2009 by the statutory auditors.

e) Annual Accounts of Subhkam Holding Private Limited for 2006-07.

f) Certificate dated January 19, 2010 issued by Mr. Chetan M. Shah of M/s. Mehta Chokshi & Shah (Chartered Accountants) certifying that Subhkam Ventures has adequate resources to meet the financial requirements of the Open Offer

g) Certificate of Incorporation and Memorandum and Articles of Association of Subhkam Securities Private Limited.

h) Annual Accounts of Subhkam Securities Private Limited for the financial year ended ,2007, 2008, 2009 and certified unaudited accounts for the six months ended September 30, 2009 by the statutory auditors of SSPL.

i) The Networth certificate of Mrs. Arti R Kathotia dated January 19, 2010 by Mr. Chetan M. Shah, partner of M/s. Mehta Chokshi & Shah (Chartered Accountants)

j) Certificates dated January 19, 2010 issued by Mr. Chetan M. Shah of M/s. Mehta Chokshi & Shah (Chartered Accountants) certifying that SSPL and Mrs. Arti R Kathotia have adequate resources to meet the financial requirements of the Open Offer.

k) Certificate of Incorporation and Memorandum and Articles of Association of MSK Projects.

l) Annual Reports of MSK Projects for the financial years ended 2007, 2008, 2009 and certified unaudited accounts for the half year ended on September 30, 2009 by the statutory auditors of MSK Projects.

m) Notice of Extra-ordinary General Meeting of Shareholders of MSK Projects held on August 27, 2007, to approve by way of a Special Resolution under Section 81(1A) of the Companies Act, 1956.

n) Copy of Board Resolution for issue and allotment of Shares under Preferential Allotment of shares dated October 20, 2007.

o) Valuation certificate dated October 22, 2007, for fair value of Equity Shares of MSK Projects by M/s. Mehta, Chokshi & Shah, Chartered Accountants.

p) Copy of SSA entered amongst Acquirer, Promoters of Target Company and Target Company dated October 20, 2007.

q) Details of Securities pledged with Manager to the Offer. (For both GOCL and Shakti Pumps)

r) Copy of the letter issued by HDFC Bank, confirming deposit of Rs. 4,60,00,000/- and Rs. 39,00,000/-.

s) Stock Holding Corporation of India Limited confirming the opening of special depository account for the purpose of the Offer.

t) Copy of Code of Conduct dated October 20, 2007 between Collins Stewart Inga Private Limited, the Manager to the Offer and the Acquirer.

u) SAT Order dated January 15, 2010.

v) Letter No., CFD/DCR/SG/124152/08 dated April 28, 2008; received from Securities and Exchange Board of India in terms of provisions of Regulation 18(2) of the Regulations.

w) Letter No.; CFD/DCR/TO/SG/147365/08 dated December 15, 2008 issued by SEBI.

11 DECLARATION BY THE ACQUIRER AND PACs

The Acquirer along with PACs and their Directors accept responsibility for the information contained in this Letter of Offer and for their obligations under the SEBI Takeover Code and subsequent amendments made thereto. The Acquirer along with PACs is severally and jointly responsible for fulfillment of their obligations in terms of the SEBI Takeover Code.

For and on behalf of Subhkam Ventures (I) Private Limited
(Formerly: Subhkam Holding Private Limited)

Sd/-

DIRECTOR

Place: MUMBAI
Date: January 28, 2010

Encl:

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Link Intime India Private Limited at the collection center as mentioned in the Letter of Offer. All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

From,

Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	**February 3, 2010 (Wednesday)**
OFFER CLOSES ON	**February 22, 2010 (Monday)**

Name :

Address :

Tel. No. :

Fax No. :

E-mail :

To,

Subhkam Ventures (I) Private Limited
(formerly Subhkam Holding Private Limited)
C/o. Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078

Dear Sir,

Sub. : Open Offer to acquire up to 45,77,572 fully Paid-up Equity Shares of Rs.10/- each, representing 20.06% of Voting Equity Capital of MSK Projects (India) Limited, at a price of Rs. 84/- per fully Paid up Equity Share (Offer Price) payable in cash by Subhkam Ventures (I) Private Limited (formerly Subhkam Holding Private Limited) alongwith Subhkam Securities Private Limited and Mrs. Arti R. Kathotia.

I/We refer to the Letter of Offer dated January 28, 2010 for acquiring the equity shares held by me/us in MSK Projects (India) Limited. I/We, the undersigned have read the Letter of Offer and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

☐ **SHARES IN DEMATERIALIZED FORM**

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

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

I/We have executed an off-market transaction for crediting the shares to the special depository account viz. 'ISRL – MSK Projects Open Offer Escrow Account' via

☐ A delivery instruction from my account with NSDL

☐ An inter-depository delivery instruction from my account with CDSL

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Acknowledgement Slip

Received from Mr. /Ms. ______________________ residing at ______________________

______________________ a Form of Acceptance cum Acknowledgement for ____________

shares along with:

☐ Demat Shares: copy of depository instruction slip from DP ID ____________ Client ID ____________

☐ Physical Shares: ____________ Share certificate(s) ____________ transfer deed(s) under folio number(s) ____________ for accepting the Offer made by the Acquirer.

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

DP Name	Stock Holding Corporation of India Limited
DP ID Number	IN301330
Client ID Number	20136925
ISIN	INE625G01013

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

☐ **SHARES IN PHYSICAL FORM**

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

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of shares
			From	To	
1.					
2.					
3.					
4.					
			Total number of shares		

(In case the space provided is inadequate, please attach a separate sheet with details.)

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

For NRIs/ OCBs/ FIIs/ Foreign Shareholders:

☐ I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

RBI approvals for acquiring shares of MSK Projects (India) Limited hereby tendered in the Offer.

I/We confirm that the equity shares of MSK Projects (India) Limited which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

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

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/ UPC as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

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All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West)
Mumbai - 400 078
Tel.: 91- 022-25960320
Fax.: 91- 022-25960329
Email msk.offer@linkintime.co.in
Contact Person : Mr. Nilesh Chalke

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Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in demat form, the Bank account as obtained from the beneficiary position (download to be provided by the depositories) will be considered and the draft/cheque will be issued with the said Bank particulars, and not any details provided herein.

Shareholders have an option to receive the consideration through ECS/DC/NEFT/ RTGS.

I / we

☐ opt for ECS/DC/NEFT/RTGS

☐ not opt for ECS/DC/ NEFT/RTGS

Following Bank details to be given :

Name of the Bank		Complete address of the Bank with branch:	
Account Number		Account Type : Savings/Current/NRO/ (Others: please specify)	
9 digit MICR code		IFSC Code**	

**only incase of RTGS and NEFT

<u>Provide Photo copy of Cheque along with the above bank details.</u>

Yours faithfully,

Signed and Delivered

	Full Name(s) of the shareholders	**PAN No.**	**Signature**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note : In case of Joint Holder all the share holders must sign

Address of First/Sole Shareholder ______________________________

____

____

Place:

Date:

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

General Instructions

(1) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in **MSK Projects (India) Limited** and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

(2) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(3) **Shareholders of MSK Projects (India) Limited having their beneficiary account in Central Depository Services (India) Limited have to use inter depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.**

(4) **Non-resident shareholders** should enclose copy (ies) of permission received from Reserve Bank of India to acquire shares held by them in MSK Projects (India) Limited.

(5) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed. A copy of Memorandum and Articles of Association of the Company.

(6) Shareholders have an option to receive the consideration through Electric Clearing System (ECS). Payment of consideration shall be made through ECS, where ECS clearing are managed by Reserve Bank of India.

(7) **All the shareholders** should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

(a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

(b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).

(c) No Objection Certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURES FOR ACCEPTANCE AND SETTLEMENT ON PAGE 33 OF THIS LETTER OF OFFER.

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FORM OF WITHDRAWAL

(Please send this Form of Withdrawal with enclosures to Link Intime India Private Limited at the collection center as mentioned in the Letter of Offer. All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

From,

Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	**February 3, 2010 (Wednesday)**
LAST DATE OF WITHDRAWAL	**February 17, 2010 (Wednesday)**
OFFER CLOSES ON	**February 22, 2010 (Monday)**

Name :

Address :

Tel. No. :

Fax No. :

E-mail :

To,

Subhkam Ventures (I) Private Limited
(formerly Subhkam Holding Private Limited)
C/o Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078

Dear Sir,

Sub. : Open Offer to acquire up to 45,77,572 fully Paid-up Equity Shares of Rs.10/- each, representing 20.06 % Voting Equity Capital of MSK Projects (India) Limited, at a price of Rs. 84/- per fully paid up Equity Share (Offer Price) payable in cash by Subhkam Ventures (I) Private Limited (formerly Subhkam Holding Private Limited) along with Subhkam Securities Private Limited and Mrs. Arti R. Kathotia

I/We refer to the Letter of Offer dated January 28, 2010 for acquiring the equity shares held by me/us in MSK Projects (India) Limited. I/We, the undersigned have read the Letter of Offer and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our shares from the Offer and I / we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

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

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. **February 17, 2010 (Wednesday).**

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

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Acknowledgement Slip

Received from Mr. /Ms. ______________________ residing at ______________________

______________________ a Form of Withdrawal for ____________ shares along with a copy of:

☐ Depository instruction slip from DP ID ____________ Client ID ____________

☐ Acknowledgement slip issued when depositing dematerialized shares

☐ Acknowledgement slip issued when depositing physical shares

for withdrawing from the Offer made by the Acquirer

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

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

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

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of shares
			From	To	
1.					
2.					
3.					
4.					
			Total number of shares		

(In case the space provided is inadequate, please attach a separate sheet with details.)

I / We hold the following shares in dematerialized form and had executed an off-market transaction for crediting the shares to the 'ISRL – MSK Projects Open Offer Escrow Account'. Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

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

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

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

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

Yours faithfully,

Signed and Delivered

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All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your reference Folio No/DP ID/Client ID:

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West)
Mumbai - 400 078
Tel.: 91- 022-25960320
Fax.: 91- 022-25960329
Email msk.offer@linkintime.co.in
Contact Person : Mr. Nilesh Chalke

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	Full Name(s) of the shareholders	PAN No.	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note : In case of Joint Holder all the share holders must sign

Address of First/Sole Shareholder ______________________________

____

____

Place:

Date:

PLEASE NOTE THAT THE FORM OF WITHDRAWAL SHOULD NOT BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

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General Instructions

(1) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold shares in the MSK Projects (India) Limited, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

(2) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(3) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(4) **All the shareholders** should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):

   (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

   (b) Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURE FOR ACCEPTANCE AND SETTLEMENT ON PAGE 33 OF THIS LETTER OF OFFER.