LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as Equity Shareholder(s) of Petron Engineering Construction Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case, you have sold your Equity Shares of Petron Engineering Construction Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement (FOA), Form of Withdrawal and Transfer Deed to the purchaser of the Equity Shares or the member of stock exchange through whom the said sale was effected.

KazStroyService Ltd. (formerly known as KazStroyService PLC (hereinafter referred to as the "Acquirer"))
8 Baden Place, Crosby Row London SE 11YW, United Kingdom
Tel.: +44(0)20 7939 8150 Fax: +44 (0)20 7939 8155

&

OGCC KazStroyService, JSC (hereinafter referred to as the "PAC1")
248B Dostyk Ave 050020 Almaty, Republic of Kazakhstan
Tel: +7(327)2584722; Fax: +7(327)2583171;

KazStroyService Holding Ltd., British Virgin Islands (BVI) (hereinafter referred to as the "PAC2")
PO Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands

and

KazStroy Engineering (UK) Ltd. (hereinafter referred to as the "PAC3")
8 Baden Place, Crosby Row, London SE11 YW, United Kingdom
Tel.: +44(0)20 7939 8150 Fax: +44 (0)20 7939 8155

(PAC1, PAC2 and PAC3 hereinafter referred to as the "PACs")

Make a cash offer for a Total Consideration of Rs. 187.67/- (comprising of Offer Price of Rs. 180 and interest of Rs. 7.67) per fully paid up Equity Share to acquire 1,507,680 Equity Shares of Rs. 10/- each representing 20% of the Equity Share Capital outstanding 15 days after the closure of offer

of

Petron Engineering Construction Limited ("Target")
Registered Office: Swastik Chambers, 6th Floor, Sion - Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India. Tel.: +91-22-67973501-6 Fax: +91-022-67973509/10

The Offer is being made by KazStroyService Ltd. (KSS Ltd.) and PACs pursuant to Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.

The Offer is subject to receiving approval from Reserve Bank of India for inclusion of nominees/subsidiaries/associates of the Acquirer under the Foreign Exchange Management Act, 2000, for acquiring Equity Shares under the Open Offer by a foreign acquirer. The Acquirer has already obtained approval from Foreign Investment Promotion Board (FIPB) vide letter dated September 5, 2007 and April 28, 2008 and Reserve Bank of India vide letter December 6, 2007. However, the approval given by Reserve Bank of India doesn't include nominees/subsidiaries/associates of the Acquirer, for which the Acquirer has again requested Reserve Bank of India vide its letter dated April 11, 2008 for inclusion of its nominees/subsidiaries/associates under the Foreign Exchange Management Act, 2000 for acquiring Equity Shares under the Open Offer by a foreign acquirer, which is still awaited. As on the date of this Letter of Offer, there are no other statutory approvals required to implement this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. In case of delay in receipt of any statutory approval(s), Securities and Exchange Board of India (SEBI) has the power to grant extension of time to the Acquirer and PACs for payment of consideration to shareholders of the Target, subject to the Acquirer and PACs agreeing to pay interest to the shareholders of the Target for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to three working days (i.e. July 04, 2008) prior to the date of the closure of the Offer (i.e. July 09, 2008).

The Acquirer is permitted to revise the Offer Price of Equity Shares/ No. of Equity Shares upward any time up to seven working days prior to the date of the closing of the Offer. If there is any upward revision in the Offer Price of Equity Shares/ No. of Equity Shares by the Acquirer till the last date of revision viz. June 30, 2008 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the newspapers mentioned in Clause 3.2.7 of this Letter of Offer and the same revised price would be payable by the Acquirer to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer under the Offer.

This Offer is not conditional on any minimum level of acceptance.

There is no competitive bid.

The Public Announcement, this Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) are available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ENAM Securities Private Limited 801/802, Dalamal Towers, Nariman Point, Mumbai – 400 021 Tel.: +91 - 22 - 6638 1800 Fax: +91 - 22 - 2284 6824 Email: pecl@enam.com Contact Person: Ms. Dipali Dalal	**Intime Spectrum Registry Limited** C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078 Tel: +91-22- 25960320-28 Fax: +91-22- 25960329 Email: pecloffer@intimespectrum.com Contact Person: Ms. Awani Thakkar
OFFER OPENS ON: JUNE 20, 2008	**OFFER CLOSES ON: JULY 09, 2008**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

ACTIVITY	ORIGINAL SCHEDULE, DAY / DATE	REVISED SCHEDULE, DAY / DATE
Public Announcement	Friday, June,22, 2007	Friday, June 22, 2007
Specified Date	Monday, June 25, 2007	Monday, June 25, 2007
Last Date for Competitive Bid, if any	Friday, July 13, 2007	Friday, July 13, 2007
Date by which Letter of Offer will be posted to shareholders	Friday, August 03, 2007	Monday, June 16, 2008
Date of Opening of the Offer	Tuesday, August 14, 2007	Friday, June 20, 2008
Last date for revising the Offer Price / No. of equity Shares	Wednesday, August 22, 2007	Monday, June 30, 2008
Last date of withdrawal of tendered application by the shareholders of Petron Engineering Construction Limited	Wednesday, August 29, 2007	Friday, July 04, 2008
Date of Closing of Offer	Monday, September 03, 2007	Wednesday, July 09, 2008
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares / Share Certificate(s) will be dispatched / credited	Tuesday, September 18, 2007	Thursday, July 24, 2008

RISKS IN RELATION TO THE OFFER / TRANSACTION

1. The Offer involves acquiring 20% of fully paid-up equity share capital of Petron Engineering Construction Limited from its shareholders. Where the number of Equity Shares tendered by the shareholders are more than the Equity Shares agreed to be acquired by the Acquirer and PACs, the Acquirer and PACs shall accept the Equity Shares received from the shareholders on a proportionate basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. As the Equity Shares are traded in compulsory dematerialized segment, the minimum marketable lot for the Equity Shares is 1 (one). Hence, there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. In the event that either
   a. a statutory and regulatory approval is not received in a timely manner,
   b. there is any litigation leading to a stay of the Offer, or
   c. SEBI instructing the Acquirer and PACs not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of Petron Engineering Construction Limited, whose shares will be in the Offer as well as the return of the shares not accepted by the Acquirer and PACs, may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non receipt of approvals was not due to the willful default or negligence or failure to diligently pursue on the part of the Acquirer and PACs, grant an extension for the purpose of completion of the Offer subject to the Acquirer and PACs paying interest to the shareholders, as may be specified by SEBI. Further, shareholders should note that after the last date of withdrawal i.e. Friday, July 04, 2008, the shareholders who have lodged the shares 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.

3. The shares tendered in the Offer will be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. Accordingly, the Acquirer and PACs 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 of Petron Engineering Construction Limited on whether to participate or not to participate in the Offer.

4. The Acquirer through its subsidiary (PAC1) is involved in related business activities in Kazakhstan. Further, some of the main objects of Target and a couple of entities under same management of the Acquirer / PACs are similar in nature. In future, if any of these entities get into the business similar to the Target, there may be conflicts of interest between the Target and the Acquirer and PACs in addressing business opportunities and strategies.

5. The business plans and corporate structure of the Acquirer and PACs are dynamic in nature, which may further change, if required. Therefore, there is no assurance that their will be synergy in business of the Target, Acquirer and PACs or the business plans and corporate structure of either of them will remain same.

6. The transaction is subject to any future uncertainties which are beyond the control of the Acquirer and PACs. .

CONTENTS

LETTER OF OFFER

1.	DEFINITIONS
Acquirer / KSS Ltd.	KazStroyService Limited
Board / Board of Directors	Board of Directors of Petron Engineering Construction Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services Limited
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
DP or Depository Participant	Stock Holding Corporation of India Limited
Eligible Persons	All holders (registered and unregistered) of Equity Shares of the Target anytime before the close of the Offer, except the Acquirer, PACs, Promoters and the Sellers as per the SPAs i.e. Mrs. Shakuntala Ambekar, Mrs. Sadhana Ambekar, Mrs. Rajashree Dokras, Ms. Sujata Ambekar, Mr. Ramesh Shankar Ambekar, Mrs. Rugmini Nair, Mr. M K Nair, Mrs. Usha Shriram and Mr. Pudumana Jayakrishnan Nair.
Escrow Bank	BNP PARIBAS
FEMA	The Foreign Exchange Management Act, 2000
FII(s)	Foreign Institutional Investors registered with SEBI
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement (FOA) accompanying this Letter of Offer
Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
Manager to the Offer or Enam	Enam Securities Private Limited
NRI(s)	Non-Resident Indians
Non-Resident Shareholders	NRIs, OCBs and FIIs holding the Equity Shares of Petron Engineering Construction Limited
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Bodies
Offer or Open Offer	Open Offer to acquire 1,507,680 fully paid-up Equity Shares of Rs. 10/- each of Petron Engineering Construction Limited, representing 20% of the outstanding equity share capital of Petron Engineering Construction Limited, at a price of Rs. 187.76/- (comprising of Offer Price of Rs. 180 and interest of Rs. 7.67) per fully paid up Equity Share, payable in cash
Offer Period	From June 14, 2007 to July 24, 2008
Offer Price	Rs. 180/- per fully paid-up Equity Share of Petron Engineering Construction Limited
Public Announcement or PA	Public Announcement for the Open Offer issued on behalf of the Acquirer on June 22, 2007
PACs	Persons acting in concert i.e. OGCC KazStroyService, JSC; KazStroyService Holding Ltd., British Virgin Islands (BVI) and KazStroy Engineering (UK) Ltd.
RBI	The Reserve Bank of India
Registrar or Registrar to the Offer	Intime Spectrum Registry Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Sellers	Sellers as per the SPAs i.e. Mrs. Shakuntala Ambekar, Mrs. Sadhana Ambekar, Mrs. Rajashree Dokras, Ms. Sujata Ambekar, Mr. Ramesh Shankar Ambekar, Mrs. Rugmini Nair, Mr. M K Nair, Mrs. Usha Shriram and Mr. Pudumana Jayakrishnan Nair.
SPAs `	Share Purchase Agreements dated June 14, 2007
Specified Date	June 25, 2007
Target	Petron Engineering Construction Limited
The Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Total Consideration	Rs. 187.67/- (comprising of Offer Price of Rs. 180 and interest of Rs. 7.67) per fully paid up Equity Share of Petron Engineering Construction 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 PETRON ENGINEERING CONSTRUCTION LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE EQUITY 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 DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, ENAM SECURITIES PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 06, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background to the Offer

3.1.1 KSS Ltd. (formerly known as KazStroyService PLC), the Acquirer, was incorporated on March 30, 2006 in London, United Kingdom as a public limited company under company number 5763326.

3.1.2 The Acquirer has entered into the following three Share Purchase Agreements ("SPAs") with an aggregate value of approx. Rs. 1,278.5 million:

i) Share Purchase Agreement ("SPA1") dated June 14, 2007 with "Sellers 1" (details given in table below), for the acquisition of the entire issued share capital of SRA Finance & Investments Private Limited (SRA) for an amount of Rs. 542.94 million

ii) Share Purchase Agreement ("SPA2") dated June 14, 2007, with 'Sellers 2" (details given in table below) for the acquisition of the entire issued share capital of Amritha Sharanya Leasing & Investments Private Limited (Amritha) for an amount of Rs. 461.18 million.

iii) Share Purchase Agreement ("SPA3") dated June 14, 2007 with "Sellers 3" (details given in table below) for their 20% stake in Petron Investments Private Limited (PIPL) for a value of Rs. 274.38 million.

The above SPAs have resulted in acquisition of 100% of Equity Share Capital of Petron Investments Private Limited (PIPL), and an indirect acquisition of Petron Engineering Construction Limited (the "Target"). The Acquirer has already received approval from Foreign Investment Promotion Board (FIPB) vide letter dated September 5, 2007 and April 28, 2008 and Reserve Bank of India vide letter dated December 6, 2007 under the Foreign Exchange Management Act, 2000, for acquiring Equity Shares under the Open Offer by a foreign acquirer. However, the approval given by Reserve Bank of India doesn't include nominees/subsidiaries/associates of the Acquirer, for which the Acquirer has again requested Reserve Bank of India vide its letter dated April 11, 2008 for inclusion of its nominees/ subsidiaries/associates under the Foreign Exchange Management Act, 2000 for acquiring Equity Shares under the Open Offer by a foreign acquirer, which is still awaited.

3.1.3 Additionally, a No Objection Certificate (NOC) for a change in management control from bankers, from whom the target has taken credit facilities, has been obtained. This NOC was required since there is a change in management control by virtue of the SPAs dated June 14, 2007. The list of bankers who have issued an NOC are as under-

- State Bank of India (Commercial Branch, Chembur)
- Indian Overseas Bank (New Marine Lines Branch)
- ICICI Bank Limited (ICICI Centre, Churchgate)
- Standard Chartered Bank (Fort Branch)
- Canara Bank (Chembur Branch)

Petron Civil Engineering Private Limited, an unlisted company and Petron Engineering Construction Limited, a listed Company, (the "Target"), are 53.17% and 52.22% subsidiary of PIPL respectively. No specific value has been ascribed to the Target in determining the aggregate consideration for the acquisition of the companies mentioned hereinabove.

3.1.4 Details of the 'Sellers' who were the shareholders of SRA, Amritha and PIPL are mentioned hereunder:-

'Sellers 1'

Shareholding in **SRA**:

Name of the Seller	Residential Address	Number of shares held as on the date of PA	% of outstanding Equity share capital held as on the date of SPA in SRA	Number of shares being sold to the Acquirer as per SPA	% of outstanding Equity share capital in SRA being sold to the Acquirer as per the SPA
Mrs. Shakuntala Ambekar	Varun Flat No. 61, 34, Carter Road, Bandra (W), Mumbai 400050 Tel : 26462569 Fax: 67973509 / 10	329,055	45.61%	329,055	45.61%
Mrs. Sadhana Ambekar	Varun Flat No. 61, 34, Carter Road, Bandra (W), Mumbai 400050 Tel : 26462569 Fax: 67973509 / 10	127,425	17.66%	127,425	17.66%
Mrs. Rajashree Dokras	6872, Burnside Drive San Jose, CA 95120, USA Tel: +001- 408-323-1434 Fax: 67973509 / 10	127,425	17.66%	127,425	17.66%
Ms. Sujata Ambekar	Varun Flat No. 61, 34, Carter Road, Bandra (W), Mumbai 400050 Tel : 26462569 Fax: 67973509 / 10	127,425	17.66%	127,425	17.66%
Mr. Ramesh Shankar Ambekar	Varun Flat No. 61, 34, Carter Road, Bandra (W), Mumbai 400050 Tel : 26462569 Fax: 67973509 / 10	10,200	1.41%	10,200	1.41%
Total		**721,530**	**100%**	**721,530**	**100%**

'Sellers 2'

Shareholding in **Amritha**:

Name of the Seller	Address	Number of shares held as on the date of PA	% of outstanding Equity share capital held as on the date of SPA in Amritha	Number of shares being sold to the Acquirer as per SPA	% of outstanding Equity share capital in Amritha being sold to the Acquirer as per the SPA
Mrs. Rugmini Nair	Gokul, Plot No. 474, 13th Road, Chembur, Mumbai 400071 Tel: 25211142 Fax: 67973509	10758	51%	10758	51%
Mr. M K Nair	Gokul, Plot No. 474, 13th Road, Chembur, Mumbai 400071 Tel: 25211142 Fax: 67973509	5274	25%	5274	25%
Mrs. Usha Shriram	Gokul, Plot No. 474, 13th Road, Chembur, Mumbai 400071 Tel: 25211142 Fax: 67973509	5063	24%	5063	24%
Total		**21095**	**100%**	**21095**	**100%**

'Sellers 3'

Shareholding in **PIPL:**

Name of the Seller	Address	Number of shares held as on the date of PA	% of outstanding Equity share capital held as on the date of SPA in PIPL	Number of shares being sold to the Acquirer as per SPA	% of outstanding Equity share capital in PIPL being sold to the Acquirer as per the SPA
Mr. Pudumana Jayakrishnan Nair	Gokul, Plot No. 474, 13th Road, Chembur, Mumbai 400071 Tel: 25211142 Fax: 67973509	7602	10%	7602	10%
Ms. Sujata Ambekar	Varun Flat No. 61, 34, Carter Road, Bandra (W), Mumbai 400050 Tel: 25211142 Fax: 67973509	2534	3.33%	2534	3.33%

Mrs. Sadhana Ambekar	Varun Flat No. 61, 34, Carter Road, Bandra (W), Mumbai 400050 Tel: 25211142 Fax: 67973509	2534	3.33%	2534	3.33%
Mrs. Rajashree Dokras	6872, Burnside Drive, San Jose CA 95120 USA. Tel: 25211142 Fax: 67973509	2534	3.33%	2534	3.33%
Total		**15204**	**20%**	**15204**	**20%**

3.1.5 **The main provisions of SPAs are as follows:**

· **Details of SPA 1, 2 and 3 dated June 14, 2007:-**

(A) The "Sellers 1" (shareholders of SRA as mentioned in 3.1.4 above) together owned 7,21,530 equity shares representing 100% of the paid up equity share capital of SRA Finance & Investments Private Limited, a company registered under the Companies Act, 1956 and having its registered office at Swastik Chambers, 6th floor, Sion-Trombay Road, Chembur, Mumbai 400 071 (the "Company"). The Company is an investment company holding (i) 30,408 equity shares (the "PIPL Shares") representing 40 % of the paid up equity share capital of Petron Investments Private Limited and (ii) 4533 equity shares of Petron Engineering Construction Limited.

(B) The "Sellers 2" (shareholders of Amritha as explained in 3.1.4 above) together owned 21095 equity shares, representing 100% of the paid up equity share capital of Amrita Sharanya Leasing & Investments Limited, a company registered under the Companies Act, 1956 and having its registered office at Swastik Chambers, 6th floor, Sion Trombay Road, Chembur, Mumbai 400 071 (the "Company"). The Company is an investment company holding (i) 30,408 equity shares (the "PIPL Shares") representing 40% of the paid up equity share capital of Petron Investments Private Limited ("PIPL"), a company incorporated under the Companies Act, 1956 and (ii) 4533 equity shares of Petron Engineering Construction Limited.

(C) The "Sellers 3" (individual shareholders of PIPL as mentioned in 3.1.4 above) together owned 15,204 equity shares representing 20% of the paid up share capital of Petron Investments Private Limited.

(D) Contemporaneously with the execution of these SPAs, the SRA Shareholders (Sellers 1) have sold 100% of SRA's paid up equity share capital, the Amritha Shareholders (Sellers 2) have sold 100% of Amritha's paid up equity share capital and the Individual Shareholders of PIPL (Sellers 3) have sold to the Purchaser (KSS Ltd.) 15204 equity shares representing 20% of the paid equity share capital of PIPL.

· **Escrow Arrangement**

Within 2 Business Days of the execution of the Escrow Agreement, the Acquirer shall deposit US dollars equivalent to the Price with the Escrow Agent. Concurrently with the deposit of the Price, the Sellers shall deposit with the Escrow Agent (BNP Paribus)

o Depository Instructions in favour of the Escrow Agent authorising the Escrow Agent to do all acts, deeds and things necessary to effectuate the transfer of the Contracted Shares;

o The resignation at Closing, of each director on the board of directors of the Target Companies, and the auditors of the Target Company as may be notified by the Purchaser (KSS PLC) on the date of execution of the Escrow Agreement.

Where the Contracted Shares have not been dematerialised by 2 Business Days of execution of the Escrow Agreement, and the Sellers are, accordingly, unable to deposit the Depository Instructions as required, the Sellers shall deposit the same promptly upon the dematerialisation of the Contracted Shares.

- **Non Compete Provisions**

  The Sellers agree that for a period of 3 years:

(a) it shall not, in India, by itself or through any other person, or through any related or controlled organization, either directly or indirectly, establish, develop, carry on or assist in carrying on or be engaged, concerned, interested or employed in or provide technical, commercial or professional advice or provide R & D support or marketing support services to any other business, enterprise or venture which is in the business of PECL and/or PCEPL; or

(b) it shall not solicit, canvas or entice away or endeavour to solicit, canvas or entice away any of its employees who are employed in a managerial, supervisory, technical, sales or administrative capacity whether or not such persons would commit a breach of contract by reason of leaving such service.

- **Petron Brand**

  The Sellers have represented that they are not the registered proprietors of the brand *“Petron”* and hereby expressly recognise and acknowledge that the Purchaser intends to apply to have the brand *“Petron”* registered with the appropriate authorities in India.

The Acquirer and PACs have not paid any non-compete fees to the Sellers.

3.1.6 Prior to the execution of the above mentioned SPAs, the Acquirer and the PACs did not hold directly or indirectly any shares of the Target. Post execution of the said SPAs, the Acquirer indirectly holds through PIPL 3,936,327 equity shares representing 52.22% of the fully paid-up equity share capital and 52.21% of the voting rights of the Target and an additional 9,066 equity shares in Target (4533 shares each) through SRA and Amritha aggregating to 3,945,393 shares representing 52.34% of the fully paid up equity share capital and 52.33% of the voting rights of the Target.

3.1.7 The Offer to the shareholders of the Target is being made by the Acquirer and PACs in accordance with regulation 10 and 12 of the Regulations, consequent to the SPAs referred to in Clause 3.1.2 above, on account of indirect acquisition of equity shares and change in control of the Target.

3.1.8 The Acquirer, PACs or the Target have not been prohibited by SEBI from dealing in securities, in terms of directions under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act. Based on the information available in public domain, it is believed that the Sellers have not been prohibited by SEBI from dealing in securities in terms of directions under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.

3.1.9 As per the Regulations, the Acquirer and PACs had deposited in the escrow account one hundred percent of the Total Consideration payable, assuming full acceptance of the Offer, which has given them the option to appoint directors on the Board of the Target after a period of 21 days from the date of the Public Announcement. Accordingly, the Board of the Target was reconstituted on January 10, 2008 and Mr. D.K. De Chaudhuri has been appointed as the representative of the Acquirer and PACs.

3.1.10 Pursuant to the Share Purchase Agreements (SPAs) dated June 14, 2007, between the Acquirer and the Sellers, the shares of SRA, Amritha and PIPL were transferred to the Acquirer, thus giving the acquirer an indirect stake of 52.33% in the Target. The acquisition, when the Draft Letter of Offer was filed with SEBI on July 6, 2007, was to be funded by PAC1.

Since the date of the PA on June 22, 2007 and filing of the Draft Letter of Offer with SEBI on July 6, 2007; certain developments have taken place in the equity share capital structure of the Acquirer and its business plan, which has necessitated restructuring of its operation at holding company level. The Acquirer issued equity shares to two private equity investors aggregating to 7.5% of its equity share capital. The Acquirer also holds shares in various other companies other than the Target. One of the conditions to the issuance of equity shares of 7.5% to the two private equity investors was that they will not be entitled to any pro-rata equity shares in the Target. Thus the two private equity investors would have shares only in assets other than the Target. The reason for the above was due to the fact that at the time of the issuance of shares to the private equity investors, the acquisition of the Target was not completed and hence could not be reflected in the valuation. The Acquirer had also planned an IPO on London Stock Exchange, which could not have been proceeded with due to absence of International Financial Reporting Standards (IFRS) compliant accounts of the Target, non completion of acquisition and non inclusion of Petron Group assets in its valuation with the two private equity investors.

In view of the above a new Company was formed under the name Kazstroy Engineering (UK) Limited for transferring the shares acquired by the Acquirer under the above mentioned SPAs. Accordingly, on March 31, 2008, a Sale and Purchase Agreement was entered into amongst KazStroyService Ltd. (Acquirer), KazStroyService Holding Ltd., BVI (PAC2) and KazStroy Engineering (UK) Ltd. (PAC3) for purchasing the shares of SRA, Amritha and PIPL; which were acquired by the Acquirer pursuant to SPAs signed on June 14, 2007 as mentioned hereinabove.

The key terms and conditions of the above Sale and Purchase Agreement are as under:

- PAC2 is the 92.5% beneficial owner and registered holder of shares in the issued share capital of the Acquirer and the 99.9% beneficial owner and registered holder of shares in the issued share capital of PAC3.
- The Acquirer is the beneficial owner and registered holder of shares (in aggregate, the “Petron Shares”) in the companies set out in Schedule 1 (together, the “Petron Companies”).
- The Acquirer has agreed to transfer, and PAC3 has agreed to acquire, the Petron Shares, and in connection therewith, the PAC3 and PAC2 jointly and severally have agreed to provide an indemnity in relation to *inter alia* the Petron Companies in favour of the Acquirer, in each case upon and subject to the terms and conditions of this Agreement.
- Upon and subject to the terms and conditions of this Agreement, the Acquirer hereby agrees to transfer and the PAC3 agrees to acquire the Petron Shares with all rights and advantages which are at the date of this Agreement or at any time hereafter attached to the Petron Shares (including the right to receive all dividends and distributions declared, made or paid).
- The consideration for the acquisition of the Petron Shares hereunder shall either be:

  (a) left outstanding on loan account; or

  (b) a promissory note issued by the PAC3 in favour of the Acquirer for the Consideration Amount in the form set out in Schedule 2 (the “Promissory Note”) and deliverable to the Acquirer at Completion in accordance with Clause 4 of this Agreement as may be agreed between the Parties.
- To the extent that the Acquirer is obliged under the laws of India to purchase, at any time subsequent to the date hereof, any shares of any subsidiary of any of the Petron Companies, PAC2 undertakes to procure that the PAC3 perform, and the PAC3 undertakes to perform, subject to the provisions of applicable Indian law, such obligations on the Acquirer’s behalf in compliance with all applicable Indian laws.
- Schedule 1: The Petron Companies are as follows:

  1. Amritha Sharanya Leasing and Investments Pvt. Ltd.
  2. SRA Finance & Investments Pvt. Ltd.
  3. Petron Investments Pvt. Ltd.
  4. Petron Civil Engineering Pvt. Ltd.

3.2 THE OFFER

3.2.1 The Acquirer and PACs are making an Offer to the shareholders (other than the parties to the SPAs and Promoters) of Target to acquire upto 15,07,680 fully paid-up Equity Shares of Rs. 10/- each of Target ("Equity Shares"), representing 20% of the outstanding voting equity share capital of the Target, at a price of Rs. 180/- per fully paid-up Equity Share (the "Offer Price") payable in cash in terms of regulation 20 and 21 of the Regulations (the "Offer" or "Open Offer") along with interest calculated @ 10% p.a. from February 20, 2008 till July 24, 2008 i.e. the scheduled date of dispatch of payment consideration to the shareholders, amounting to Rs.7.67 per equity share. Thus the Total Consideration per share will be Rs.187.67 (comprising of Offer Price of Rs.180 and interest of Rs.7.67). The Offer is in accordance with regulation 10 and 12 of the Regulations, consequent to the SPAs referred to in Clause 3.1.2 above, on account of indirect acquisition of equity shares and change in control of the Target. There are no partly paid-up shares of Target. The shares that will be tendered in the Open Offer will be acquired by PAC3 (KazStroy Engineering (UK) Limited).

3.2.2 For the purpose of this Offer, OGCC KazStroyService, JSC, KazStroyService Holding Ltd., BVI and KazStroy Engineering (UK) Ltd. are the PACs ("Persons Acting in Concert") with the Acquirer.

3.2.3 The Offer is not conditional on any minimum level of acceptance.

3.2.4 This is not a Competitive Bid.

3.2.5 As on the date of this Letter of Offer, the Acquirer and PACs does not hold any equity shares of Target other than the equity shares acquired indirectly through the SPAs as mentioned in Clause 3.1.6 above. The Acquirer and PACs have not acquired any equity share of the Target during the 12 months preceding the date of Public Announcement.

3.2.6 Further, the Acquirer and the PACs has not acquired, directly or indirectly, any equity shares of the Target from the date of the PA till the date of this Letter of Offer other than the equity shares as mentioned in Clause 3.1.6 above.

3.2.7 The Public Announcement, as per regulation 15(1) of the Regulations, was made in all editions of the following newspapers:

Newspaper	Language	Editions & Date
Financial Express	English	Mumbai, Bangalore, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, New Delhi, and Pune editions on June 22, 2007 and in Ahmedabad edition on June 23, 2007
Janasatta	Hindi	Delhi & Kolkata (June 22, 2007)
Nav Shakti	Marathi	Mumbai (June 22, 2007)

A copy of the Public Announcement is also available at SEBI's website (www.sebi.gov.in).

If there is any upward revision in the Offer Price of Equity Shares/ No. of Equity Shares by the Acquirer till the last date of revision viz. June 30, 2008 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement of Offer was made and the same revised price would be payable by the Acquirer and PACs to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer and PACs under the Offer.

3.2.8 The Offer is subject to the terms and condition set out herein in this Letter of Offer ("LOO").

3.2.9 There are no partly paid-up shares of the Target.

3.2.10 This Offer is subject to receipt of the statutory approvals mentioned in Clause 9 of this Letter of Offer. In terms of regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

3.2.11 Equity Shares will be acquired by the Acquirer and PACs 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.

3.2.12 As on date of this Letter of Offer, the Manager to the Offer does not hold any shares in the Target.

3.3 OBJECTS OF THE ACQUISITION AND OFFER

3.3.1 This Offer to the shareholders of Target is made pursuant to regulation 10 and 12 of the Regulations consequent to the Acquirer entering into three SPAs as explained in paragraph 3.1.2 above.

3.3.2 The Acquirer through its subsidiary (PAC1) is involved in related business activities in Kazakhstan and believes that it has a lot of synergy with business of the Target. They further believe that they will be able to add value to the business of Target in terms of experience, financial strength and technology.

3.3.3 To the extent required and to optimize the value to all shareholders, the Acquirer and PACs may, subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of the Target. The Board of Directors of Target will take appropriate decisions in these matters. The Acquirer and PACs do not have any plan to dispose off or otherwise encumber any asset of the Target in the next two years except in the ordinary course of business of Target and except to the extent mentioned above. However, the Acquirer and PACs undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of Target except with the prior approval of the shareholders of Target.

4 INFORMATION ON KAZSTROYSERVICE LTD., THE ACQUIRER AND PACs

Information on the Acquirer, KazStroyService Ltd.

4.1 KazStroyService Ltd. was incorporated on March 30, 2006 in London, United Kingdom as a public limited company under company number 5763326. The Acquirer has its registered office at 8 Baden Place, Crosby Row, London, SE1 1YW, United Kingdom. Initially the company was incorporated as KazStroyService PLC, and later on re-registered as a private company with the name KazStroyService Ltd. on March 25, 2008.

4.2 It is a holding company which presently is not involved in any business activity. It has two wholly owned subsidiaries: i) PAC1 and ii) KazStroy Engineering India Private Limited (KEI) incorporated in National Capital Territory of Delhi and Haryana, India on January 19, 2006. Further, post execution of the SPAs mentioned in Clause 3.1.2 above, SRA, Amritha, PIPL, PECL and PCEPL have also become subsidiary of the Acquirer. The Acquirer has also purchased 50% stake in Keppel Kazakhstan LLP on October 15, 2007.

4.3 The Acquirer is a company whose objects amongst others include :

- o To carry on such business or trade as the directors of the Company may from time to time consider can be conveniently or advantageously carried on by the Company in furtherance of it's objects.
- o To invest in, purchase, subscribe for or otherwise acquire and hold and deal with any investments, shares, stock debentures debenture stock bonds or securities of any nature whatsoever of any other company or corporation established constituted or carrying on business in any part of the world
- o To carry on business to buy, take on lease, hire or otherwise acquire movable and immovable property,
- o Lease and hire purchase transactions

4.4 The salient features of the SPAs entered by the Acquirer are mentioned under paragraph 3 hereinabove.

4.5 The issued and paid up share capital of KSS Ltd. is 50,400 equity shares of face value £1 each, which is held by KazStroyService Holding Limited, BVI (91.5%), Mr. Arvind Tiku (0.5%), Mercury Development Group Ltd. (0.5%), ELQ Investors Limited (5.0%) and Credit Suisse (2.5%).

4.6 KazStroyService Holding Limited, BVI is ultimately owned by two individuals i) Mr. Arvind Tiku and

ii) Mr. Timur A. Kulibayev. Mr. Arvind Tiku is a Non Resident Indian National. His other details are mentioned in Clause 4.7 hereunder. Mr. Timur is a Kazakh national. He is 40 years of age. His address is APT -4, 131 Dostyk Avenue Almaty, Kazakhstan.

4.7 Details of the Board of Directors of KazStroyService Ltd., the Acquirer, are as below:

Name	Age	Residential Address	Qualification and Experience
Mr. Arvind Tiku	37 years	329 River Valley Road, #25-02 Singapore	Masters in Mechanical Engineering. He has 14 years of experience and is an entrepreneur and investor with commercial interests in Oil and Gas, Infrastructure, Construction Industries.
Mr. Pankaj Jain	40 years	Dostyk Avenue. 132, Apartment 26, Almaty, Kazakhstan	B.E. (Hons.) in Civil Engineering. He has 16 years of experience in Oil, Gas, Infrastructure and Construction Industries.

As per the Regulations, the Acquirer and PACs had deposited in the escrow account one hundred percent of the Total Consideration payable, assuming full acceptance of the Offer, which has given them the option to appoint directors on the Board of the Target after a period of 21 days from the date of the Public Announcement. Accordingly, the Board of the Target was reconstituted on January 10, 2008 and Mr. D.K. De Chaudhuri has been appointed as the representative of the Acquirer and PACs.

4.8 As confirmed by local Chartered Accountant firm of London, the Acquirer did not trade during the year ended December 31, 2006 and as its only assets and liabilities were in respect of Share Capital, the Company would be regarded as dormant and, therefore, under the provisions of the UK Companies Act would be exempt from audit.

4.9 The Acquirer is an unlisted company. It does not hold 5% or more of the equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India except the Target wherein it has acquired control by virtue of an indirect acquisition post the execution of the above mentioned SPAs. Hence, provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 are not applicable to the Acquirer.

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

4.11 The Acquirer has not promoted any company other than the PAC1 and KazStroy Engineering India Private Limited (KEI). However, on implementation of the above mentioned SPAs, SRA, Amritha, PIPL and its subsidiaries (the Target and Petron Civil Engineering Private Limited) have also become subsidiaries of the Acquirer.

4.12 To the extent required and to optimize the value to all shareholders, the Acquirer and PACs may, subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of Target. The Board of Directors of Target will take appropriate decisions in these matters. The Acquirer and PACs does not have any plan to dispose off or otherwise encumber any asset of the Target in the next two years except in the ordinary course of business of Target and except to the extent mentioned above. However, the Acquirer and PACs undertake that it shall not sell, dispose off or otherwise encumber any substantial assets of Target except with the prior approval of the shareholders of Target.

4.13 As on May 7, 2008, there are no pending litigations, commitments and contingent liabilities of the Acquirer.

4A. INFORMATION ON THE PACs

1. OGCC KazStroyService, JSC (hereinafter referred to as the "PAC1")

PAC1 is a 100% subsidiary of the Acquirer, which is ultimately owned by i) Mr. Arvind Tiku, ii) Mr. Timur A. Kulibayev, iii) ELQ Investors Limited and iv) Credit Suisse. It was incorporated on July 23, 2001 as a limited company under the Company Number 0160535. Its registered office is at 248B Dostyk Ave, 050020 Almaty, Republic of Kazakhstan. Tel: +7(327)2584722. Fax: +7(327)2583171.

PAC1 has been into onshore pipeline construction work. Currently, it is a competitive, technology oriented Engineering, Procurement and Construction (EPC) Company whose objects include among others

a. Service provision and implementation of project feasibility studies for projects in the oil and gas, energy and other industries.

b. Development and implementation of new technologies.

The brief details of the Board of Directors of the PAC1 are as follows:-

Name	Age	Residential Address	Qualification and Experience
Ms. Olga Aristova	34, years	187, Bogenbay Batyr Str, apt 17, Almaty, Kazakhstan.	Graduate of the Kazakh State Academy of Management in International Economic relations and banking She has 14 years of experience in corporate banking and finance
Mr. Pankaj Jain	40 years	Dostyk Avenue. 132, Apartment 26, Almaty, Kazakhstan	B.E. (Hons.) in Civil Engineering. He has 16 years of experience in Oil, Gas, Infrastructure and Construction Industries.
Mr. Karsten Triemer	47 years	Samal-1, 33B, apt. 59, Almaty, Kazakhstan	Graduate in Mechanical Engineering. He has 24 years of experience in Oil, Gas, Infrastructure and Construction Industries

As on the date of this Letter of Offer, none of the directors of the PAC1 are on the Board of Target.

The PAC1 is not a party to the SPAs as mentioned in Clause 3.1.2 above.

The financial highlights of PAC1 are as follows:

Profit & Loss Statement	**Year 2004**		**Year 2005**		**Year 2006**	
	December 31, 2004 (Tenge in Lacs)	December 31, 2004 (Rs. in Lacs)	December 31, 2005 (Tenge in Lacs	December 31, 2005 (Rs in Lacs)	December 31, 2006 (Tenge in Lacs)	December 31, 2006 (Rs in Lacs)
Income from operations	126,167.43	42,275.79	243,042.74	81,886.34	310,469.21	108,297.53
Other Income (Net)	830.10	278.15	1,247.55	420.33	1,099.59	383.56
Total Income	126,997.53	42,553.94	244,290.29	82,306.67	311,568.80	108,681.09
Total Expenditure	114,425.06	38,341.20	221,597.70	74,661.05	257,177.94	89,708.53
Profit Before Depreciation Interest and Tax	12,572.47	4,212.74	22,692.59	7,645.62	54,390.86	18,972.56
Depreciation	5,053.10	1,693.18	6,366.42	2,144.98	10,440.04	3,641.68
Interest Expenses / (Interest Income) (Net)	(1,836.68)	(615.43)	5,228.24	1,761.51	4,950.07	1,726.68
Profit Before Tax	9,356.05	3,135.00	11,097.93	3,739.13	39,000.75	13,604.20
Provision for Tax	3,158.67	1,058.40	3,531.82	1,189.95	13,620.36	4,751.04
Profit After Tax	**6,197.38**	**2,076.60**	**7,566.11**	**2,549.19**	**25,380.39**	**8,853.16**

Balance Sheet Statement	**Year 2004**		**Year 2005**		**Year 2006**	
Sources of funds	Dec 31, 2004 (Tenge in Lacs)	December 31, 2004 (Rs. in Lacs)	December 31, 2005 (Tenge in Lacs	December 31, 2005 (Rs in Lacs)	December 31, 2006 (Tenge in Lacs)	December 31, 2006 (Rs in Lacs)
Paid up share capital	0.78	0.26	485.50	163.58	6,785.50	2,366.91
Reserves and Surplus (excluding revaluation reserves)	9,237.99	3,095.44	16,804.10	5,661.66	42,184.49	14,714.75
Deferred Tax Liability	2,114.56	708.54	1,448.46	488.02	1,387.74	484.07
Networth	11,353.33	3,804.24	18,738.06	6,313.26	50,357.73	17,565.73
Secured loans	20,360.28	6,822.26	12,681.82	4,272.78	22,002.04	7,674.73
Unsecured loans	-	-	-	-	29,648.96	10,342.12
Total	**31,713.61**	**10,626.50**	**31,419.88**	**10,586.04**	**102,008.73**	**35,582.57**
Uses of funds						
Net fixed assets	40,089.38	13,433.03	56,076.87	18,893.51	82,510.79	28,781.32
Investments	-	-	-	-	-	-
Net current assets	(8,375.77)	(2,806.53)	(24,656.99)	(8,307.47)	19,497.94	6,801.25
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total	**31,713.61**	**10,626.50**	**31,419.88**	**10,586.04**	**102,008.73**	**35,582.57**

	Year 2004		**Year 2005**		**Year 2006**	
Other Financial Data	December 31, 2004 (In tenge)	December 31, 2004 (Rs.)	December 31, 2005 (In tenge)	December 31, 2005 (Rs.)	December 31, 2006 (In tenge)	December 31, 2006 (Rs.)
EPS (In tenge and Rs.) $	799661.94	267948.26	1558.42	525.06	374.04	130.47
Return on Networth%	54.59	54.59	40.38	40.38	50.40	50.40
NAV Per Share (In tenge and Rs.)	1464945.81	490869.53	3859.54	1300.36	742.14	258.87

EPS$ = Net Profit after Tax / No. of shares
Return on Networth = Profit after Tax / Net worth
NAV per Share = Net worth / No. of Shares

(Source: Annual reports of the PAC1)

**Official currency of Kazakhstan is Tenge.*
Exchange Rate as on: 31.12.04: 1 Tenge = Re 0.335,
31.12.05: 1 Tenge = Re 0.337,
31.12.06: 1 Tenge = Re 0.349

*@ **Source:** The source of information for converse on of Tenge to USD is Kazakhstan Stock Exchange and from USD to INR is Reuters Dealing Screen*

The financials for the Year 2007 are currently under Audit.

Contingencies and Commitments:

The company leases office space for its offices in different cities in the republic of Kazakhstan. The Company's annual commitments under non -cancelable operating leases as at December 31, 2007 are as follows

	December 31, 2007		December 31, 2006	
	Tenge (in Lacs)	Rs. (in Lacs)	Tenge (in Lacs)	Rs. (in Lacs)
Within one year	1950.05	639.62	1090.42	380.54

31.12.06: 1 Tenge = Re 0.349

31.12.07 1 Tenge = Rev 0.328 (Source: Bloomberg)

Pending litigations as on May 7, 2008

Item	Claimant	Defendant	Subject	Value	Status
1	Matevosyanm farm	ZhaikMunai LLP OGCC KazStroyService, JSC is the third person on the defendant's side.	ZhaikMunai land: claims against KSS on recovery of damage for drive the structural engineering of right-of-way. Matevosyam claims from ZhaikMunai more than 13 min Kzt: 1. 12,138,953 tg – damage; 2. 24,330 tg - expenditure for calculation services; 3. 1,200,000 tg – expenditures for representatives assistance.	13,363,283 KZT	According to the Court's decision dated on 26.03.2008, ZhaikMunai LLP has claimed 13,363,283 KZT.
2	OGCC KazStroyService, JSC	KazAvtobusProm LLP	Recovery of debt in amount 8,313,778tg for non-supply the semi trailer ChMZAP 5742 under the Contract #378 concluded on 24.08.2006	Not Determined	Last hearing was on 11.04.2008. KSS decreased the total claiming sum 8,313,778 KZT to 2,731,800 KZT because of KSS is in need of semi trailer and arranged that the Defendant is obligated to supply it in the short term. The decision No.2-877/08 dated 29.04.2008 of the Court is issued in favor of KSS; the defendant must pay to KSS 5,749,437 KZT.

The PAC1 is an unlisted company having 67,85,500 equity shares with a face value of 100 Tenge each as on December 31, 2007. It does not hold 5% or more of the equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India. Hence, provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 is not applicable to the PAC1.

KazStroyService Infrastructure India Private Limited (referred to as "KSSIIPL") which is a 100% subsidiary of the PAC1 and PAC1 has a 50% stake in JSC PSN KazStroy.

2. KazStroyService Holding Ltd., BVI (hereinafter referred to as the "PAC2")

PAC2 is a 100% subsidiary of KazStroy Infrastructure Ltd. It was incorporated on April 18, 2007 as a limited company under the Company Number 1399690. Its registered office is at PO Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands. The PAC2 is an unlisted company having 1 equity share with a face value of USD 1 each as on December 31, 2007.

KazStroyService Holding Ltd. is an investment company. KazStroyService Limited (formerly known as KazStroyService PLC) is a 91.5% subsidiary and KazStroy Engineering (UK) Limited is a 99.9% subsidiary of PAC2.

The brief details of the Board of Directors of the PAC2 are as follows:-

Name	Age	Residential Address	Qualification and Experience
Mr. Arvind Tiku	37 years	329 River Valley Road, #25-02 Singapore	Masters in Mechanical Engineering. He has 14 years of experience and is an entrepreneur and investor with commercial interests in Oil and Gas, Infrastructure, Construction Industries.
Mr. J.N. Gupta	54 Years	36, Fryent Way, Kingsbury, NW9 9SB, England	B.Tech. and C.F.A with 31 years of experience

As on the date of this Letter of Offer, none of the directors of PAC2 are on the Board of Target. The PAC2 is not a party to the SPAs as mentioned in Clause 3.1.2 above.

Since PAC2 has been incorporated recently, there are no audited financials available currently.

Contingencies and Commitments

There are no pending litigations, commitments and contingent liabilities as on date.

PAC2 does not hold 5% or more of the equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India. Hence, provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 is not applicable to the PAC2.

3. KazStroy Engineering (UK) Limited (hereinafter referred to as the "PAC3")

KazStroy Engineering (UK) Limited is a company in which KazStroyService Holding Ltd., BVI holds 99.9% of the shares. The other shareholder being Mr. Arvind Tiku, who holds 0.1% of the share capital.

PAC3 was incorporated on February 29, 2008 as a private limited company under the Company Number 6518394. Its registered office is at 8 Baden Place, Crosby Row, London SE1 1 YW.

The PAC3 is a company whose objects include among others:

i) To carry on the business as a general commercial company;

ii) To purchase or otherwise acquire all or any part of the business, property and other assets and liabilities of any company, partnership, unincorporated association or person or establish or promote any company

iii) To enter into partnership with or into any joint venture with or any arrangement involving sharing of profits, union of interests, reciprocal concessions or any other form of co-operation with any person or company carrying on or about to carry on or be engaged in any business or transaction which the Company is authorised to carry on, upon any terms and for any consideration

iv) To take or otherwise acquire, hold, sell or otherwise deal with any shares, securities or obligations of any company

v) To purchase, take on lease or in exchange, or otherwise acquire for the purpose of the Company, any real or personal property

The brief details of the Board of Directors of the PAC3 are as follows:-

Name	Age	Residential Address	Qualification and Experience
Mr. Arvind Tiku	37 years	329 River Valley Road, #25-02 Singapore	Masters in Mechanical Engineering. He has 14 years of experience and is an entrepreneur and investor with commercial interests in Oil and Gas, Infrastructure, Construction Industries.
Mr. Pankaj Jain	40 years	Dostyk Avenue. 132, Apartment 26, Almaty, Kazakhstan	B.E. (Hons.) in Civil Engineering. He has 16 years of experience in Oil, Gas, Infrastructure and Construction Industries.

As on the date of this Letter of Offer, none of the directors of the PAC3 are on the Board of Target. The PAC3 is not a party to the SPAs as mentioned in Clause 3.1.2 above. However the shares to be acquired in the Open Offer will be acquired by the PAC3.

Since PAC3 has been incorporated recently, there are no audited financials available currently.

Contingencies and Commitments

There are no pending litigations, commitments and contingent liabilities as on date.

The PAC3 is an unlisted company having 1000 equity shares with a face value of £1.00 each as on 29 Feb 2008. It does not hold 5% or more of the equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India. Hence, provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 is not applicable to PAC3.

4B. INFORMATION ON COMPANIES PROMOTED BY ACQUIRER/PACs

i. KazStroy Engineering India Private Limited (hereinafter referred to as "KEI")

KEI was incorporated on January 19, 2006 as a Private limited company under the company number 09199DL2806PTC145888 in the National Capital Territory of Delhi and Haryana. The registered office of KEI is at 12 Bhagat Singh Marg, New Delhi – 110 001. KEI is a 100% subsidiary of the Acquirer.

KEI is mainly engaged in the business activities of Design Engineering, Procurement and Project Management Services in the areas of Oil & Gas Infrastructure Projects. The financial highlights of KEI are as follows:

For the period ended	March 31, 2007 (Rs. in Lacs)	March 31, 2006 (Rs. in Lacs)
Period	(01 April,06 – 31 Mar, 07)	(19 Jan, 06 – 31 Mar, 06)
Total Income	88.11	Nil
Profit/(loss) After Tax	(129.20)	(1.48)
Equity Share Capital	1.03	1.00
Reserves and Surplus (excluding revaluation reserves & misc. exp. not written off)	290.00	Nil
EPS (in Rs.) $	Nil	Nil
NAV per share (in Rs.)@	1558.35	(4.76)

$ *EPS = Net Profit after Tax / No. of Shares*

@ *NAV per Share = Net worth / No. of Shares*

The financials for the Year 2008 are currently under Audit.

KEI does not hold 5% or more of the equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India. Hence, provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 is not applicable to KEI

KEI is not a sick industrial company.

ii. Keppel Kazakhstan LLP (hereinafter referred to as "KKL")

KKL was formed on March 12, 2003 as a limited liability partnership. The registered office of KKL is at 2nd Floor, 12, Microdistrict 2, Aktau, Mangistau Region, Republic of Kazakhstan. The Acquirer purchased 50% stake in KKL on October 15, 2007.

KKL is engaged mainly in ship & barges and offshore structure construction. The last audited financial highlights of KKL are as follows:

For the period ended	December 31, 2006 (Tenge in Lacs)	December 31, 2006 (Rs. in Lacs)	December 31, 2005 (Tenge in Lacs	December 31, 2005 (Rs in Lacs)	December 31, 2004 (Tenge in Lacs)	December 31, 2004 (Rs in Lacs)
Total Income	238831.18	83352.08	93899.05	31643.98	0.00	0.00
Profit/(loss) After Tax	-6646.75	-2319.71	8979.04	3025.94	0.00	0.00
Private Capital	1436.94	501.49	8083.69	2724.20	-895.36	-299.95
EPS (in Rs.)*	NA	NA	NA	NA	NA	NA
NAV	1436.94	501.49	8083.69	2724.20	-895.36	-299.95

** NA as there are no shares*

@ NAV per Share = Net worth / No. of Shares

The financials for the Year 2007 are currently under Audit.

KKL is not a sick industrial company.

iii. KazStroyService Infrastructure India Private Limited (hereinafter referred to as "KSSIIPL")

KSSIIPL was incorporated on July 19, 2007 as a private limited company under the company number U45400DL2007PTC166048 The registered office of KSSIPL is at 6, Jain Bhavan, 12, Bhagat Singh Marg, New Delhi – 110001. KSSIIPL is a wholly-owned subsidiary of the PAC1.

The principal business of KSSIIPL is to provide Construction Management and Advisory Services and to execute turnkey projects. KSSIIPL is mainly in the business of Erection, Procurement and Construction in the areas of oil and gas pipeline. Since KSSIIPL has been incorporated recently, there are no audited financials available currently.

KSSIIPL is not a sick industrial company.

iv. JSC PSN KazStroy (hereinafter referred to as "JSC PSN")

JSC PSN was incorporated on June 29, 2007 as a joint stock company under the company number 8651-1915-AO. The registered office of JSC PSN is at 8A Temirkl anov St, Atyrau, 060002, Republic of Kazakhstan. PAC1 has 50% shares in JSC PSN.

The Company conducts all works and services pertaining to the Operation & Maintenance of Onshore and Offshore Oil &Gas, Chemical & Petrochemical facilities. The last audited financial highlights of JSC PSN are as follows:

For the period ended	December 31, 2007 (Tenge in Lacs)	December 31, 2007 (Rs. in Lacs)
Total Income	25.96	8.51
Profit/(loss) After Tax	-84.94	-27.86
Equity Share Capital	547.09	179.45
Reserves and Surplus (excluding revaluation reserves & misc. exp. not written off)	-84.94	-27.86
EPS (in Rs.) $	NA	NA
NAV per share (in Rs.) @	NA	NA

$ EPS = Net Profit after Tax / No. of shares

@ NAV per Share = Net worth / No. of Shares

Exchange Rate as on December 31, 2007: 1 Tenge = Re 0.328 (Source: Bloomberg)

JSC PSN is not a sick industrial company.

v. SRA Finance & Investments Private Limited (hereinafter referred to as "SRA")

SRA was incorporated on March 31, 1982, as a private limited company in Mumbai. Its registered office is at Swastik Chambers, 6th Floor, Sion - Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India. Currently, SRA is a 99.999% subsidiary of the Acquirer

SRA is an investment company. The financial highlights of SRA are as follows:

For the period ended	March 31, 2005	March 31, 2006	March 31, 2007
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Total Income	39.37	2.16	9.37
Profit/(loss) After Tax	37.43	1.71	8.48
Equity Share Capital	72.15	72.15	72.15
Reserves and Surplus (excluding revaluation reserves & misc. exp. not written off)	59.63	61.34	61.59
EPS (in Rs.) $	5.19	0.24	1.18
NAV per Share (in Rs.) @	18.26	18.50	18.54

$ *EPS = Net Profit after Tax / No. of shares*

@ *NAV per Share = Net worth / No. of Shares*

The financials for the Year 2008 are currently under Audit.

SRA is not a sick industrial company.

vi. Amritha Sharanya Leasing & Investments Private Limited (hereinafter referred to as "Amritha")

Amritha was incorporated on March 31, 1982 as a limited company in Mumbai. Its registered office is at Swastik Chambers, 6th Floor, Sion - Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India. Currently, Amritha is a 99.98% subsidiary of the Acquirer

Amritha is an investment company. The financial highlights of Amritha are as follows:

For the period ended	March 31, 2005	March 31, 2006	March 31, 2007
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Total Income	30.70	0.10	8.11
Profit/(loss) After Tax	29.33	(.50)	7.43
Equity Share Capital	2.11	2.11	2.11
Reserves and Surplus (excluding revaluation reserves & misc. exp. not written off)	43.15	42.65	50.06
EPS (in Rs.) $	138.99	-	35.23
NAV per Share (in Rs.) @	214.56	212.18	247.32

$ *EPS = Net Profit after Tax / No. of shares*

@ *NAV per Share = Net worth / No. of Shares*

The financials for the Year 2008 are currently under Audit.

Amritha is not a sick industrial company.

vii. Petron Investments Private Limited (hereinafter referred to as "PIPL")

PIPL was incorporated on June 30, 1980 as a private limited company in Mumbai. Its registered office is at Swastik Chambers, 6th Floor, Sion - Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India. Currently, the Acquirer holds 20% stake in PIPL directly and 80% stake indirectly through SRA and Amritha.

PIPL is an investment company. The financial highlights of PIPL are as follows:

For the period ended	March 31, 2005	March 31, 2006	March 31, 2007
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Total Income	103.75	117.12	147.34
Profit/(loss) After Tax	71.10	84.81	101.62
Equity Share Capital	76.02	76.02	76.02
Reserves and Surplus (excluding revaluation reserves & misc. exp. not written off)	347.59	432.40	534.02
EPS (in Rs.) $	93.52	111.56	133.68
NAV per Share (in Rs.) @	557.24	668.80	802.48

$ *EPS = Net Profit after Tax / No. of shares*

@ *NAV per Share = Net worth / No. of Shares*

The financials for the Year 2008 are currently under Audit.

PIPL is not a sick industrial company.

viii. Petron Civil Engineering Private Limited (hereinafter referred to as "PCEPL")

PCEPL was incorporated on December 6, 1980 as a private limited company in Mumbai. Its registered office is at Swastik Chambers, 6th Floor, Sion - Trombay Road, Chembur, Mumbai – 400 071, Maharashtra, India. PCEPL became a Deemed Public Company in terms of the provisions of Section 43A of the Companies Act, 1956. With the omission of Section 43A of the Companies Act, 1956, PCEPL has again become a private limited company with effect from May 28, 2001. Currently, the Acquirer holds 32% directly in PCEPL and 64.85% indirectly through PIPL and SRA.

PCEPL is engaged in the business of undertaking Civil Construction Jobs for Industries in Private & Public Sectors. It constructs Factory buildings, Flyover bridges, Road construction etc. It is also engaged in the business of Rural & Urban water supply system including sewage systems. The financial highlights of PCEPL are as follows:

For the period ended	March 31, 2005	March 31, 2006	March 31, 2007
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Total Income	22609.94	20344.39	18779.64
Profit/(loss) After Tax	4.25	3.91	300.92
Equity Share Capital	599.98	599.98	599.98
Reserves and Surplus (excluding revaluation reserves & misc. exp. not written off)	3051.86	3055.76	3356.69
EPS (in Rs.) $	0.71	0.65	50.16
NAV per Share (in Rs.) @	608.66	609.31	659.47

$ *EPS = Net Profit after Tax / No. of shares*

@ *NAV per Share = Net worth / No. of Shares*

The financials for the Year 2008 are currently under Audit.

PCEPL is not a sick industrial company.

ix. Petron Engineering Construction Limited (hereinafter referred to as the "Target")

The Target is a 52.22% subsidiary of PIPL, whose 100% shareholding is ultimately held by the Acquirer as mentioned above. For more details on the Target please refer to clause 6 below.

5. Option in terms of Regulation 21(3), if applicable-

The Offer will not result in public shareholding being reduced to a level below the limit specified in the Listing agreement with the stock exchange for the purpose of listing on continuous basis

6. INFORMATION ON PETRON ENGINEERING CONSTRUCTION LIMITED, THE TARGET

6.1 The Target was incorporated on July 19, 1976 as a private limited company. It became a public limited company within the meaning of Section 43A(1) of the Companies Act, 1956 with effect from August 30, 1988 and later it converted into a full fledged public limited company on October 31, 1994 and its certificate of incorporation was obtained on January 17, 1995. The company got listed in May 29, 1995. The Target is a subsidiary of Petron Investments Private Limited (PIPL).

6.2 The registered office of the Target is at Swastik Chambers, 6th Floor, Sion – Trombay Road, Chembur, Mumbai – 400 071, India. Tel.: +91-22- 6797 3501 - 06 Fax: +91-22-6797 3509/10. Website: www.petron-india.com.

6.3 The Target is engaged in the business of fabrication, erection and installation of Plant & Machinery and Equipment for Refineries, Cement Plants, Fertilizer Plants, Petro-chemical Plants, Power Plants and other Industrial Plants. Additionally shutdown and annual turnaround contracts for repairs, revamp and reconditioning of large industrial projects are also undertaken.

Petron as an organisation offer total solutions in engineering construction, with feasibility study, estimation, procurement and managerial and administrative support for project construction.

The Company has the following Divisions:

- Petron Mechanical: This is located at Mahape, Navi Mumbai. This division is doing the job of fabrication of tanks, chimney and supporting structural works. It also carries out fabrication of overhead crane components, mechanical components for the clients.
- Rockwool Insulation Division: This division is also located at Mahape, Navi Mumbai. It carries out insulation jobs for refractory and mechanical assembly. It also carries out shut down maintenance work for refineries, glass manufacturing plants and power plants.
- Petrofab Division: This is situated at Dhabhasa, near Baroda. It carries out fabrication of skids, windmill components, vessels mechanical components, heaters etc.

Until March 30, 2007, the Company also had a Hotel Division called Petron Resorts which has been sold as there was no synergy with reference to the business carried out by the Company. The Company had signed a Memorandum of Understanding with A.N. Enterprise for transfer of Petron Resorts for a valuation of Rs. 20.1 million. The Board of the target had approved the sale on August 28, 2006; thereafter the members of the Company also approved the sale by way of a postal ballot on October 18, 2006. The Acquirer and PACs are not connected with A.N. Enterprise in any manner.

6.4 The present subscribed and paid-up share capital of Petron Engineering Construction Limited as at the date of this Letter of Offer comprises of 7,538,400 fully paid-up Equity Shares of Rs. 10/- each. There are no partly paid-up Equity Shares of Target as at the date of this Letter of Offer. The Equity Shares of Petron Engineering Construction Limited are frequently traded on BSE and NSE.

6.5 The share capital structure of Petron Engineering Construction Limited as on the date of the Public Announcement was as follows:

Issued and paid-up Equity Share Capital	No. of Equity Shares (Face Value - Rs. 10/-)/ Voting Rights	% of Equity Shares/ Voting Rights
Fully paid-up Equity Shares (a)	7538400	100 %
Partly paid-up Equity Shares (b)	Nil	Nil
Total Issued and paid-up Equity Shares (a+b)	7538400	100 %
Total Voting Rights	**7538400**	**100%**

As on the date of the Public Announcement, there are no outstanding convertible instruments of Petron Engineering Construction Limited. Further, there are no partly paid up shares.

6.6 The capital build-up of Petron Engineering and Construction Limited since its inception is as follows:

Date of Allotment	No. of Shares issued	% of Shares	Cumulative paid up capital	Mode of allotment	Identity of allottees (Promoters / ex.	Status of compliance
18-Oct-76	1,050	0.14%	105,000	First issue against cash	Promoters	Complied with*
9-Jun-78	1,050	0.14%	210,000	Further issue against cash	Promoters	Complied with*
30-Jun-80	5,800	0.77%	790,000	Further issue against cash	Promoters Relatives Including PIPL	Complied with*
30-Jun-80	2,100	0.28%	1,000,000	Bonus	Promoters Relatives Including PIPL	Complied with*
30-Jun-83	5,540	0.73%	1,554,000	Further issue against cash	Promoters Relatives Including PIPL	Complied with*
8-Nov-83	1,950	0.26%	1,749,000	Further issue against cash	Employees	Complied with*
29-Jun-84	17,490	2.32%	3,498,000	Bonus	Promoters Relatives & Employees Including PIPL	Complied with*
24-Jun-87	17,490	2.32%	5,247,000	Bonus	Promoters Relatives & Employees Including PIPL	Complied with*
02-Oct-89	41,976	5.57%	9,444,600	Bonus	Promoters Relatives & Employees Including PIPL	Complied with*
31-Dec-91	5,454	0.72%	9,990,000	Further issue against cash	Promoters Relatives	Complied with*
29-Feb-92	**999,000**	**13.25%**	**9,990,000**	**Face Value of Rs. 100 per share converted to Rs. 10 per share#**		
26-Nov-92	360,000	4.78%	13,590,000	Further issue against cash	PIPL	Complied with*
01-Jan-93	2,038,500	27.04%	33,975,000	Bonus	Promoters Relatives & Employees Including PIPL	Complied with*
29-Aug-94	352,500	4.68%	37,500,000	Further issue against cash	PIPL	Complied with*
03-Oct-94	1,875,000	24.87%	56,250,000	Bonus	Promoters Relatives & Employees Including PIPL	Complied with*
10-May-95	1,909,100	25.33%	75,341,000	Further issue against cash	Public Issue	Complied with*
9-Jul-97	4,300	0.06%	75,384,000	Further issue against cash	Public Issue (Against Tradable warrants)	Complied with*
Total	**7,538,400**	**100.00%**				

On 29/02/92 Face Value of equity shares of Rs. 100/- each was split into 10 equity shares of Rs. 10/- each.

* Carried out Board Resolution & ROC filing of Return of Allotment (Form No. 2) filed.

Consolidated Date Wise Capital Build-Up of Erstwhile Promoters and Promoter Group of Petron Engineering Construction Limited

Date of Acquisition/ Allotment/ Sale	No. of Equity Shares Acquired/ Allotted	No. of Equity Shares Sold	Cumulative No. of Shares held	Remarks	% of Total Paid-up Capital	Total Paid-up Capital (No. of Shares)
18-Oct-76	700	-	700	Issue	66.67%	1,050
9-Jun-78	700	-	1,400	Further Issue	66.67%	2,100
30-Jun-80	7,103	1,200	7,303	Purchase/Further Issue/Sale	73.03%	10,000
30-Jun-80	1,497	-	8,800	Bonus	88.00%	10,000
30-Jun-83	4,000	-	12,800	Further Issue	82.37%	15,540
29-Jun-84	12,800	-	25,600	Bonus	73.18%	34,980
24-Jun-87	12,800	-	38,400	Bonus	73.18%	52,470
21-Jul-88	900	-	39,300	Purchase	74.90%	52,470
5-Sep-89	150	-	39,450	Purchase	41.77%	94,446
2-Oct-89	31,560	-	71,010	Bonus	75.19%	94,446
31-Dec-91	3,636	-	74,646	Further Issue	74.72%	99,900
29-Feb-92	**-**	**-**	**746,460**	**Face Value of Rs.100 Per share converted to Rs.10 per share**		
26-Nov-92	360,000	-	1,106,460	Further Issue	81.42%	1,359,000
1-Jan-93	1,659,690	-	2,766,150	Bonus	81.42%	3,397,500
29-Aug-94	352,500	-	3,118,650	Further issue	83.16%	3,750,000
3-Oct-94	1,559,349	-	4,677,999	Bonus	83.16%	5,625,000
9-Feb-95	1,000	9,000	4,669,999	Purchase/Sale	83.02%	5,625,000
10-May-95	61,191	-	4,731,190	IPO	62.80%	7,534,100
27-Dec-97	60,865	60,865	4,731,190	Purchase/Sale	62.76%	7,538,400
27-Dec-97	5,548	5,548	4,731,190	Gift received /Gift given	62.76%	7,538,400
17-Apr-03	500	-	4,731,690	Gift received	62.77%	7,538,400
7-Aug-03	675	-	4,732,365	Purchase	62.78%	7,538,400
20-Jul-04	2,550	-	4,734,915	Purchase	62.81%	7,538,400
24-Jul-04	30,375	-	4,765,290	Purchase	63.21%	7,538,400
30-Jun-05	-	1,000	4,764,290	Sale	63.20%	7,538,400

History of the Share Capital held by the existing Promoter & Promoter Group after the execution of the SPAs as mentioned in Clause 3.1.2

The existing Promoters (post the execution of the SPAs) of the Target are only SRA, Amritha and PIPL. The history of share capital of the same are given hereinabove. Post execution of the SPAs, the Sellers have ceased to be Promoters and have become part of Public.

Consolidated Date Wise Capital Build-Up of Existing Promoters and Promoter Group of Petron Engineering Construction Limited

Date of Acquisition/ Allotment/ Sale	No. of Equity Shares Acquired/ Allotted	No. of Equity Shares Sold	Cumulative No. of Shares held	Remarks	% of Total Paid-up Capital	Total Paid-up Capital (No. of Shares)
30-Jun-80	6,853	0	6,853	Purchase/Further Issue/Sale	68.53%	10,000
30-Jun-80	1,047	0	7,900	Bonus	79.00%	10,000
30-Jun-83	2,000	0	9,900	Further Issue	63.71%	15,540
29-Jun-84	9,900	0	19,800	Bonus	56.60%	34,980
24-Jun-87	9,900	0	29,700	Bonus	56.60%	52,470
2-Oct-89	23,760	0	53,460	Bonus	56.60%	94,446
29-Feb-92	**-**	**-**	**534,600**	**Face Value of Rs.100 Per share converted to Rs.10 per share**		
26-Nov-92	360,000	0	894,600	Further Issue	65.83%	1,359,000
1-Jan-93	1,341,900	0	2,236,500	Bonus	65.83%	3,397,500
29-Aug-94	352,500	0	2,589,000	Further Issue	69.04%	3,750,000
3-Oct-94	1,294,527	0	3,883,527	Bonus	69.04%	5,625,000
10-May-95	61,191	0	3,944,718	IPO	52.36%	7,534,100
7-Aug-03	675	0	3,945,393	Purchase	52.34%	7,538,400

6.7 The shares of the Company have not been suspended from trading on either stock exchange nor have any of the stock exchanges denied listing. The entire issued and paid-up equity share capital of the company is listed on BSE or NSE. There are no outstanding convertible instruments (warrants /FCDs/PCDs) etc. in the company. Except as mentioned herein, the company has duly complied with all the provisions of the listing agreement entered into with BSE and NSE from time to time.

6.8 The Target is compliant with the requirements of the Listing Agreement with the Stock Exchanges except for the submission of the Limited Review Report for the quarter ended December 31, 2007 as the auditors, M/s. Sankaran & Co., had resigned on January 16, 2008 and the office of the Auditors remained vacant till April 20, 2008. No penal action has been initiated or taken by BSE or NSE.

6.9 Further, the Target, the Promoters, Sellers and major shareholders of the Target have delayed few of their filings required under the Regulations and hence not complied with the provisions of chapter II of SEBI (Substantial Acquisition of Shares and takeovers) Regulations to that extent. The Target has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and no penal action has been taken against it by SEBI. SEBI may initiate adjudication against the Target, Promoters, major shareholders and Sellers for non-compliance with provisions of chapter II of the Regulations.

6.10 As on March 11, 2008, the Board of Directors of Petron Engineering Construction Limited was as below:

Name & Designation	Residential Address	Qualification & Brief Experience	Date of Appointment
Mr. Thankappan Sadasiva Das S/o M. A. Thankappan Managing Director	14, Yashodham Linking Road Extn., Santacruz (West) Mumbai - 400054.	*B.E.(Mech.)* He is having 37 years of experience in the field of Mechanical Engineering Construtiion.	14/05/2007

Mr. D.K. De Chaudhuri S/o Dhirendra Kumar De Chaudhuri Director (Non-Executive)	Flat - 904, Mainak P-17B. Asutosh Chowdhury, Avenue, Kolkata - 700019 West Bengal.	*Mechanical Engg. (BME)* He is having 46 years experience in Construction/Project Management in India & Abroad diversified work experience. Having worked in major Construction Companies Consultancy Firms & operating Companies of International repute, engaged mainly in Petroleum sector.	10/01/2008
Mr. Sanjit Kumar Basu S/o Sunil Chandra Basu Director (Non - Executive Independent)	B-1/1654, Vasant Kunj New Delhi - 110070.	*Post Graduation in Mech. Eng. Power & Fuel from Carnegie Institute of Technology, Pittsburgh, USA. BE (Mech.) Jadavpur University, Calcutta.* He is having more than 50 years of experience covering Company Management Project Management, Technology, Engineering Design & Development & other Consultancy Services in Refineries, Petro-Chemicals, Fertilizer and Pipeline Project.	10/01/2008
Mr. Pravin Jain S/o Rup Kishore Jain Director (Non - Executive Independent)	B-1202, Kshitij GE Links Ram Mandir Road, Goregaon (West), Mumbai - 400104.	*M.A. Diploma in Management CAIIB* He is having more than 22 years of experience with State Bank of India as Asst. General Manager (Corporate Accounts Group Control) currently working with HAL Offshore Ltd. as a C.F.O.	10/01/2008

The Acquirer and PACs have reconstituted the Board of Directors of the Target in accordance with the provisions of the Regulations. For this purpose, the Acquirer and PACs had deposited in the escrow account one hundred percent of the Total Consideration payable, assuming full acceptance of the Offer, has the option to appoint directors to the Board of the Target after a period of 21 days from the date of the Public Announcement. Accordingly the directors on the date of PA viz. Mr. R. S. Ambekar, Mr. M.K. Nair, Mr. A.A. Krishnan, Mr. S. Shankaranarayanan, Mr. K.R. Shriram, Mrs. Rajashree Dokras, Mr. Madhukar Ambekar and Mr. Balakrishnan have resigned from the Board of the Target on January 10, 2008 and Mr. Sanjit Kumar Basu, Mr. Pravin Jain, Mr. Pankaj Jain & Mr. D.K. De Chaudhuri were appointed. Mr. D.K. De Chaudhuri has been appointed as representative of the Acquirer and PACs and he is the only representative of the Acquirer and PACs on the Board of the Target. Mr. Thankappan Sadasiva Das, who was appointed as Director (Operations) w.e.f. May 14, 2007 has been appointed as the Managing Director of the Company w.e.f. January 10, 2008 as Mr. M.K. Nair had resigned from the Board as the Managing Director. Mr. Pankaj Jain resigned from the Board vide letter dated March 5, 2008.

6.11 The audited financial highlights of Petron Engineering Construction Limited for the last three years are as below:

	Year ending		
Profit & Loss Statement	**March 31, 2007 (Rs. in Lacs)**	**March 31, 2006 (Rs. in Lacs)**	**March 31, 2005 (Rs. in Lacs)**
Income from operations	23,937.99	26,103.93	31,445.63
Other Income	87.67	102.66	147.73
Total Income	**24,025.66**	**26,206.60**	**31,593.36**
Total Expenditure	21,998.71	23,781.35	29,530.50
Profit Before Depreciation Interest and Tax	2,026.95	2,425.26	2,062.86
Depreciation	389.18	405.18	476.90

Interest	702.90	891.06	649.78
Add : Transfer From Revaluation Reserves	66.39	0.00	0.00
Profit Before Tax	1001.25	1129.02	936.18
Provision for Tax	361.48	313.84	180.32
Loss on Sale/ Transfer of Resort Division	0.59	0.00	0.00
Profit After Tax	639.18	815.18	755.86

	Year ending		
Balance Sheet Statement	**March 31, 2007 (Rs. in Lacs)**	**March 31, 2006 (Rs. in Lacs)**	**March 31, 2005 (Rs. in Lacs)**
Paid up Share Capital	755.08	755.08	755.08
Reserves and Surplus (Excluding Revaluation Reserves)	5,192.29	4,658.95	3,929.73
Networth	5,947.37	5414.03	4,684.81
Secured Loans	3,167.90	2,805.50	4,577.75
Unsecured Loans	564.20	247.82	55.29
Net Fixed Assets	4,858.00	4,009.05	3,513.20
Investments	0.01	0.07	0.22
Net Current Assets	6,037.78	5,759.18	7,082.55
Total Misc. expenditure not written off	Nil	Nil	Nil

	Year ending		
Other Financial Data	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
Dividend (%)	12	10	10
Earning Per Share (Rs.)	8.48	10.81	10.02
Return on Networth (%)	10.75	15.06	16.13
NAV Per Share	78.89	71.82	62.50

Earning Per Share = Net Profit after Tax / No. of shares

Return on Networth = Profit after Tax / Net worth

NAV per Share = Net worth / No. of Shares

(Source: Annual reports of the Target)

As per certificate dated July 6, 2007 of M/s. M.S. Sankaran & Co., Chartered Accountants, the unaudited financial results (provisional) of the Target for two quarters of FY 2008 and aggregate six months ended September 30, 2007 are as under:

		FOR THE QUARTER ENDED		**AGGREGATE**
			-	**SIX**
	PARTICULARS			**MONTHS**
				ENDED September 30, 2007
		June 30, 2007	**September 30, 2007**	
1	Net Sales / Income from Operations	6,351	6,502	12,853

2	Other Income	19	11	30
3	Total Expenditure			
	a. (Increase) / Decrease in Stock trade	(197)	62	(135)
	b. Consumption of Raw Material	1368	1785	3153
	c. Staff Cost	1330	1133	2463
	d. Other Expenditure			
	i) Sub-contract charges	1328	1376	2704
	ii) Others Expenditure	1769	1416	3185
4	Interest / Financial Charges	252	218	470
5	Depreciation	134	141	275
6	Profit (+) / Loss (-)	386	382	768
7	Provision for Taxation			
	i) Current	150	120	270
	ii) Deferred	-	-	
	iii) Fringe Benefit Tax			
	Earlier Year	-	-	
	Current	7	7	14
8	Net Profit (+) / Loss (-)	229	255	484
9	Paid up Share Capital	754	754	754
10	Earning Per Shares (in Rs.)	3.04	3.38	6.42
Note:	Figures indicated above are Rupees in Lacs except for Earning Per Share.			

The financials for the Year 2008 are currently under Audit.

6.12 Reasons for rise / fall in profit :

Profit after tax for the year ended March 31, 2006 was higher than the year ended March 31, 2005 because of Profit from Foreign Contracts, although the sales in 2006 were lower than in 2005 because of lower domestic sales.

The fall in sales for the year ended March 31, 2007 over the year ended March 31, 2006 is due to fall in Overseas Contract Sales.

Profit after tax for the year ended March 31, 2007 was lower than the year ended March 31, 2006 due to fall in sales

6.13 Pre and Post- Offer share holding pattern of the Target (as on December 31, 2007) is as follows:

Shareholders category	Shareholding & voting rights prior to the agreement/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the Regulations		Shares/voting Rights to be acquired in Open Offer (Assuming full acceptances)		Share holding/voting rights after the acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoters								
a. Parties to agreement if any	4,761,240*	63.16	(3,945,393)	(52.34)	0.00	0.00	0.00	0.00
b. Promoters other than (a) above	3,050	0.04	0.00	0.00	0.00	0.00	0.00	0.00
Total 1(a+b)	4,764,290	63.20	(3,945,393)	(52.34)	0.00	0.00	0.00	0.00
(2) Acquirers a. Main Acquirer	0.00	0.00	3,945,393	52.34	0.00	0.00	0.00	0.00
b. PACs	0.00	0.00	0.00	0.00	1,507,680	20.00	@5,453,073	72.34
Total 2(a+b)	0.00	0.00	3,945,393	52.34	1,507,680	20.00	5,453,073	72.34
3) Parties to agreement other than (1) (a) & (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(4) Public (other than parties agreement, acquirers & PACs)								
a. FIs / /MF / FIIs / Banks	727,603	9.65	0.00	0.00	(1,507,680)			
b. Others	2,046,507	27.15	0.00	0.00				
Total (4) (a+b)	2,774,110	36.80	0.00	0.00	(1,507,680)	(20.00)	2,085,327	27.66
GRAND TOTAL (1+2+3+4)	7,538,400	100.00	0.00	0.00	0.00	0.00	7,538,400	100.00

- *The shareholding of the parties to the SPAs (before execution) was 63.16%, out of which 52.34% has been acquired pursuant to the SPAs and the balance shareholding has been reflected in the public category (as shown in 4 above).
- @ As per the terms of the Sale and Purchase Agreement mentioned in Clause 3.1.10 above; 39,45,393 equity shares, which are currently with Acquirer will be transferred to PAC3.
- Post execution of the SPAs, the Sellers have ceased to be Promoters and have become part of Public.
- As on December 31, 2007 the total no. of shareholders is 4,651.
- As on December 31, 2007 the total no. of public shareholders are 4,633.

Details of major shareholders as on December 31, 2007 is as follows:

(i) FI/ Mutual Funds

Sr. No.	Name	Number of Equity Shares
1.	UTI Master Value Fund	340597
2.	SBI Mutual Fund- Magnum Balance Fund	150396
3.	UTI – Equity Tax Saving Plan	102801
4.	UTI Mid Cap Fund	70333
5.	SBI Capital Markets Limited	2400
6.	Reliance Capital Trustee Co. Ltd.	200000

(ii) Insurance Companies

Sr. No.	Name	Number of Equity Shares
	Nil	-

(iii) Banks

Sr. No.	Name	Number of Equity Shares
1.	Canara Banks - Mumbai	100
2.	The Laxmi Villas Bank Limited	3752
3.	Axis Bank Ltd.	3000

For details of changes in the Promoter holding as and when it has happened in the Target please refer to paragraph 6.6 detailing the capital build up. As on date of PA, the Promoters and Promoter Group shareholding in the Target prior to execution of the SPA was 63.20%.

6.14 As on May 7, 2008, except as mentioned herein, there are no litigations / tax disputes pending against the Target.

Excise duty, Sales Tax & Income Tax Disputes

Nature of the dues	Period to which the amount relates	Amount (in Rs.)	Forum where dispute is pending
Excise Duty	F.Y. 1994-95 F.Y. 2001-02 F.Y. 2002-03 F.Y. 2005-06	17,87,300 2,64,788 3,88,312 7,95,937	Customs, Excise and Service Tax Appellate Tribunal, Bangalore Customs, Excise & Service Tax Appellate Tribunal Commissioner (Appeals), Central Excise Commissionerate Customs, Excise and Gold Control Appellate Tribunal
Service Tax	F.Y. 2006-07	14,17,513	Commissioner, Central Excise Commissionerate
Income Tax	F.Y. 2003-04 F.Y. 2004-05	6,644 20,00,000	Commissioner of Income Tax (Appeal) Commissioner of Income Tax (Appeal)
Sales Tax	F.Y. 1996-97 F.Y. 1997-98	16,307 886,213	Joint Commissioner of Sales Tax (Appeals) - 8 Thane
Sales Tax	F.Y. 2001- 02	10,276,104	Asst. Commissioner of Sales Tax, Cuttack Range - V, Orissa
Sales Tax	F.Y. 2002- 03 F.Y. 2003- 04	2,006,332 1,944,392 37,152 (penalty)	Madras High Court

6.15 The Target is compliant with provisions of Clause 49 of the Listing Agreement related to Corporate Governance including formation of various committees viz. Audit Committee, Remuneration Committee and Shareholders' Committee.

6.16 Details of the compliance officer of the Target are as follows:

Mr. Naresh Shah , Vice President (Legal) and Company Secretary, Petron Engineering Construction Limited, Swastik Chambers, 6th Floor, Sion - Trombay Road, Chembur, Mumbai (Maharashtra) PIN 400 071 India. Tel: (022) 6797 3501 Fax No. (022) 6797 3509/10

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification for the Offer Price

The Equity Shares of Target are listed on the Bombay Stock Exchange Limited ("BSE") and National Stock Exchange Association Limited ("NSE"). The annualized trading turnover in the shares of Target in each of the above mentioned Stock Exchanges based on trading volume during December 2006 to May 2007 (six calendar months preceding the month in which the PA is made) is as given below:

Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month in which the PA is made	Total No. of Listed Shares	Annualized Trading Turnover (as % of Total Shares Listed)
BSE	989,291	7,538,400	26.25 %
NSE	930,468	7,538,400	24.69 %

(Source: www.bseindia.com, www.nse-india.com)

The Equity Shares of Target are frequently traded on BSE and frequently on NSE within the meaning of explanation (i) to regulation 20(5) of the Regulations.

The weekly high and low of the closing prices of the Equity Shares of Petron Engineering Construction Limited , during the 26 weeks period ending June 21, 2007 (being the last trading day before the date of the Public Announcement), as recorded on the BSE are given below:

Week No.	Week Ending	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Weekly Volume (Shares)
1.	June 15 - June 21, 2007	227.15	161.05	194.1	2,367,231
2.	June 06- June 14, 2007	158.3	146.55	152.425	48,164
3.	June 01- June 6, 2007	157.7	141.3	149.5	192,930
4.	May 25 – May 31, 2007	140.7	139	139.85	17,431
5.	May 18 – May 24, 2007	141.05	138.85	139.95	34,773
6.	May 11- May 17, 2007	145.15	142.8	143.975	36,002
7.	May 04 – May 10, 2007	151.8	145.25	148.525	40,470
8.	April 27 – May 03, 2007	155.1	148.55	151.825	26,826
9.	April 20 – April 26, 2007	154.2	147.25	150.725	56,426
10.	April 13 – April 19, 2007	148.15	139.55	143.85	88,710
11.	April 9 – April 12, 2007	146.15	138.95	142.55	35,551
12.	March 30 – April 05, 2007	148.35	138.95	143.65	31,791
13.	March 23 – March 29, 2007	153.05	146.6	149.825	39,244
14.	March 16 – March 22, 2007	143.75	141.3	142.525	21,787
15.	March 09 – March 15,2007	154.45	144	149.225	18,826
16.	March 02 – March 08, 2007	147.55	140	143.775	55,196
17.	Feb 23 – March 01, 2007	142.45	138.65	140.55	25,482
18.	Feb 19 – Feb 22, 2007	152.55	146	149.275	14,862
19.	Feb 09 – Feb 15, 2007	159.35	149.25	154.3	28,251
20.	Feb 02 – Feb 08, 2007	169.8	164.1	166.95	43,361
21.	Jan 29 – Feb 01, 2007	175.9	172.3	174.1	43,580
22.	Jan 19 – Jan 25, 2007	168.35	160.6	164.475	26,756

23.	Jan 12 – Jan 18, 2007	171.5	161.5	166.5	66,338
24.	Jan 05 – Jan 11, 2007	167.3	157.6	162.45	20,665
25.	Dec 29, 2006 – Jan 04 , 2007	168.35	165	166.675	26,525
26.	Dec 22 – Dec 28, 2006	172	168.85	170.425	15,049
				Total	3,422,227

The daily high and low of the price of the Equity Shares of Petron Engineering Construction Limited, during the 2 weeks period ending June 21, 2007 (being the last trading day before the date of the Public Announcement), as recorded on the BSE are given below:

Day No	Date	Daily High (Rs.)	Daily Low (Rs.)	Average (Rs.)	Daily Volume (Shares)
1.	June 21, 2007	214.45	196	205.225	173298
2.	June 20, 2007	236.4	207.1	221.75	521405
3.	June 19, 2007	227.15	187.1	207.125	1005792
4.	June 18, 2007	193.25	163	178.125	613815
5.	June 15, 2007	165.9	158.5	162.2	52921
6.	June 14, 2007	164.5	150.15	157.325	18608
7.	June 13, 2007	152	147.25	149.625	1958
8.	June 12, 2007	150.5	145	147.75	3198
9.	June 11, 2007	154.5	146.25	150.375	19080
10.	June 08, 2007	160	154.5	151.575	5320

In accordance with regulation 20(4) of the Regulations, the Offer Price of Rs. 180 per share is more than the highest of the following:

a.	Negotiated Price under the agreement for acquisition of share or voting rights or deciding to acquire shares or voting rights	No specific price is attributed to the target in the overall acquisition mentioned in 3.2.1 above
b.	Highest Price paid by the Acquirer and PACs for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to June 22, 2007 (i.e. the date of Public Announcement)	NA
c.	Average of the weekly high and low of the closing prices of the equity shares of Target on BSE during the 26 weeks preceding the date of public announcement i.e. June 22, 2007 **Or** Average of the daily high and low of the prices of the equity shares of Target on BSE during the 2 weeks preceding the date of public announcement i.e. June 22, 2007	153.92 173.11
	Higher of the above	**173.11**

M/s. Lodha & Co., Chartered Accountants, through its partner Mr. N. K. Lodha (Membership No.: 85155) have vide report dated June 21, 2007, stated that as per regulation 20(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and considering all above facts, in their opinion the fair value of Equity Share of Petron Engineering Construction Limited (the “Target”) of Rs. 10 each (fully paid up) is Rs. 173.11 per Equity Share. Hence, the Offer Price of Rs. 180/- per share offered by the Acquirer and PACs to the shareholders of Target under the proposed Open Offer is justified (since being the value higher than the one calculated as per SEBI regulation as detailed above).

7.2 The Acquirer and the PACs have not acquired, directly or indirectly, any equity shares of the Target from the date of the PA till the date of this Letter of Offer other than the equity shares as mentioned in Clause 3.1.6 above.

7.3 The SPAs contains certain non-compete provisions, the effects of which are that for a period of 3 years from the date of the SPA, the Sellers and any company within the same group as the Sellers are restricted from competing with the business of Petron Engineering Construction Limited and its group companies and from soliciting their customers, suppliers and their employees in connection with any business which competes with them. No separate consideration is being paid for the non-compete provisions.

7.4 In the opinion of the Manager to the Offer, the Offer Price of Rs.180/- per fully paid-up Equity Share of Petron Engineering Construction Limited is justified in terms of regulation 20(11).

7.5 The Offer Price shall not be less than the highest price paid by the Acquirer and PACs for any acquisition of Equity Shares of Petron Engineering Construction Limited from the date of the Public Announcement up to 7 working days (i.e. up to June 30, 2008) prior to the date of closing of the Offer.

FINANCIAL ARRANGEMENT FOR THE OFFER

7.6 The Acquirer and PACs have made firm financial arrangements for financing the acquisition of equity shares under the public offer, in terms of regulation 16 (xiv) of the Regulations.

7.7 The maximum fund requirement for the acquisition of 1,507,680 fully paid-up Equity Shares of Target of Rs. 10/- each assuming full acceptance of the shares tendered, would be Rs. 282,946,306/- comprising of Rs. 271,382,400/- at the Offer Price of Rs.180 per equity share and interest of Rs. 11,563,906 at Rs.7.67 per equity share calculated @ 10% p.a. from February 20, 2008 till July 24, 2008 i.e. the scheduled date of dispatch of payment consideration to the shareholders.

7.8 In accordance with regulation 28 of the Regulations, the Acquirer had received the funds from its wholly owned subsidiary, PAC1, out of which Rs. 30.91 Crores was deposited in the escrow account for the purpose. The PAC1 has not borrowed these funds from anyone but has transferred these funds out of its fixed deposits. The deposited amount of Rs. 30.91 Crores is more than 100% of the consideration payable under this Offer (assuming full acceptance), with BNP PARIBAS, French Bank Building, Homji Street Fort, Mumbai 400 001, ("the Escrow Bank") in an escrow account (the "Petron Engineering Construction Limited - Escrow Account - Open Offer") under the terms of the Escrow agreement dated June 21, 2007 entered into between the Acquirer, the Manager to the Offer and the Escrow Bank.

7.9 The Manager to the Offer has been empowered to operate the Escrow Account, and a lien on the account is marked in favour of Enam Securities Private Limited., Manager to the Offer, by the Acquirer, in terms of regulation 28(4)(a) of the Regulations. The total cash deposited in the escrow account as on the date of PA exceeds the escrow amount stipulated under regulation 28(2).

7.10 Enam Securities Private Limited, the Manager to the Offer, on basis of the funds deposited in the cash escrow account mentioned above, has satisfied itself that the Acquirer and PACs have adequate and firm financial arrangements to implement the Offer in accordance with the Regulations.

8. TERMS AND CONDITIONS

8.1 The Acquirer made a Public Announcement on June 22, 2007 for the Offer. This Offer is being made to all the equity shareholders of the Target (other than the Acquirer, PACs, Promoters and Sellers) and the Letter of Offer together with the Form of Acceptance, Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) is being mailed to those shareholders of the Target, whose names appear on the register of members of the Target and to the beneficial owners of the equity shares of the Target whose names appear as beneficiaries on the beneficial record of the respective Depositories, at the close of business on the Specified Date (i.e. June 25, 2007). Owners of equity shares but not registered as shareholder(s) are also eligible to participate in the Offer at any time prior to the date of closing of the Offer. No Letter of Offer together with a Form of Acceptance, Form of Withdrawal and Transfer Deed will be mailed to the Acquirer, PACs, Promoters and Sellers.

8.2 The Acquirer and PACs will accept the locked-in shares from the shareholders of the Target whether acquired pursuant to the Offer; and the same can be transferred to the acquirer and PACs subject to the continuation of the residual lock -in period in the hands of the acquirer and PACs.

8.3 The Offer is subject to the terms and condition set out herein in this Letter of Offer, the Form of acceptance, the Form of Withdrawal, the PA and any other public announcements that may be issued about the Offer.

8.4 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 9 of this Letter of Offer. In terms of regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

8.5 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.

8.6 The Offer will open on June 20, 2008 and close on July 09, 2008.

8.7 The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the equity shareholders of the Target. Each shareholder of the Target to whom the Offer is being made, is free to offer his shareholding in the Target, in whole or in part while accepting the Offer.

8.8 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

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

8.10 Equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered under the Offer prior to the date of closing of the Offer.

8.11 Shareholders of the Target who accept the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer can withdraw the same up to 3 working days prior to the date of Closing of the Offer i.e. July 04, 2008

8.12 The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and other documents during transit. The equity shareholders of the Target are therefore advised to adequately safeguard their interest in this regard.

8.13 If the Acquirer decides to make upward revisions in the Offer Price / Number of equity shares to be acquired, in accordance with regulation 26 of the Regulations, such upward revision will be made not later than June 30, 2008 (seven working days prior to the date of closure of the Offer). Such revisions/ amendments would be affected by making a Public Announcement in the same newspapers in which the original Public Announcement was being made.

In case of an upward revision in the Offer Price, the revised price will be payable to all the shareholders (who have validly tendered their shares when the Offer is open) to the extent of their shares being accepted.

9. STATUTORY/OTHER APPROVALS REQUIRED FOR THE OFFER

9.1 The Offer is subject to receiving approval from Reserve Bank of India for inclusion of nominees/ subsidiaries/associates of the Acquirer under the Foreign Exchange Management Act, 2000, for acquiring Equity Shares under the Open Offer by a foreign acquirer.

9.2 The Acquirer has already obtained approval from Foreign Investment Promotion Board (FIPB) vide letter dated September 5, 2007 and April 28, 2008 and Reserve Bank of India vide letter dated December 6, 2007 under the Foreign Exchange Management Act, 2000, for acquiring Equity Shares under the Open Offer by a foreign acquirer. However, the approval given by Reserve Bank of India doesn't include nominees/subsidiaries/associates of the Acquirer, for which the Acquirer has again requested Reserve Bank of India vide its letter dated April 11, 2008 for inclusion of its nominees/ subsidiaries/associates of the Acquirer under the Foreign Exchange Management Act, 2000, for acquiring Equity Shares under the Open Offer by a foreign acquirer, which is still awaited.

9.3 Except as mentioned hereinabove in Clause 9.1, as on the date of this Letter of Offer, there are no other statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

9.4 The Acquirer and PACs shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer.

9.5 In case of delay, due to non-receipt of statutory approvals, as per regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the Offer provided the Acquirer and PACs agree to pay interest to the shareholders beyond 15 days.

9.6 If the Acquirer and PACs fail to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in regulation 28 (12) (e) of the Regulations.

9.7 The Acquirer and PACs reserve the right to withdraw the Offer in the event of the requisite statutory approvals being refused. In the event of withdrawal, a Public Announcement will be made in the same newspapers in which this original Public Announcement is being made.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 The Offer will be made to the shareholders of the Target and the Letter of Offer together with the Form of Acceptance cum Acknowledgement ("FOA") will be mailed to those shareholders of the Target (other than the Acquirer, PACs, Promoters and Sellers) whose names appear on the register of members of the Target and the beneficial owners of the shares whose names appear on the beneficial records of the respective share depositories, at the close of business hours June 25, 2007 (the "Specified Date").

10.2 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.

10.3 The Acquirer and PACs have appointed Intime Spectrum Registry Limited ('Intime') as Registrar to the Offer.

10.4 Intime has set up the following centres to collect the acceptances being tendered in this Offer:

Name & Address of Collection Centres	Mode of Delivery	Contact Person	Contact No.	Fax. No.
Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078	Hand Delivery & Registered Post	Awani Thakkar	022-25960320	022-25960328-329
Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001	Hand Delivery	Vivek Limaye	022-22694127	-
Intime Spectrum Registry Limited 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hand Delivery	Hitesh Patel	079-2646 5179	079-2646 5179 (Telefax)
Intime Spectrum Registry Limited., 1st Floor, Mahavir Shopping Complex, Above Kids Kemp No. 8 K.G. Road, Bangalore 560 009	Hand Delivery	Arun Kumar	080-32720640 080-41242623 41242624	080-41242623 (Telefax)
Intime Spectrum Registry Limited., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara -390015	Hand Delivery	Jaydeep Mehta	0265-2250241 / 3249857	0265-2250246 (Telefax)
Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata -700020	Hand Delivery	S.P. Guha	033-22890539/40	033-22890539/40 (Telefax)
Intime Spectrum Registry Limited., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	Hand Delivery	Bharat Kumar Bhushan	011-41410592/93/94	011-41410591
Intime Spectrum Registry Limited, Block No. 202, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411001	Hand Delivery	P. N. Albal	020 -26051629 / 0084	020 -26053503 (Telefax)
Intime Spectrum Registry Limited C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Hand Delivery	Mrs. Solly Soy	044- 2815 2672, 044- 4207 0906	044- 2815 2672 (Telefax)
Intime Spectrum Registry Limited. – C/o Skystock Financial Services, Behind Autofin Showroom, Above Sharavana Bhavan Hotel, P G Road, Secunderabad-	Hand Delivery	. Sireesh Terela	040 -65648544/ 65908183	040 -27729082

The documents can be tendered at the above centers between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturdays. The centers will be closed on Sundays and public holidays.

10.5 Shareholders of the Target, other than the Acquirer, PACs, Promoters and Sellers, who wish to avail this Offer should forward the under mentioned documents, by hand delivery on days and during the business hours mentioned above, at any of the collection centers listed above, or by registered post to the Registrar to the Offer, Intime Spectrum Registry Limited, at their office at C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078. Tel. No.: +91-22- 25960320-28; Fax No. +91-22- 25960329; Email: pecloffer@intimespectrum.com; Contact Person: Ms. Awani Thakkar; so as to reach the Registrar on or before July 09, 2008 (i.e. the date of Closing of the Offer).

In case of dematerialised Equity Shares, the shareholders should ensure that the credit to the Special Depository Account mentioned below should be received on or before July 09, 2008. In order to ensure this, Beneficial Owners should tender the Delivery Instructions at least two working days prior to July 09, 2008, (i.e. the date of closing of the Offer). Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

No document should be sent to the Acquirer, PACs or the Manager to the Offer or the Target.

10.6 Procedure for Equity Shares held in Physical Form

- **Registered shareholders of the Target should enclose:**

  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target ;

  - Original Equity Share Certificate(s);

  - Valid Share Transfer Deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor’s bank. A blank share transfer form is enclosed along with this Letter of Offer.

    Incase of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, shall be deemed that the Offer has been accepted.

    Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with FIL or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares.

- **Unregistered owners of Equity Shares of the Target should enclose:**

  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein;

- Original Equity Share Certificate(s);
- Original Broker Contract Note;
- Valid Share Transfer Deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
- The acknowledgement received, if any, from the Target in case the Equity Shares have been lodged with it. Such persons should instruct the Target and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection center as mentioned in 10.4 above. The applicant should ensure that the certificate(s) reach the designated collection center before the date of closing of the Offer.

  Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer, Intime Registry Limited., at the collection centers as mentioned in paragraph 10.4 above, on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

  Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website (www.sebi.gov.in).

10.7 Procedure for Equity Shares held in Demat Form

· **Beneficial Owners should enclose:**

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

  Incase 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.

- A photocopy or counterfoil of the Delivery Instructions in "off market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.

  Registrar to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with National Securities Depository Limited ("NSDL") named "Petron Engineering Construction Limited - Open Offer - Escrow Account" with Stock Holding Corporation of India Limited , the details of which are given below:

DP Name	Stock Holding Corporation of India Limited
DP ID	IN301330
Client ID	20089212
Account Name	Petron Engineering Construction Limited - Open Offer - Escrow Account
Depository	National Securities Depository Limited

Shareholders, having their beneficiary account with Central Depository Services Limited ("CDSL") 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. Since the Equity Shares of the Target are in compulsory demat mode, the minimum marketable lot for such shares will be one.

- **Shareholders who have sent their Equity Share Certificates for dematerialisation should enclose:**

  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/ joint Equity Shareholders whose name appears on the Equity Share Certificate and in the same order and as per the specimen signature lodged with the Target.

  - A copy of the dematerialisation request form duly acknowledged by the Equity Shareholders depository participant.

  Such Equity Shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialisation are yet to be processed by the Equity Shareholders depository participants, the Equity Shareholders can withdraw their dematerialisation request and tender the Equity Share Certificates in the Offer as per procedure mentioned in paragraph 10.6 above.

10.8 Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By Equity Shareholders holding Equity Shares in physical form**

  In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer, Intime Spectrum Registry Limited, at the collection centers as mentioned in paragraph 10.4 above, on plain paper stating their Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form, so as to reach the Registrar to the Offer on or before the date of Closing of the Offer.

  Shareholders who have lodged their Equity Shares for transfer with the Target must also send the acknowledgement received, if any, from the Target towards such lodging of Equity Shares.

  Shareholders who have sent their equity share certificates for dematerialization should send a copy of the dematerialized request form duly acknowledged by their depository participant.

- **By Equity Shareholders holding Equity Shares in dematerialised form**

  Beneficial Owners may send the acceptance of the Offer in writing to the Registrar to the Offer, Intime Spectrum Registry Limited, at the collection centers as mentioned in paragraph 10.4 above, on plain paper, stating Name, Address, Number of Equity Shares held, Number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in "Off market" mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in paragraph 10.7 above, so as to reach the Registrar to the Offer on or before the closing of the Offer.

  Shareholders, having their beneficial account with CDSL 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.

  No indemnity is required while sending the acceptance of the Offer on plain paper.

Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

10.9 The consideration received by shareholders for shares accepted in the Offer will be subject to the capital gains tax applicable as per the Income-tax Act, 1961. Further, the securities transaction tax will not be applicable on shares accepted in this Offer.

10.10 As per the provisions of section 196D (2) of the Income-tax Act, 1961, and as amended ("Income-tax Act"), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115 AD of the Income-tax Act. However, while tendering their equity shares under the Offer, Non Resident Individuals, Overseas Corporate Bodies and other non-resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income-tax Act indicating the amount of tax to be deducted by the Acquirer and PACs before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer and PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.

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

10.11 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include, but are not limited to:

i) duly attested death certificate and succession certificate in case of single shareholder;

ii) duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or transfer deed(s);

iii) in case of companies, the necessary corporate authorization (including Board Resolutions);

iv) any other relevant documentation.

10.12 The Registrar to the Offer will hold in trust the FOA, equity share certificates, transfer deeds and shares lying in credit of the special depository account and other documents on behalf of the shareholders of the Target who have tendered in the Offer, until the cheques/drafts for the consideration and/or the unaccepted Equity Shares/ Equity Share certificates are dispatched/returned. The Acquirer would not have access to these Equity Shares till such time.

10.13 Equity Shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such Equity Shares are received together with the Equity Shares tendered under the Offer prior to the date of Closing of the Offer.

10.14 The Acquirer shall accept all valid fully paid up shares and partly paid up shares tendered (except those which are withdrawn, within the date specified for withdrawal). Equity shares will be acquired by the Acquirers free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue dividend thereafter.

10.15 If the number of shares tendered by the shareholders is more than the Offer size, the acquisition from each shareholder will be as per regulation 21(6) of the Regulations, on a proportionate basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of 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.

10.16 The consideration for the Equity Shares accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts. Such cheques/demand drafts exceeding Rs. 1,500/- or unaccepted Equity Share certificates, transfer deeds 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. Cheques/demand drafts for Rs. 1,500/- or less will be sent under certificate of posting. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

In case of dematerialised Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrars to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for the credit to the beneficial account of the Acquirer. The Equity Shares held in dematerialised form to the extent not accepted as a result of non-payment/ part payment of consideration by the Acquirer under the Offer will be released to the Beneficial Owner's Depository Account with the respective beneficial owners depository participant as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owners.

10.17 In terms of regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrars to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before July 04, 2008.

a) The withdrawal option can be exercised by submitting the following:

i. For Equity Shares held in demat form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal accompanying the LOO. The signature(s) should be attested by the depository participant.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of withdrawal accompanying the LOO.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.
- In case of partial withdrawal, valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.

In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application alongwith the following details;

- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number, Number of Shares tendered and to be withdrawn and
- In case of dematerialized shares: Name; Address; Number of Shares offered and number of shares to be withdrawn; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

b) 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 Special Depository Escrow Account.

c) The intimation of returned shares to the Shareholders will be at the address as per the records of the Target /Depository as the case may be.

d) The Form of Withdrawal should be sent only to the Registrar to the Offer.

e) In case of partial withdrawal of shares tendered in physical form by the registered shareholder, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target.

f) 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 will stand revised to that effect.

g) Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

h) Marketable lot for the Equity Shares of the Target will be one Share

10.18 Investors should note that shares and other relevant documents should not be sent to the Acquirer and PACs / Target.

10.19 The physical shares withdrawn by the shareholders tendered in Open Offer would be returned by registered post to the respective shareholder.

10.20 Barring unforeseen circumstances and factors beyond their control, the Acquirer intend to complete all procedures relating to the Offer, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closing of this Offer and for the purpose open a special account as provided under regulation 29 of the Regulations.

Provided that where the Acquirer are unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time, in accordance with regulation 22(12) of the Regulations.

11. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of the Target at the registered office of the Target at Swastik Chambers, 6th Floor, Sion – Trombay Road, Chembur, Mumbai – 400 071, on all working days, from the date of opening of the Offer till the date of closing of the Offer, between 10.00 a.m. and 1.00 p.m., except Saturdays, Sundays and Holidays:

i. Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.

ii. Copy of the SPAs dated June 14, 2007.

iii. Copy of the Sale and Purchase Agreement date March 31, 2008.

iv. Annual Reports of Petron Engineering Construction Limited for the accounting years ended March 31, 2005, 2006, 2007.

v. Certificate of Incorporation, Memorandum and Articles of Association of Petron Engineering Construction Limited.

vi. Copy of Power of Attorney of KSS Ltd., OGCC KazStroyService, JSC, KazStroyService Holding Ltd., BVI and KazStroy Engineering (UK) Ltd. authorizing Mr. J.N. Gupta to be the authorized signatory to the Letter of Offer.

vii. Report dated June 21, 2007, of M/s. Lodha & Co., Chartered Accountants, through its partner Mr. N. K. Lodha (Membership No.: 85155) justifying the Offer Price.

viii. Letters from BNP Paribus confirming cash deposit of Rs. 30.91 Crores deposited in the Escrow Account and a lien marked in favor of the Manager to the Offer.

ix. A published copy of Public Announcement issued on June 22, 2007.

x. Approvals from Foreign Investment Promotion Board (FIPB) vide letter dated September 5, 2007 and April 28, 2008 and Reserve Bank of India vide letter dated December 6, 2007.

xi. Application dated April 11, 2008 by the Acquirer to Reserve Bank of India for inclusion of its nominees/subsidiaries/associates under the Foreign Exchange Management Act, 2000 for acquiring Equity Shares under the Open Offer by a foreign acquirer.

xii. Copy of the agreement into with Depository Participant for opening special depository account for the purpose of this Offer.

xiii. Copy of the observation letter from SEBI, dated June 5, 2008 in terms of proviso to regulation 18(2) of the Regulations.

12. DECLARATION BY THE ACQUIRER AND THE PACs

The Acquirer, PACs and their respective Directors severally and jointly accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. J.N. Gupta has been authorised by the Board of Directors of the Acquirer and PACs to be their authorised signatory to the Letter of Offer.

For KSS Ltd. (the "Acquirer")
KazStroyService Limited
8 Baden Place, Crosby Row,
London, SE1 1YW, United Kingdom.

&

For OGCC KazStroyService, JSC (the "PAC1")
248B Dostyk Ave 050020 Almaty,
Republic of Kazakhstan

&

For KazStroyService Holding Ltd., BVI (the "PAC2")
PO Box 3321, Drake Chambers, Road Town, Tortola,
British Virgin Islands.

&

For KazStroy Engineering (UK) Ltd. (the “PAC3”)
8 Baden Place, Crosby Row, London SE1 1 YW

Sd/-

J.N. Gupta

(Authorised Signatory)

Place: London

Date: June 12, 2008

Enclosed:

a) Form of Acceptance-cum-Acknowledgement

b) Form of Withdrawal

c) Transfer Deed, if applicable

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars of the Offer ONLY at their Collection Centers as mentioned herein)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER
OPENS ON: June 20, 2008
CLOSES ON: July 09, 2008
LAST DATE FOR WITHDRAWAL : July 04, 2008

To,
Intime Spectrum Registry Limited,
Unit: Petron Engineering Construction Limited,
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai – 400 078.
Tel. No.: +91-22- 25960320-28
Fax No.: +91-22- 25960329
Email: pecloffer@intimespectrum.com
Contact Person: Ms. Awani Thakkar

Sub.: Open Offer to acquire upto 1507680 fully paid-up Equity Shares of Rs. 10/- each of Petron Engineering Construction Limited (Target), representing 20% of Equity Share Capital outstanding 15 days after the closure of offer of the Target, for a Total Consideration of Rs. 187.76/- (comprising of Offer Price of Rs. 180 and interest of Rs. 7.67) per fully paid-up Equity Share, payable in cash, by KSS Ltd. (the "Acquirer")

I/We refer to the Public Announcement dated June 22, 2007 and Letter of Offer dated June 12, 2008 for acquiring the Equity Shares held by me/us in Petron Engineering Construction Limited. I/We, the undersigned, have read the aforementioned Public Announcement and Letter of Offer, and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

FOR SHARES HELD IN PHYSICAL FORM

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

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
	TENDERED				
1.					
2.					
3.					
Total No. of Certificates			Total No. of Equity Shares		

Please attach an additional sheet of paper if the above space is insufficient.

FOR SHARES HELD IN DEMATERIALISED FORM

I/We, holding the shares in dematerialized form, accept the Offer and enclose photocopy/counterfoil of the Delivery Instructions in "Off-market" mode, duly acknowledged by my/our depository participant in respect of my/our Equity Shares as detailed below:

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

I/We have done an off market transaction for crediting the Equity Shares to the Special Depository Account with NSDL as "Petron Engineering Construction Limited - Open Offer - Escrow Account" whose particulars are:

DP Name	Stock Holding Corporation of India Limited
DP ID	IN301330
Client ID	20089212
Account Name	Petron Engineering Construction Limited - Open Offer - Escrow Account
Depository	National Securities Depository Limited

Shareholders of Petron Engineering Construction Limited, having their beneficiary account with Central Depository Services (India) Limited, ("CDSL"), 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.

I/We note and understand that the shares would lie in the special depository account until the time Acquirer dispatch 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.

I/We have enclosed the following documents:

Enclosures (Please tick as appropriate) (Refer paragraph 10 of the Letter of Offer):

- No objection Certificate/Tax Clearance Certificate under Income-tax Act, 1961, for Non-resident shareholders as applicable.
- RBI permission obtained by Non-resident Shareholders for holding equity shares of Petron Engineering Construction Limited hereby

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Acknowledgement Slip

Intime Spectrum Registry Limited,
Unit: Petron Engineering Construction Limited
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078.
Tel. No.: +91-22- 25960320-28, Fax No.: +91-22- 25960329
Contact Person: Ms. Awani Thakkar

FOLIO NO.________________ Sr. No. ________________________
Received from Mr./Ms. ________________________________
Address____
____

Form of acceptance cum acknowledgement,#___________________ Number of equity share Certificates for _______ Equity Shares/ # Copy of Delivered Instruction to (DP) for ________________ Equity Shares # Delete whatsoever is not applicable
Signature of Official _______________ Date of Receipt ___________
Stamp of the Collection center:____________________________________

tendered in the Offer

- Power of Attorney
- Corporate authorization in case of company
- Death Certificate/ Succession Certificate
- Others (please specify): ________

I/We confirm that the Equity Shares of Petron Engineering Construction Limited which are being tendered herewith by me/us under the Offer, are free from lien, charges and encumbrances of any kind whatsoever. I/we are not debarred from dealing in shares of Petron Engineering Construction Limited

I/We note and understand that the Equity Shares/ Equity Share Certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrars to the Offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We authorise the Acquirer to accept the Equity 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 authorise the Acquirer to return to me/us, Equity Share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares that they may decide to accept in terms of the Letter of Offer and I/we further authorise the Acquirer to split/consolidate the Equity Share Certificates comprising the Equity Shares that are not acquired to be returned to me/us and for the aforesaid purpose the Acquirer are hereby authorised to do all such things and execute such documents as may be found necessary and expedient for the purpose.

I/We authorise the Acquirer to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below at my/our risk. In case, I/we have tendered my/our shares in dematerialized for, I/we authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to use my/our details regarding my/our address and bank details as obtained from my/our depository participant for the purpose of mailing the aforesaid instrument .

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

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN/GIR No.			

Yours faithfully,

Signed and Delivered:

	Full Name(s) of the Shareholder(s)	Signature
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		
Fourth Shareholder		

Note: In case of joint holdings, all holders must sign. A corporation must affix its rubber stamp and necessary Board Resolution must be attached.

Address of First/Sole holder:

Tel. No. ______________; Fax No. _______________; Email:___________________________________

Place :

Date :

In order 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 electronic form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

Name of the Bank			
Branch		City	
Account Number		Savings/Current/(Others: please specify)	

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Acknowledgement Slip

Intime Spectrum Registry Limited,

Unit: Petron Engineering Construction Limited

C-13, Pannalal Silk Mills Compound,

LBS Marg, Bhandup (W), Mumbai – 400 078.

Tel. No.: +91-22- 25960320-28

Fax No.: +91-22- 25960329

Contact Person: Ms. Awani Thakkar

FOLIO NO.________________Sr. No. _______________________

Received from Mr./Ms. _______________________________

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance.
2. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Equity Shareholders of Petron Engineering Construction Limited. Each equity shareholder of Petron Engineering Construction Limited to whom this Offer is being made, is free to offer his equity shareholding in Petron Engineering Construction Limited in whole or in part while accepting the Offer.
3. No Equity Share/Form should be sent directly to the Acquirer or to the Manager to the Offer
4. Shareholders should enclose the following:

   a) Procedure for Equity Shares held in Physical Form

   - **Registered shareholders of Petron Engineering Construction Limited should enclose:**
     - ➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order in which their name(s) appear in the Register of Members and as per the specimen signature lodged with Petron Engineering Construction Limited ;
     - ➢ Original Equity Share Certificate(s);
     - ➢ Valid Share Transfer Deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with Petron Engineering Construction Limited and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. A blank share transfer form is enclosed along with this Letter of Offer.

       Incase of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, shall be deemed that the Offer has been accepted

   Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with Petron Engineering Construction Limited or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares

   - **Unregistered owners of Equity Shares of Petron Engineering Construction Limited should enclose:**
     - ➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
     - ➢ Original Equity Share Certificate(s);
     - ➢ Original Broker Contract Note;
     - ➢ Valid Share Transfer Deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
     - ➢ The acknowledgement received, if any, from Petron Engineering Construction Limited in case the Equity Shares have been lodged with Petron Engineering Construction Limited. Such persons should instruct Petron Engineering Construction Limited and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection center as mentioned. The applicant should ensure that the certificate(s) reach the designated collection center before the date of closing of the Offer.

     Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer, Intime Spectrum Registry Limited, at the collection centers as mentioned, on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in “Off-market” mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

     Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI’s website (www.sebi.gov.in).

   b) Procedure for Equity Shares held in Demat Form

   - **Beneficial Owners should enclose:**
     - ➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form Of Acceptance has to be tendered by the beneficial holder of Equity Shares only.

       Incase 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.
     - ➢ A photocopy or counterfoil of the Delivery Instructions in “off market” mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.
     - ➢ Registrar to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with NSDL named “Petron Engineering Construction Limited - Open Offer - Escrow Account” with Stock Holding Corporation of India Limited, whose particulars are:

       DP ID IN301330 **DP Name:** Stock Holding Corporation of India Limited**; Client ID Number:** 20089212**; Depository: National Securities Depository Limited.**

       Shareholders, having their beneficiary account with Central Depository Services 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. Since the Equity Shares of Petron Engineering Construction Limited are in compulsory demat mode, the minimum marketable lot for such shares will be one.

       The Beneficial Owners who hold Equity Shares in dematerialised form are required to execute a trade by tendering the Delivery Instructions for debiting their Beneficial Account with beneficial owners’ depository participant and crediting the above mentioned Special Depository Account. **The credit in the Special Depository Account should be received on or before July 09, 2008. In order to ensure this, Beneficial Owners should tender the Delivery Instructions at least two working days prior to date of closing of the Offer**.

       The Delivery Instructions to be given to the depository participant should be in “For Off Market Trade” mode only. For each

Delivery Instruction the Beneficial Owner should submit separate Form of Acceptance.

- **Shareholders who have sent their Equity Share Certificates for dematerialisation should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/ joint Equity Shareholders whose name appears on the Equity Share Certificate and in the same order in which their name(s) appears in the Register of Members and as per the specimen signature lodged with Petron Engineering Construction Limited.
  - A copy of the dematerialisation request form duly acknowledged by the Equity Shareholders depository participant.

  Such Equity Shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialisation are yet to be processed by the Equity Shareholders depository participants, the Equity Shareholders can withdraw their dematerialisation request and tender the Equity Share Certificates in the Offer as per procedure mentioned in paragraph 10.6 above.

Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By Equity Shareholders holding Equity Shares in physical form**

  In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer, Intime Spectrum Registry Limited, at the collection centers as mentioned in paragraph 10.4 above, on plain paper stating their Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form, so as to reach the Registrar to the Offer on or before the date of Closing of the Offer.

  Shareholders who have lodged their Equity Shares for transfer with Petron Engineering Construction Limited must also send the acknowledgement received, if any, from Petron Engineering Construction Limited towards such lodging of Equity Shares.

  Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.

- **By Equity Shareholders holding Equity Shares in dematerialised form**

  Beneficial Owners may send the acceptance of the Offer in writing to the Registrar to the Offer, Intime Spectrum Registry Limited, at the collection centers as mentioned in paragraph 10.4 above, on plain paper, stating Name, Address, Number of Equity Shares held, Number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in “Off market” mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, so as to reach the Registrar to the Offer on or before the Closing of the Offer.

  Shareholders, having their beneficial account with CDSL 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.

  No indemnity is required while sending the acceptance of the Offer on plain paper.

  Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

5. Where the number of Equity Shares offered for sale by the shareholders are more than the Equity Shares agreed to be acquired by the Acquirer under this Offer, they shall, accept the offers received from the shareholders on a proportional basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of Equity Shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is under the marketable lot.
6. In case of joint holdings, all the holders whose names appears on the Equity Share Certificate or in the beneficiary account must sign this Form of Acceptance in the same order in which these names appears on the register of members/ beneficial account and as per the specimen signature(s) lodged with Petron Engineering Construction Limited or the beneficial owner’s depository participant.
7. In case of physical Equity Shares, the enclosed transfer deed should be duly signed as transferors by all shareholders in the same order and as per specimen signatures lodged with Petron Engineering Construction Limited and should be duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar Authority holding a Public Office and authorised to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor’s bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER FORM. Relevant Equity Share Certificates must be annexed.
8. The shareholders of Petron Engineering Construction Limited who have sent their equity shares certificates for dematerialisation should submit their form of acceptance and other documents, as applicable, along with a copy of the dematerialisation request form duly acknowledged by their DP. Shareholders of equity shares of Petron Engineering Construction Limited who have sent their equity shares for transfer should enclose, Form of Acceptance duly completed and signed, copy of the letter sent to Petron Engineering Construction Limited (for transfer of shares) and valid share transfer form(s).
9. In case of bodies corporate, proper corporate authorization should be enclosed.
10. The Acquirer shall accept all valid fully paid up shares tendered (except those which are withdrawn, within the date specified for withdrawal). Equity shares will be acquired by the Acquirer free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue thereafter.
11. If the number of shares tendered by the shareholders is more than the Offer size, the acquisition from each shareholder will be as per regulation 21(6) of the Regulations, on a proportionate basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of 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. As the Shares trade in compulsory dematerialized segment, the minimum marketable lot for the Shares is 1 (one).
12. The consideration for the Equity Shares accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts. Such cheques/demand drafts exceeding Rs. 1,500/- or unaccepted Equity Share certificates, transfer forms 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. Cheques/demand drafts for Rs. 1,500/- or less will be sent under certificate of posting. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

In case of dematerialised Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for the credit to the beneficial account of the Acquirer. The Equity Shares held in dematerialised form to the extent not accepted as a result of non-payment/ part payment of consideration by the Acquirer under the Offer will be released to the Beneficial Owner's Depository Account with the respective beneficial owners depository participant as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owners.

13. In terms of regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of Closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before July 04, 2008.

14. All owners of Equity Shares, registered or unregistered, who own the Equity Shares of Petron Engineering Construction Limited, except the Acquirer, PACs, Promoters and Sellers at any time prior to the closure of the Offer, are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, Intime Spectrum Registry Limited, at the collection centres mentioned hereunder in paragraph 12, on or before the closure of the Offer, i.e., July 09, 2008 on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

15. As per the provisions of Section 196D (2) of the Income Tax Act, 1961, and as amended ("the Income Tax Act), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115 AD of the Income Tax Act. However, while tendering their Equity Shares under the Offer, Non Resident Individuals, Overseas Corporate Bodies and other non-resident shareholders will be required to submit a No Objection Certificate (**"NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.**

Non-resident shareholders of Petron Engineering Construction Limited should also submit copy of the permission received from Reserve Bank of India for acquisition of Equity Shares of Petron Engineering Construction Limited. Incase of its non – submission, the Acquirer reserve the right to reject such Equity Shares tendered

16. Shareholders of Petron Engineering Construction Limited, other than the Acquirer, PACs, Promoters and Sellers, who wish to avail this Offer should forward the under mentioned documents, by hand delivery on days and during the business hours mentioned below, at any of the collection centres listed below, or by registered post to the Registrar to the Offer, Intime Spectrum Registry Limited, at their office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078. Tel. No.: +91-22- 25960320-28; Fax No. +91-22- 25960329; Email: pecloffer@intimespectrum.com; Contact Person: Ms. Awani Thakkar; so as to reach the Registrar on or before July 09, 2008 (i.e. the date of closing of the Offer).

Name & Address of Collection Centres	Mode of Delivery	Contact Person	Contact No.	Fax. No.
Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078	Hand Delivery & Registered Post	Awani Thakkar	022-25960320	022-25960328-329
Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001	Hand Delivery	Vivek Limaye	022-22694127	-
Intime Spectrum Registry Limited 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hand Delivery	Hitesh Patel	079-2646 5179	079-2646 5179 (Telefax)

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Note: All future correspondence, if any, should be addressed to Registrars to the Offer:., at their office at Intime Spectrum Registry Limited, Unit: Petron Engineering Construction Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078. Tel. No.: +91-22- 25960320-28; Fax No.: +91-22- 25960329; Email: pecloffer@intimespectrum.com; Contact Person: Ms. Awani Thakkar. (Please read clause 10 of the Letter of Offer titled "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT" before filing this form)

Intime Spectrum Registry Limited., 1st Floor, Mahavir Shopping Complex, Above Kids Kemp No. 8 K.G. Road, Bangalore 560 009	Hand Delivery	Arun Kumar	080-32720640 080-41242623 41242624	080-41242623 (Telefax)
Intime Spectrum Registry Limited., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara - 390015	Hand Delivery	Jaydeep Mehta	0265-2250241 / 3249857	0265-2250246 (Telefax)
Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata -700020	Hand Delivery	S.P. Guha	033-22890539/40	033-22890539/40 (Telefax)
Intime Spectrum Registry Limited., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	Hand Delivery	Bharat Kumar Bhushan	011-41410592/93/94	011-41410591
Intime Spectrum Registry Limited, Block No. 202, Akshay Complex, Near Ganesh Temple, Off. Dhole Patil Road, Pune - 411001	Hand Delivery	P. N. Albal	020 -26051629 / 0084	020 -26053503 (Telefax)
Intime Spectrum Registry Limited C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Hand Delivery	Mrs. Solly Soy	044- 2815 2672, 044- 4207 0906	044- 2815 2672 (Telefax)
Intime Spectrum Registry Limited. – C/o Skystock Financial Services, Behind Autofin Showroom, Above Sharavana Bhavan Hotel, P G Road, Secunderabad-500003	Hand Delivery	. Sireesh Terela	040 -65648544/ 65908183	040 -27729082

The Equity Shares can be tendered at the above centres between Monday to Friday from 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm. The centres will be closed on Sundays and any other Holidays.

No document should be sent to the Acquirer or the Manager to the Offer or Petron Engineering Construction Limited.

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER
OPENS ON: June 20, 2008
CLOSES ON: July 09, 2008
LAST DATE FOR WITHDRAWAL : July 04, 2008

To,

Intime Spectrum Registry Limited
Unit: Petron Engineering Construction Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai – 400 078.
Tel. No.: +91-22- 25960320-28
Fax No.: +91-22- 25960329
Email: pecloffer@intimespectrum.com
Contact Person: Ms. Awani Thakkar

Dear Sir,

Sub.: Open Offer to acquire upto 1507680 fully paid-up Equity Shares of Rs. 10/- each of Petron Engineering Construction Limited (Target), representing 20.00% of the Equity Share Capital outstanding 15 days after the closure of offer, for a Total Consideration of Rs. 187.76/- (comprising of Offer Price of Rs. 180 and interest of Rs. 7.67) per fully paid-up Equity Share, payable in cash, by KSS Ltd. ("the Acquirer")

I/We refer to the Public Announcement dated June 22, 2007 and Letter of Offer dated June 12 2008 for acquiring the Equity Shares held by me/us in Petron Engineering Construction Limited. ,

I/We, the undersigned, have read the aforementioned Public Announcement, Letter of Offer including procedure of withdrawal of equity shares tendered by me/us in the Offer as mentioned in Paragraph 10 of Letter Of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

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

I/We note that upon withdrawal of my/our equity 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 at any of the collection centres mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal (i.e. July 04, 2008).

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

I/We also note and understand that the Acquirer will return Original Share Certificate(s), Share Transfer Deed(s) and equity shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively.

SHARES IN PHYSICAL FORM

The particulars of withdrawal of original shares certificates and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
	TENDERED				
1					
2					
3					
	WITHDRAWN				
1					
2					
3					
Total No. of Certificates			Total No. of Equity Shares		

Please attach an additional sheet of paper if the above space is insufficient.

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Acknowledgement Slip

Intime Spectrum Registry Limited,
Unit: Petron Engineering Construction Limited
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078.
Tel. No.: +91-22- 25960320-28, Fax No.: +91-22- 25960329
Contact Person: Ms. Awani Thakkar

FOLIO NO.________________ Sr. No. ________________________
Received from Mr./Ms. ________________________________
Address____

Form of Withdrawal,#___________________ Number of share Certificates for ____ Equity Shares/

Copy of Delivered Instruction to (DP) for ________________ Equity Shares

Delete whatsoever is not applicable

Signature of Official ___________ Date of Receipt _______

Stamp of the Collection center:______________________________________

SHARES IN PHYSICAL FORM

The particulars of withdrawal of original shares certificates and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
	TENDERED				
1					
2					
3					
	WITHDRAWN				
1					
2					
3					
Total No. of Certificates			**Total No. of Equity Shares**		

Please attach an additional sheet of paper if the above space is insufficient.

SHARES IN DEMAT FORM

I/We hold the following Equity Shares in dematerialized Form and tendered the Equity Shares in the Offer through an off-market transaction for crediting the Shares to the Special Depository Account with NSDL - “Escrow Account – Petron Engineering Construction Limited Open Offer”, whose particulars are:

DP ID Number: IN301330; DP Name: Stockholding Corporation; Client ID Number: 20089212; Depository: National Securities Depository Limited

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP.

The particulars of the account from which my/our Shares have been tendered are as detailed below:

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

Address of First/Sole Shareholder: ____

____

Tel. No.: ______________ Fax No.:______________ E-mail : ______________

I/We note that the Equity Shares will be credited back only to that Depository Account, from which the Equity 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 of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed and delivered	**Full Name(s)**	**Signature(s)**	**Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares)/Bank (in case of physical Shares)**
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			
Fourth Shareholder			

Note: In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place :

Date :

Note: All future correspondence, if any, should be addressed to Registrars to the Offer: Intime Spectrum Registry Limited., at their office at:- Intime Spectrum Registry Limited, Unit: Petron Engineering Construction Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078. Tel. No.: +91-22- 25960320 -28 Fax No.: +91-22- 25960329; Email: pecloffer@intimespectrum.com; Contact Person: Ms. Awani Thakkar.

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Note: All future correspondence, if any, should be addressed to Registrars to the Offer:., at their office at Intime Spectrum Registry Limited, Unit: Petron Engineering Construction Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078. Tel. No.: +91-22- 25960320-28; Fax No.: +91-22- 25960329; Email: pecloffer@intimespectrum.com; Contact Person: Ms. Awani Thakkar. (Please read clause 10 of the Letter of Offer titled “PROCEDURE FOR ACCEPTANCE AND SETTLEMENT” before filing this form)